

Economic Development Strategic Plan



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EXECUTIVE SUMMARY

Better City was hired by the City of Raton (the “City”) in January 2019 to assist in conducting economic development initiatives, including reviewing past project recommendations, conducting an economic assessment of the City, and providing strategic project recommendations for further development. Better City’s efforts were specifically targeted toward strategy defined through implementation and was later adjusted to include the creation of this economic development strategic plan.

Raton has several economic development partner organizations, including *MainStreet*, *GrowRaton!*, and the *Center for Community Innovation*. Each of these non-profits has provided significant value to the Community, such as roundtable discussions, beautification and redevelopment efforts, business recruitment, and workforce development and skills training. However, each of these organizations is staffed by volunteers and/or underpaid staff who are supported by grants or through small service contracts with the City. Due to the number of organizations and priorities, economic development efforts lack focus and dedicated resources. Through its engagement, Better City recognized that these organizations needed to be strengthened and that a different approach was needed to drive better results.

Better City began its engagement with a visit to the community between March 4 and March 8, 2019. During this visit, Better City conducted interviews with key stakeholders and toured the community with the City Manager and Mayor. In total, more than 38 one-on-one interviews were conducted, along with several roundtable discussions and participation in a meeting of the local chapter of the Rotary Club, along with a public open house in

which Better City presented its scope of work and key trends highlighted during the first visit.

Key findings and recommendations from the initial assessment and community visit were delivered to the City in March 2019 in a report titled “Market Conditions & Demographic Trends Assessment” (the “Assessment”). The assessment has been added to this report and can be found beginning on page three. Included in that report are strategic recommendations outlining Focus Areas which the City should adopt as economic development priorities. These included workforce development, entrepreneurial infrastructure, outdoor recreation, downtown revitalization, business retention and expansion, and sustainable economic development. This Assessment has been incorporated into the strategic plan and comprises pages 8 through 34 of this document.

Better City returned to the community in May 2019 to meet with the City Commission to lead training sessions on each Focus Area, empowering the commission to better understand basic economic development principles for each area and to provide them with a decision-making framework. Within the context of the sustainable economic development Focus Area, dedicated funding was identified as a needed step to create local capacity for implementation. Fortuitously, a State law was passed in early 2019¹ which allowed the City to dedicate 0.2375 percent of Gross Receipts Tax (GRT) to be used for economic development. The GRT could be enacted through the adoption of an ordinance.

A public meeting was held in June to involve the public in these Areas of Focus and to allow the Commission to have a dialogue with Community members and stakeholders about the desired approach and strategy. In addition to the Areas of Focus, the

¹ New Mexico House Bill 479

commission also introduced the GRT option and how additional funds for economic development would be used to fund activities in the areas of focus and to hire an economic development director. The ordinance for the GRT option was passed by the City Commission in August 2019 and went into effect in January 2020. In late 2019, the City hired an economic development director, thereby creating the local capacity for implementation.

This document expands on the recommendations provided in the Assessment, reflects implementation activities accomplished by the City, and incorporates guidance from the Commission and responses from the public meeting and subsequent visits and discussions with City leadership. This document organizes and details all the activities mentioned above, providing background findings and economic data, strategies for development, and short-, medium-, and long-term goals for each Focus Area. A summary of the short-, medium-, and long-term goals can be found in the goal matrix in Appendix I.

The key findings of the Assessment section (pages 8 through 34 below) are presented briefly in the list below. Each item is discussed more in-depth in the respective section of the report, as shown in parenthesis after each item:

- Colfax County has experienced a significant population decline in the past century, with marginal upticks in population growth between 1970 and 2000 (Population growth).
- There is growth in the retired-age population of the community, especially from in-migration from other areas (Population growth).
- Resident spending is not enough to support a wide expansion of downtown businesses given current incomes and population (Downtown Assessment)

- Historic downtown buildings are simultaneