

# **City of Ouray Economic Development Plan**

Janet Armstrong, Gary Brandon, Eric Funk, Joyce Linn, Rick Noll, and Dee Williams

The Community Development Committee of the City of Ouray, CO

## **I. EXECUTIVE SUMMARY**

The Ouray Community Development Committee (CDC) is pleased to present this comprehensive plan with the goal of sustaining and improving the economic well-being of Ouray. The plan is based upon extensive research, conducted both through the community-wide *Ouray 2020* survey and interviews with Ouray's stakeholders and experts in a variety of economic sectors. The plan is also congruent with the goals of the 2004 Ouray Community Plan [1].

The plan is based on the philosophy of preserving our resources and enhancing the potential of our economic strengths. We seek to preserve the combination of natural resources and community spirit that have served us so well in the past. We seek to enhance the scope of our tourism offerings and promotion, while creating economic diversity and vitality in the areas of business entrepreneurship and renewable energy.

Our plan includes a sector-by-sector breakdown into economic clusters, strategies, and goals. We envision meeting the goals set forth in this plan by the creation of ad-hoc Economic Development Work Groups with representation from economic and community stakeholders. We propose that at least one CDC member be responsible for the formation and progress of each of these ad-hoc work groups and that future CDC members be responsible for maintaining these groups as they progress toward their goals.

## **II. INTRODUCTION**

The Ouray Community Development Committee (CDC) is an advisory committee to the City Council and City Administrator of the City of Ouray, Colorado. One of CDC's primary responsibilities is the creation and implementation of a city economic development plan.

The plan presented here is the culmination of approximately two years of work. With the goal of developing this plan, the CDC has obtained opinion from a wide cross-section of the City's populace by a community-wide survey. We have also conferred with experts and stakeholders in many sectors of our local economy.

We believe that Ouray's economic future is bright. We understand that the people of our community and our natural resources are key to our future economic well-being. We seek to promote responsible use of these resources for the benefit of the community as a whole.

### **III. COMMUNITY OPINION**

In early 2006 the City of Ouray's Community Development Committee (CDC) created *Ouray2020* [2], a comprehensive community survey for the purpose of obtaining information from the community reflecting concerns and priorities.

With the help of community stakeholder groups, we were able to obtain input on our community's future from approximately half of the City's population.

Below, we provide a succinct subjective summary of the key opinions communicated to us in this survey.

#### *2020 Opinion Synopsis*

- Housing –The people of Ouray want a diverse community to be able to live and work in Ouray, but without significantly more structures.
- Education – We want to improve and sustain our school, both physical structure and quality.
- Economic Diversification – It is important to have a year-round economy including non-tourist goods and services, to be able to live and work in Ouray year-round, and to see our tourism sector expand to be less seasonal and include other types of tourism.
- Arts – Vibrant arts should be a significant part of our community.
- Preservation – Ouray does not want to compromise our architectural heritage, the natural quality of the environment, nor our small town community-oriented spirit.

### **IV. ECONOMIC DEVELOPMENT VISION**

Ouray has been gifted with a unique combination of astounding beauty and historical character. This unique blend has created a dedicated community that is active in volunteerism, government, economic growth, recreation, the arts, and preservation of our natural resources.

The people of our community together with our natural assets have brought us economic success in the past. Respectful use of these resources for the continuing benefit of the entire community is the top priority of economic development.

#### ***A. Ouray's Identity***

When people ask why things are done a particular way in our City, the answer is often that "this is Ouray." Ouray embodies the independent "can do" spirit of the American West. Ouray has its own means of problem solving. We prefer to use the resources within our own community to accomplish our goals. In the past we have been successful with this mode of operation.

Though we live with risks associated with the mountain environment and economy, this is a community that "feels safe." We tend to leave car doors unlocked and allow our children to play outside. We rely on our volunteer emergency medical service, our volunteer fire department, and our neighbors in the event of an emergency.

Ouray is also conservative, though not according to traditional political boundaries. We are resistant to changes that could compromise our small-town character or natural environment. We do not generally approve new taxes or projects without intelligent debate. Government involvement in the affairs of private land use is frowned upon.

Ouray is “not another Telluride,” nor do we wish to become one. We are often contrasted with our nearest ski-town neighbors. Visitors and locals alike recognize that Ouray conveys an authentic sense of being. While Ouray is home to many affluent citizens, flaunting of wealth, oversized homes, vehicles, and other such displays are typically not evident nor admired. We tend to believe that the character of our town is determined more by the good judgment of our citizens than by architectural codes or government regulations.

Ouray also values its small-town rural character. We are not rushing to pave our streets or bury our power lines. Many of us feel that the challenges we face living in a rural community serve to slow growth and ensure that new residents are respectful of our natural environment. We are concerned that gentrification and continued development will threaten our character and make it difficult for average income people to live here.

Lastly, based on the answers to a variety of questions in the Survey, Ouray citizens highly value both education and the arts. Education was viewed as a top funding priority and the vibrant arts were projected to be a top community value in the year 2020.

### ***B. Ouray's Assets***

Ouray's key assets are its natural resources, its historic character, and its people.

Ouray is blessed to have what many consider “world class scenery.” According to the Survey [2], scenic beauty is viewed as our top economic asset. Views from town as well as those from the Million Dollar Highway and nearby jeep and hiking trails are among the world's most stunning. Ouray serves as a base camp for tourists seeking authentic back country adventure, including hiking, skiing, and climbing. Though these intangibles do not directly generate revenue from any admission fees or charges, few would argue that without these assets we would have little or no tourism industry.

Natural hot springs found in and near Ouray are resources with tangible value. The Ouray Hot Springs Pool is the City's primary source of non-tax revenue, although according to the Survey [2], few residents realize the economic value of the Hot Springs Pool.

Ouray is also renowned as host to the world's first artificial ice climbing park. In just twelve years, the Ouray Ice Festival has grown and attracts top climbers from around the world. The Ice Park contributes significantly to our reputation as an outdoor adventure paradise and has become a major economic engine in our winter tourism season.

Ouray has also been nationally recognized as a historic destination. The City is listed on the National Register of Historic Places. Several buildings, including the Beaumont Hotel and the City Hall building are recognized and listed structures. Few historic mining era towns have such a large stock of preserved and restored historical structures. The Smithsonian Institution calls our Ouray County Museum “one of the best little museums

in the West.” But in spite of national recognition, according to the Survey [2], the economic value of our historical character, along with the presence and events of the museum, is not well recognized in the community as a potential tourism generator.

Ouray’s people are the other portion of our assets. Our non-profit, fraternal and charitable organizations thrive on the generous financial support from the community as well as countless hours of volunteered time. The Survey [2] indicates that we expect volunteerism and community involvement to stay strong into 2020. Our organizations are fueled by a combination of energetic long-time residents and newcomers anxious to share their skills, talents and experience. Active participation in the community is likely the key portion of what we consider our highly valued “quality of life” asset in the Survey [2].

Ouray’s unique character and quality of life also gives us an edge on the type of community that we choose to build. Without any formal recruitment effort, the town has attracted lone-eagles, entrepreneurs, and retired experts in a wide variety of fields. The forward-looking vision of Ouraynet in the 1990s spurred the development of a high quality data infrastructure that is currently being used by our entrepreneurial and Internet-based enterprises.

### ***C. Ouray’s Economic Development Theme – Preserve and Enhance***

Ouray’s priceless natural and community assets clearly put us in a class of our own. Our community has largely been using these assets in a way that is effective and congruent with our identity and values. We believe that future economic development is a matter of building on our success by enhancing the quality and importance of the work that we are already doing with these assets.

Preserve:

- Our natural beauty.
- Our historical structures.
- Our small-town character.
- Our community organizations

Enhance:

- The market range and year-round quantity of our tourists.
- The arts and culture/heritage experience for tourists as well as residents.
- The entrepreneurial and small business environment.

## V. CLUSTERS AND STRATEGIES

### *A. Traditional Tourism Cluster*

A multi-decade effort to promote Ouray as a general recreational tourism destination has been quite successful. The Ouray Chamber Resort Association (OCRA), the City of Ouray, our lodging providers, our merchants, and our community members were all instrumental in this success.

Yet in 2008, we are beginning to ask more specific questions about what type of tourism is most beneficial. Targeted advertising, both in print and online media make it possible to reach new audiences that are seeking very specific types of travel experiences. We can now target the tourists who would most enjoy our offerings, those who will most benefit us economically, those whose presence might enhance our community, and possibly those who will eventually re-locate to Ouray as year-round residents.

Right now our most pressing tourism-related economic need is to attract visitors during the shoulder and off-seasons who choose to stay a while. As of 2007, off-season occupancy rates have dropped to a low 15%. Growing the number of non-summer visitors will allow us to maximize use of our existing facilities and increase the viability of our business community. Instead of spending resources constructing additional rooms to expand the economic picture, resources can be targeted to filling existing rooms in the off-season.

We have proposed some new tourism clusters which we expect to have a lower environmental impact than traditional peak-season tourism. This strategy is in agreement with the Community Plan [1] objectives of minimizing the adverse environmental impact of growth and encouraging land uses that are consistent with conservation of environmental quality and efficient use of natural resources.

**Strategy:** In-season marketing efforts should continue. Facilities improvements as outlined in Section VI should be considered. Collaborative marketing efforts with other communities in the Southwest Colorado region should be considered.

Our new economic development efforts should be focused on the shoulder and off-seasons. The tourists who fall into the tourism clusters that follow are likely to travel year round, have a larger travel budget, and may enhance the community more than the tourists that we traditionally attract in the high season.

One method of building on our traditional offerings while promoting new emphasis areas would be the creation of an “Ouray City Pass.” A Pass could be purchased at the Visitor Center, and establishments throughout the City. The discounted Pass would offer admission to the Pool, Box Canyon Falls, the Museum, and other attractions.

**Goal (through 2020):** Increase the annual number of room-nights 3% and sales tax by 6.5% annually (three year rolling average). Increase the off-season (October through May) room nights to greater than 50% of the total room-nights.

## ***B. Arts and Culture Tourism Cluster***

Ouray is currently home to a vibrant and growing arts and cultural scene. According to our Survey [2], citizens expect the arts to be our top community value by 2020. This is not a surprising result. Active within the City of Ouray there are at least four organizations whose mission is to provide both the visitor and local residents with the opportunity to experience cultural activities. They are OCPAG (Ouray County Performing Arts Guild), WCA (Weehawken Creative Arts), OCAA (Ouray County Arts Association), and OCP (Ouray County Players).

These organizations present their offerings at venues countywide. But in 2007, the arts offerings on Main Street in Ouray received a boost from the reopening of the Wright Opera House. Additionally, several Main Street merchants began their own aggressive schedules of live local music performances. Support from the local community has been strong and music has continued to be offered through the off-season in a variety of formats and locations. If these trends continue, we can expect new events, sponsored both commercially and by our non-profit organizations. We also have another theater not used to the fullest extent possible in a Main Street building that is for sale.

As our arts and cultural scene grows, it has experienced some growing pains. All our organizations would benefit from a central venue as well as a clearinghouse for publicizing their events and applying for grants. In 2008, there is great interest in the possibility of forming an umbrella arts organization and in using the Wright Opera House as the center point for the arts, cultural, and artistic entertainment and exhibitions.

While attendance and support from the local community has helped to expand our offerings, the percentage of out-of-town visitors attending these events has also been on the rise. Though marketing of our arts events to visitors residing outside of Ouray County has been tangential, the results have been impressive. The OCAA reports [3] that in 2007, 70% of visitors to the Alpine Arts Holiday reside outside Ouray County. Of those out-of-county visitors, 43% reside out-of-state.

OCPAG's ability to attract out-of-town attendees is equally impressive; 74% of the participants attending an OCPAG event and/or making a contribution reside outside Ouray County [3]. According to WCA reports, between 15% and 21% of WCA's workshop participants reside outside of Ouray County. Of these out-of-county participants, 15% were from out-of-state. Multi-day workshops conducted by high profile artists attract an even greater percentage of out-of-county visitors.

Even though the base numbers upon which these data are generated are small, the results are significant. This track record, based on their limited reach, indicates the major potential available if a higher level of marketing of their "products" would be undertaken. None of the cited organizations have had adequate budget resources to produce major marketing efforts.

This upward trend in cultural tourism is in agreement with statistics published by the National Trust for Historic Preservation. For instance, 81% (118 million) of U.S. adults who traveled in 2002 were considered cultural heritage travelers [4].

**Strategy:** Ouray needs to continue to capitalize on the cultural tourism trend, improving the cultural experience for our visitors, and publicizing our offerings through a single concerted and expanded marketing campaign. Consistent inclusion of these assets within the overall marketing message of the City, as well as specific marketing of special events will be essential. The development of an arts umbrella organization in order to share physical resources and centralize promotion would be most beneficial.

Since our arts and cultural scene is presently scattered throughout the county, we need to demonstrate the benefit of centering in Ouray. Such benefits could include marketing, logistical, or equipment (stage/sound system) support. Co-ordination with our beautification committee and the promotion of public art (murals, etc.) can be used to further convey Ouray's sense of welcoming the arts and celebrating our heritage.

**Goal (through 2020):** Increase out-of-county participation in arts and cultural events by 5% per year. Ensure that a significant artistic event is occurring every week of the year. Have a significant and growing arts and cultural venue within City limits by 2020.

### ***C. Heritage Tourism Cluster***

According to the National Trust for Historic Preservation, Heritage Tourists are those that travel to experience the “places, artifacts and activities that authentically represent the stories and people of the past and present.” According to studies (e.g. [4]) heritage tourists stay longer in one location and spend more money than other types of travelers. Heritage tourism also has a positive impact on the quality of life of the local community. Ouray's important historical significance as a Victorian era mining city is undisputed. The city and many of our structures are listed on the National Register of Historic Places. Many of our historic mining structures remain intact. The Red Mountain Project has been active in stabilizing and preserving many of the structures in the nearby Red Mountain Mining District.

The Smithsonian has said that the Ouray County Museum, operated by the Ouray County Historical Society (OCHS) is one of the best small museums in the West. In 2007 the museum hosted over 6,000 visitors representing 49 states and 43 foreign countries. The number of visitors was up 18% from 2006. However, at this time, the limited resources of the Ouray County Historical Society are dedicated primarily to maintaining the museum and its artifacts. Additional storage and archival space are badly needed. Therefore, the resources to further promote the museum, and Ouray, as a historic destination must come from the community as a whole, not just OCHS.

Ouray's historical assets and its important place in mining history are now just beginning to be included in our marketing message. But, as the Survey [2] indicated, Ouray's historical significance and the value of its historic structures may not be fully appreciated. For instance, many community members have never visited the Ouray County Museum.

Long term plans to develop a Miner's Heritage Park is an excellent first step in improving the prominence of our history. But greater efforts are needed to promote our history both among locals and potential heritage tourists. Residents and local

organizations must continue to value the preservation of our historic structures and invest in preservation efforts.

**Strategy:** Ouray’s cultural resources are an important part of our identity and must be included prominently in our future marketing tactics. Existing historical events and activities (e.g. Red Mountain Day, Walking Tours, Living History Baseball Game, and museum events and exhibits) should be promoted vigorously and prominently together with our other cultural events. New co-coordinated arts/cultural events such as “living history day” events should be considered and financially supported. We must encourage compatibility of new buildings with Ouray’s historic character and encourage the listing of individual buildings on the National Register of Historic Places.

**Goal (through 2020):** Increase the number of out-of-county museum visitors by 6% per year. By 2020, hold three new annual events that celebrate our historical heritage.

#### ***D. Adventure Tourism Cluster***

Adventure tourism is a new type of niche tourism involving the dominant role of engagement with nature. Adventure tourism invites participants to step out of their comfort zone; typical mountain activities would include mountaineering, backpacking, or rock climbing. Activities are often guided. Adventure tourism offers a more intense engagement with nature than unguided day hiking or jeeping; Ouray already excels with these offerings. Adventure tourists tend to be conservation minded, values that are shared by our residents.

Considering Ouray’s easy access to pristine backcountry wilderness, its world-renowned Ouray Ice Park, and its own local extensive trail system maintained by the non-profit Ouray Trails Group, Ouray should be one of the state’s top adventure travel destinations, capitalizing on existing assets and maximizing our potential for growth in this tourism component.

Adventure tourism need not be limited to “high adrenaline” adventures. Guided hikes (including wildflower, flora and fauna studies), and ropes-course work could be formally offered by our guide services providing that the Forest Service were to allow this by permit. Knowledgeable guided activity and education is more likely to preserve the natural habitat than individuals exploring on their own.

Adventure teambuilding exercises could be offered as a component of conferences and retreats. These are often included in certain corporate group meetings.

While Ouray is known for active tourism (e.g. jeeping), adventure tourism currently accounts for a small part of our economy; our guiding services (e.g. San Juan Guides) and our outdoors equipment shop exist almost exclusively due to this type of traveler. This sector of tourism has been promoted directly by our guiding services and the Ice Park, but as yet has not been addressed to a specific targeted market.

**Strategy:** We should give additional prominence to the existing adventure tourism aspects of Ouray in our marketing efforts.

Adventure tourism emphasizes safe, respectful, and sustainable engagement with nature. The use of guides is essential to achieving these goals. Permits for guiding are issued by the US Forest Service. Thus, we must ensure that the Forest Service understands the importance of permitting additional guided activity, both for the conservation of pristine natural assets and for our economic development. Cooperative planning with the forest service is an essential policy outlined in the Community Plan [1].

**Goal (through 2020):** Offer at least five new types of guided outdoor activity by 2020.

### ***E. Conference and Event Cluster***

Ouray is an ideal location for small conferences, corporate retreats, weddings, and other events. Those attending professional conferences and retreats seldom spend limited personal funds for lodging or food. The expenses of their multi-day stays are generally paid for by an employer and travel budgets are often quite generous. Conferences are frequently scheduled off-season when accommodations and services are most available.

Similarly, logistical support for weddings includes a wide range of additional services, include music, photography, catering, liquor, and floral. These can be a significant source of revenue for businesses in the City.

Though our survey [2] indicated limited support for building a new conference/event center, we already accommodate many weddings, small conferences (50 or fewer), and some larger scale events such as the Ouray Ice Festival. Many of these events occur in the shoulder seasons when facilities are more available and direct air service from key metropolitan areas is most available through the Montrose Regional Airport.

In order to promote growth in this sector without the construction of a new event center, and to ensure that our guests have an excellent experience utilizing existing resources, we need to consider how to adapt current facilities to maximize potential. Existing resources such as the Community Center, Wright Opera House, the historic Elks Lodge building, and the theatre in the Chipeta building can be used for events. Fellin Park is often used as a wedding venue with addition of a tent. Other facilities such as Box Canyon are ideal for weddings and outdoor events, but require significant upgrades to provide appropriate, usable spaces.

All event venues require a well thought-out parking plan. Transportation for events requires planning. Co-ordination of event schedules with flight availability and transportation to and from the Montrose airports would also be beneficial.

**Strategy:** We must target smaller-scale events and groups and handle these with expert care. Hiring an events manager or facilitating an events management service in the commercial sector is essential. A “group sales” effort, to market to group business, especially in our non-summer seasons, should be initiated either within the public or private sectors and appropriately supported.

Likewise, local groups and organizations should plan their event schedules together in order to effectively share our meeting space and volunteer resources. A community events calendar should be planned and maintained. An inventory of available space and

equipment should be developed and maintained. A periodic meeting among groups and organizations would be useful to facilitate this. Local organizations might also provide a resource for entertainment to coincide with group scheduling.

Existing facilities such as the Box Canyon should be improved and parking plans should be developed for all facilities. Creative consideration of other potential spaces might net additional venues.

**Goal (through 2020):** Increase the number of group and/or conference attendee room-nights by 10% per year through 2020.

### ***F. Entrepreneurship and Innovation Cluster***

Our Survey [2] indicated the great importance of developing a year-round economy in a diversity of business sectors. Many new residents in Ouray have already begun this process. Many new residents fit Richard Florida's [5] profile of the "creative-class," a group he views as a resource for economic growth as part of the "Creative Economy."

Ouray's unique combination of incredible beauty, "can-do" spirit, data infrastructure, and inexpensive office space has served to attract a growing loose-knit community of Creative Economy entrepreneurs and innovators. Our entrepreneurs include consulting programmers and engineers, telecommuters employed in technical and non-technical fields, Internet sales-based businesses, stock traders, and professors who continue their research and consulting.

The remoteness of Ouray is not very significant because the delivery of the products produced by these businesses is often not tied to traditional shipping methods. These innovators are more dependent on electronic infrastructure. Our small town life-style often fits the needs of these new entrepreneurs, who can create their businesses independent of large complex facilities. Such innovators often cluster in an interesting physical environment with cultural and recreational opportunities. A community strong in creative arts and recreational pursuits provides the population with whom they prefer to live. In addition, tourism tends to increase in communities who are adopting this type of creative economy approach.

Similarly, many of Ouray's residents are active retirees who concluded their careers at the top of their respective fields. There is a national trend for retirees to consider starting a new career. In short, circumstantial evidence suggests that Ouray may be one of the most educated per capita-communities on the Western Slope, which might lead to additional economic activity if Ouray actively supported start-up ventures.

As we seek to ensure the availability of year-round goods and services and economic diversity, these residential segments (professionals and retirees from professional careers) are ideal. Furthermore, there is evidence [4] that a high concentration of creative residents within a community correlates with economic prosperity. These types of community members would also bring increased buying power, and volunteerism in community organizations.

We are currently in an excellent position to recruit creative people to our community. We have an existing community of entrepreneurs. Our high-speed network capabilities

are more than sufficient for most small and mid-sized ventures-- high-speed, high throughput, and low latency. Our office space is affordable. These practical capabilities are supplemented by the draw of a vibrant small-town feel, extensive recreational activities, and a growing arts and cultural scene, all of which are known to be critical components in re-locating decisions.

Our recruitment position could be strengthened further if the quality of air service from Montrose Regional Airport were improved. Current projections from the Airport indicate the potential for continuously increasing service and eventual expansion. It is important for Ouray to be involved with future regional airport planning. Continued improvements in our education and health care facilities (addressed elsewhere in this plan) would also strengthen our position.

In spite of these benefits and the recent growth of a small creative and entrepreneurial community in Ouray, there has been no formal effort to recruit or retain this segment or the businesses that are associated with them.

**Strategy:** Obtain a 3<sup>rd</sup> party assessment of our business assets, our work force, and our “best-fit” market segments. Promote the development of a diversity of new businesses types across many sectors. (For instance, in 2008, entrepreneurship spans from small high-tech ventures to a small-scale mining operation just outside of the City). Develop a formal plan for recruitment of and retention of entrepreneurs and the creative class. Develop several means of support for creative entrepreneurs. Examples include a business expansion and retention program, personal networking groups, lecture series, incubation programs, maintaining a list of available office space, inclusion of this business classification in Chamber efforts, educational/training programs, and relationships with educational institutions. Publicize the stories of existing new business ventures and entrepreneurial ventures. Ensure the continued health of high quality regional airline service. Continue to promote the recreational and cultural opportunities that serve as attractors of creative entrepreneurs.

**Goal (through 2020):** Attract or create at least two successful new non-tourism based entrepreneurial business enterprises per year through 2020. Increase the percentage of employment in the “professional, scientific, and administration,” sector to 17% by 2020.

### ***G. Well-Being Cluster***

The healing arts and sciences have played a significant role in Ouray’s past. The San Juan Mountains are called the Sacred Mountains of the Ute who considered the hot springs to have sacred healing and restorative powers as well as spiritual significance. From the turn of the 20<sup>th</sup> century through the 1950’s, the hot springs were recognized for their therapeutic benefits. During the mining era, Ouray had its own hospital (now home to the Ouray County Museum). Yet, currently we do not have a single practicing physician with an office in town (though a dental office recently opened). Concern about the lack of adequate nearby medical care was expressed to us in the essay answers of our survey. Medical care will become more of a concern as the population of retirees and families with children increases.

Interestingly, while traditional medical care is difficult to find in the city, there are several examples of holistic and spiritual care, and a significant proportion of our residents value and take advantage of these services. Ouray offers a new yoga studio, spas, and massage therapists just to name a few options. Ouray also hosts retreats for this segment including meditation and yoga retreats. Our recreation center and pool provide additional options for the health-conscious and the proposed Master Plan for that area includes additional potential opportunities.

One might expect to find such holistic options in a city widely known for its hot springs and tranquil atmosphere. But an invitation to visit Ouray for healing, rejuvenation, or a peaceful spiritual retreat is not currently included in our marketing material. Yet, it is these types of services that are extremely appealing to the ecologically minded adventure and cultural tourists, as well as potential year-round residents, whom we wish to attract.

**Strategy:** Include Ouray’s peaceful and health conscious nature, history, and options in our message to future tourists and residents. Create new cross-cluster events that promote these ideas (e.g. off-season music at the Hot Springs, conferences and retreats with this focus, educational programs which attract visitors seeking these attributes). Recruit a physician and other health related professionals to locate their services in Ouray.

**Goal (through 2020):** Maintain at least one practicing physician within City limits. Create at least one new annual event by 2020 to promote Ouray’s health-conscious nature.

### ***H. Housing Cluster***

Our survey shows that affordable housing and education were ranked as our community’s top spending priorities. Community members understand that housing impacts nearly every aspect of economic health and community life and expressed considerable concerns regarding the future ability of residents to afford to live and work here.

High housing costs are manageable when supported by high paying jobs within the economy. However, when a significant portion of housing demand arises from second-home ownership, it is almost impossible for a local rural economy to generate enough year-round economic activity to make home ownership affordable for its working-class residents.

There are several ways of addressing the high cost of housing. Some are low/no cost; others are quite costly.

- Maintain a housing inventory and needs assessment.

Though there is circumstantial evidence to suggest a major affordable housing problem, we need a formal assessment of our available stock of housing and our projected needs. Currently, no clear definitions exist for what type of housing is “affordable,” nor do we clearly understand what types of housing will be needed

in the future (single-family homes, multi-unit dwellings, seasonal, rental, etc.) An inventory and assessment is required in order to do quality long-term planning.

- Develop an affordable housing program.

An affordable housing program can run the gamut from cost-intensive to simply waiving fees. Examples might include: grant-funded construction, guaranteed low interest loans, grants for down-payment, donation of land, or a simple reduction in impact fees for construction that meets certain criteria of affordable.

Our committee invited a discussion with Mike Fedel and Sandy Stoller where the two outlined the framework of an affordable housing contract (for one of Mr. Fedel's properties). This contract may serve as a boilerplate for future affordable housing projects in Ouray.

The details of an affordable housing contract are beyond the scope of this discussion, and probably the Community Development Committee, other than to recommend a working group with an affordable housing focus. The working group should be a countywide effort with all government entities participating, as is currently being considered. However, it is clear that it is essential to define who is eligible to purchase a given affordable home, to verify their eligibility, and to have legal documentation and enforcement authority in place to ensure that a given property remains affordable if resold in the future.

**Strategy:** It is unlikely that the construction of one or two affordable homes here and there will have an impact on the long-term affordability of homes in Ouray. In the long term, a formal program with legal authority to research eligibility and enforce deed restrictions will be required. We need to determine if we have the political will and long-term commitment to begin such a program and how such a program would be funded. The formation of a separate group dedicated to examining this issue and quickly making recommendations would be most beneficial. We need to work with and learn from regional agencies such as the Tri-Agency Housing Authority.

- Promote long-term rental housing.

While Ouray's home ownership costs are high, long-term rental costs are in-line with local economic reality. Rental is an excellent option for residence in this economic environment. Affordable rental space gives a potential home-buyer the option of waiting-out a (potentially) softening home market and allows that person or family to build the savings required for a down-payment on ownership. Rentals are also needed for shorter-term residents such as seasonal employees.

**Strategy:** Strictly enforce existing zoning law. Current R1 zoning prohibits the rental of many properties as short-term guest lodging. Carefully consider how future zoning regulations impact our stock of affordable year-round rental units. Consider incentives for year-round residency in non owner-occupied units, i.e., discounting water/sewer fees for units with proof of a full year (or greater) residential lease.

- Reduce the overall housing footprint.

Geographic constraints limit the availability of land suitable for building; this scarcity contributes to the high cost of housing.

**Strategy:** Given the shortage of land, work with public and private entities to increase the availability of year-round affordable multi-dwelling units.

- Improve quality standards and availability of manufactured housing.

The reduced cost of manufactured homes can offset the high cost of land and provide an affordable housing option at no additional cost to the community. Manufactured housing may be an affordable option for many current and future Ouray residents. It is important to apply strict standards of construction quality (e.g. soffits) that will help promote an attractive appearance.

**Strategy:** Develop quality standards and a strategy to allow additional manufactured housing to be present in the community.

- Zoning.

**Strategy:** Zoning law can have a dramatic effect on the cost of housing. When changes to zoning law are contemplated, their effect on affordability of housing must be a prime consideration. Existing zoning law regarding short-term rentals, for example, must be vigorously and uniformly enforced.

**Goal (through 2020):** Obtain, construct, or identify at least 2 additional homes per year (within City limits) that qualify as affordable to Ouray School teachers and City Employees. Determine the number of available year-round rental units and establish an appropriate goal for the growth in availability of such units.

### ***I. Education Cluster***

According to the Survey [2], education was ranked as one of our community's top spending priorities along with affordable housing. The quality of our education system impacts our economic welfare for generations to come. Some students educated at the Ouray School remain or return to their community in adulthood. Today's students may well be our next generation of business people if our economic opportunities can support that.

Some students could benefit from a stronger vocational education curriculum as a means to continue family owned service related businesses (i.e., plumbing, construction, tourism industry, etc.).

Additionally, the high quality of our education system needs to be a key selling point for Ouray as a place to locate new business enterprises. Quality education for their children is a key attraction for re-locating professionals.

The school building also serves as a potential meeting place for cultural and community events and perhaps could be used even more extensively for groups.

Additional use for community groups could then make the Community Center more available for outside groups.

According to principal Tim Finkbeiner, the Ouray School has the smallest physical footprint in the state. The need for additional space is critical, but hopes of expansion were quelled when a recent bond initiative failed to pass voter approval. The school has faced this setback with a continued determination to provide quality education, and is working to become one of the state's best performing schools. A Strategic Planning Group has been initiated to pursue that important goal.

Survey results [2] indicated strong community support for the school, and it is therefore likely that the bond initiative failed due to some of the complexities of the initiative. The school is now working to promote a better working relationship with the community. Title money and insurance restrictions often make it difficult to open the school for carte blanche community use, and this can strain school/community relations. Some community events occur in the school multi-purpose room and the school hosts (and students operate) the local community radio station. These are excellent starting points for school/community partnerships.

As the Ouray School grows and at the same time increases the quality of its educational program, it must continue to recruit top teachers. When weighing our community's high cost of housing ownership against typical starting teacher salaries, the Ouray School is at a distinct recruitment disadvantage. It is important, then, that Ouray offer some affordable housing options for its teachers or raise salaries.

In addition to public education there is considerable interest in adult continuing education as well as extra-curricular opportunities for school students. For instance, Weehawken Creative Arts currently meets many of these needs. Weehawken's workshops are drawing an increasing number of visitors attracted by the national prominence of the instructors.

These programs also offer a range of opportunities for children and youth, including substantial dance and theater programs. In 2008 these programs have growing enrollments and provide an additional indication of the value our region places on the arts. These classes, as with the adult programs, draw from the region, not just Ouray.

**Strategy:** Foster relationships between the Ouray School, local government, and community groups. Support the schools strategic planning process with their goal of becoming a top-ranked Colorado school. Encourage school participation in community events and promote school events and sports throughout the community. Encourage volunteer participation in a manner which contributes to the educational value. Create an awareness of the unique academic and community accomplishments of this small school. Promote an awareness of the critical nature of high quality education to the economic success of the community, and the value of a healthy school/community partnership. Create solutions to the affordable housing problem to help with teacher recruitment. Cooperate to seek grant opportunities to augment home buying ability for school employees. Create a community partnership in seeking a solution to the limits of the physical space of the school. Help sustain the success and growth of adult education programs such as Weehawken Creative Arts.

**Goal (through 2020):** Obtain top-twelve ranking for the Ouray School. Raise teacher salaries for teachers at the Ouray School and obtain, construct, or identify at least 2 additional homes per year (within City limits) that qualify as affordable to teachers. Help find a facility within the City to house cultural education groups such as Weehawken.

### ***J. Renewable Energy Cluster***

The 2007 Colorado General Assembly set the groundwork for Governor Ritter's vision of a New Energy Economy. The Governor's Energy Office (GEO) is now creating energy efficiency and renewable energy programs "designed to assist Colorado businesses, communities, consumers, homeowners, state employees, public institutions and utilities throughout our great state [6]."

GEO funds have been already been awarded with funding going to projects as diverse as bio-diesel production in the commercial sector, job training for rural area solar professionals, to funding a renewable energy entrepreneurial hub.

Based on our research, no Ouray entities have yet taken advantage of GEO funding. Yet Ouray is a Colorado leader in the area of renewable energy resources. The Ouray Hydro Plant, owned by Eric Jacobsen, is an operational turn-of the century hydroelectric power plant. The plant is capable of providing a sizeable fraction of the City's power needs; though no means exist for the citizens of Ouray to purchase power directly from this plant.

Likewise, Ouray's significant geothermal resources are mostly untapped as an energy source. While the Box Canyon Lodge uses geothermal springs for indoor heating, the City's geothermal springs are used exclusively to warm the Hot Springs pool and heat related buildings. Hot water from our pool is simply released into the cold Uncompahgre River after usage in the pool. A 1979 Department of Energy (DOE) plan includes Ouray in it's geothermal plan [7], and a DOE resource assessment was completed in 1982 [8]; yet our development of geothermal resources has changed little since that date.

Presumably there has been some reluctance to proceed on development of our geothermal resources due to legal questions regarding private land and mineral rights. In the 1980's, the city started a series of test wells around town. A spa claimed damage to their spring flow from the test drilling and the City settled with the spa owner [9]. We feel that this setback should not have halted geothermal development altogether, but that geothermal resource development should proceed with caution and careful legal consideration.

**Strategy:** Promote Ouray's energy resources in the following manner:

- Initiate energy efficiency programs for the City and it's citizens. Promote energy efficient and environmentally sensitive construction and upgrades.
- Publicize Ouray's conservation and renewable energy businesses (geothermal heating, Ouray Hydro, etc.) and include renewable energy in our marketing message.
- Promote the use of GEO funding for renewable energy programs within the City. For example make capital improvements to the Ouray Hydro

plant, or development of a greenhouse to create a local source for fresh produce heated by the Hot Springs Pool outflow.

- Build on our current successes with renewable energy to recruit new renewable-energy entrepreneurs to Ouray.
- Seek grants to support these initiatives, as well as energy efficiency programs throughout the City.

**Goal (through 2020):** Attract or create at least one successful new renewable energy based entrepreneurial business enterprise per year. Begin at least one renewable energy project (public or commercial) per year and bring each project to completion.

### ***K. Resident products/services cluster***

Resident products and services are key to maintaining a high quality-of-life for year-round residents and ensuring that services are available for new businesses. Many of these needs are addressed within other clusters. Obtaining these services and products is implicit to our strategy of obtaining year-round tourism and recruiting new businesses.

#### **Strategy:**

- Groceries - Residents' basic and health needs should be met without requiring a drive to a regional shopping center. The availability of fresh fruits and vegetables and health foods is presently limited but improving. The addition of an in-town farmer's market would be a great improvement to quality-of-life.
- Health care (see "Health and Wellness Cluster").
- Hardware Needs- Though the age of a lumber yard in the city is gone, the availability of basic home-repair hardware (paints, electrical, yard tools) within Ouray is presently limited. Many small businesses also require access to basic hardware.
- Small Office Needs- Basic office needs such as large format printing, copying, and shipping are currently not available or available on a very limited basis. These services will become essential as we recruit new start-up ventures.
- Arts/entertainment (see "Arts and Culture Tourism Cluster").
- Develop a stronger child-care program for working parents.

**Goal (through 2020):** Attract or create each of the following businesses by 2020: Farmer's market, medical doctor, office supply/copy center, and small home/business hardware specialty store. Reduce the number of dormant commercial spaces in our business district.

## VI. BUILDING ON EXISTING STRENGTHS

We seek to build on our success as a summertime tourist destination by increasing the spectrum of market segments of the visitors that we attract and improving the quality of their experience.

We also seek to build on our resources as a vibrant community with top-notch quality of life amenities to recruit new business and innovative entrepreneurs. This will help to promote community life through additional year-round residency and economic diversity.

**Improve Existing Visitor’s Experience:** Ouray already excels at providing an excellent experience for its tourists. Comments consistently relate the care and hospitality with which our businesses and residents welcome and accommodate our visitors. If we hope to increase the range of market segments we attract and increase the quality of the experience that we offer, the following improvements are suggested:

- Create additional, clearly marked public toilet facilities that are open and serviced year-round.
- Designate drop-off and parking areas for busses.
- Improve town to north corridor pedestrian route.
- Offer in-season shuttle service around town.
- Improve bath houses at the pool.
- Improve and maintain tennis and basketball courts.
- Designate and appropriately sign parking areas beyond Main Street spaces.

**Central Event Promotion, Co-ordination, and Planning:** A central/neutral clearinghouse for events planning, and buzz creation is a critical requirement. Arts, cultural, heritage/historical, recreational, and other events need to be compiled at one central point for planning purposes, promotion (Internet/print), and coordination of details. Events may need to be “pulled” from individual organizational calendars rather than expecting them to be “pushed” to the clearinghouse. The following efforts can be undertaken with a wide range of cost and effort:

- Volunteer “Council of Organizations” to oversee a master calendar, plan events and assess needs centrally.
- Hire a full-time Special Events Planner and facility coordinator.
- Develop and promote a free (or almost free) Internet-based calendar and networking site for events planning among organizations.
- Develop and promote a central Internet-based calendar or weblog for events listing and promotion.

- Co-ordinate operation times of restaurants, museum, and business to interoperate with events and tourism demand.
- Consistently communicate with the business community anticipated arrival of groups and their activities.

**New Promotional Activity:** Many new promotional or advertising campaigns have been suggested in various diverse clusters including: adventure tourism, arts/history tourism, group business, and entrepreneurship. These sectors represent new or under-promoted areas of our economy where strengths already exist.

As we begin promotion in these areas on a limited budget, we must maximize our results in several ways:

- Keep local residents involved with new campaigns in order to generate new ideas and to maximize the “word-of-mouth” impact. The “Ouray Marketing Team” is an excellent example this concept in action.
- Include methods of tracking results. Tracking methods may range from the mundane (coupons) to the sophisticated (IP address geographical tracking).
- Develop a comprehensive “tell-a-friend” program to capture the virtually costless importance of word-of-mouth advertising.

**Central Facilities Planning:** Building facilities are of critical importance to the health of our school, our historical society, our arts organizations, City and County government, library, and our future in hosting events. It would be beneficial to assemble a volunteer organization to plan and make recommendations regarding the long-term use, preservation, and upkeep of existing facilities plus defining likely facility needs by 2020.

**New Events:** We need to develop and improve our ability to manage small-to-medium scale events and festivals. Special attention should be given to events that include several economic clusters simultaneously. This will allow us to obtain the critical mass required to make these events (especially off-season) a success. For example, a history day might include music in the park, living history actors at the museum, theatrical historical vignettes in the Wright Opera House, a Victorian tea, and tours of historic houses. Events could be fund-raisers for various organizations involved.

The development of new events will require the following:

- A. Central events planning (as above).
- B. Flexibility and commitment to work through ordinance, insurance, and similar problems that may arise.
- C. New equipment/facilities ranging from mundane to expensive. These may include:

- Staging (risers, band shell, etc).
- Lights and sound equipment.
- Outlets and power (Sixth Avenue, Fellin Park).
- Tents and portable structures.
- Installation of gazebos or other permanent structures (e.g. Box Canyon).
- Additional toilet facilities.
- Additional parking or a better plan for use of existing spaces.

**Innovation and Entrepreneurship:** As our community grows, we hope that our new residents will bring with them new economic opportunities and a commitment to year-round residency. If we do not make a concerted effort in this regard, Ouray may go the way of other second-home single-economy tourism-based towns. Survey responders [2] indicated that while tourism should remain the critical part of our economy, we must begin establishment of other year-round sectors. Ouray already has an active entrepreneurship sector and this should be further promoted as follows:

- Obtain a 3<sup>rd</sup> party assessment of our business assets, work force, and “best-fit” market segments.
- Develop a formal entrepreneur’s business location/relocation package touting our vibrant community life, amenities, digital network capabilities, and business strengths.
- Promote our relocation package via targeted internet/print advertising.
- Maintain a qualified local point-of-contact (person or office) and reliable current data for potential entrepreneurs, a one-stop information and support center for individuals seeking start-up and relocation matters.
- Promote Ouray’s existing entrepreneurial environment and enterprises through newspaper articles, websites, etc.
- Develop a formal non-tourism sector business network.
- Maintain records of office space inventory.
- Develop a recruitment/ambassador program targeted at second home owners.
- Review ordinances and their impact on potential new startup ventures.

## **VII. Implementation**

In the opinion of the Community Development Committee, Ouray is a healthy community with many world-class resources and a growing economy. In order to maintain a healthy level of diverse growth and preserve the quality of life that our residents value, we have developed specific strategies in an array of economic clusters. These clusters and strategies are detailed in Section V.

There are countless practical details required to implement these strategies. In order to implement the specific strategies, the CDC proposes the formation of five volunteer ad-hoc Economic Development Work Groups. Each Group would be adopted by an individual CDC member who would be responsible for the formation and continued progress of the Group. Group members should include stakeholders in the represented economic clusters, hopefully with special knowledge of the content/task of the Group. Groups would meet as required and with respect for members' availability, but at least twice annually.

Table I outlines the proposed structure of groups, cluster areas, and proposed group leader(s) from the current CDC. The job descriptions of each group follows.

### Tourism Marketing

Work with representatives of the Chamber, arts and cultural organizations, the City, and residents to include arts, cultural, adventure, and heritage tourists in Ouray's tourism marketing strategy. Co-ordinate marketing efforts with the Special Events and Volunteers Work Group.

### Special Events and Volunteers

Create and produce a calendar of annual traditional events identified with the assets of Ouray which will add to the quality of life of residents and attract regional and/or national visitors. Coordinate schedule of events created by local organizations. Create additional events and provide leadership and coordination for these events.

Communicate with the business community the schedule and activity details about groups visiting Ouray in order to maximize our hospitality to those groups and capitalize on any economic benefit they provide.

Design a system to identify and publicize needs with which volunteers can assist. Identify a pool of available volunteers and their particular interests and talents. Manage a consistent volunteer appreciation program, acknowledging that volunteers are the essence of Ouray

**TABLE I. Economic Development Work Groups**

<b>Work Group ➔</b>	<b>Tourism Marketing</b>	<b>Special Events and Volunteers</b>	<b>Resources and Facilities</b>	<b>Diversity and Innovation</b>	<b>Grants and Funding</b>
<b>Economic Clusters Represented by Group ↓</b>	Leader: OCRA Rep	Leader: Joyce Linn	Leader: Rick Noll	Leader: Eric Funk	Leaders: Dee Williams & Janet Armstrong
A. Traditional Tourism	●				●
B. Arts and Culture Tourism	●	●	●		●
C. Heritage Tourism	●	●	●		●
D. Adventure Tourism	●				●
E. Conferences and Events	●	●	●		●
F. Entrepreneurship and Innovation				●	●
G. Well-being	●	●			●
H. Housing			●		●
I. Education			●		●
J. Alternative Energy				●	●
K. Residential Products/Services				●	

### Resources and Facilities

Assess current needs and envision future needs to support the goals of increasing the percentage of year-round residents, enhancing the tourism experience, and meeting the needs of a year-round economy. Evaluate current inventory of public facilities and commercial and public properties. Evaluate current uses and identify future needs.

The following facilities and resources should be included in the facilities inventory and needs assessment: Schools, childcare, government offices, museum, library, recreational facilities, cultural venues, adventure facilities, conference facilities, wedding and social event facilities, community meeting space.

### Diversity and Innovation

Manage existing and develop new programs for recruiting and sustaining new business enterprises within Ouray. Maintain an assessment of our business resources, work-force, needs, and “best-fit” market segments. Develop marketing efforts for recruitment. Work with the governor’s energy office to identify funding and cooperative partnerships within the renewable energy sector. Promote Ouray’s present renewable energy efforts.

### Grants and Funding

Manage and continue activity to seek and monitor new funds to improve infrastructure, facilities, marketing, and economic endeavors. Organize a sustained effort to identify projects for which grant money might be available. Search for sources of financial assistance. Assist in writing grant proposals. Assist in monitoring projects and use of grant money, if received.

## **VIII. ACKNOWLEDGEMENT**

The Community Development Committee acknowledges the contribution of Mike Baker, Betty Wolf, and Phillip Hunter. These previous members of the Community Development Committee were instrumental in the development of a vision for this plan.

## IX. References

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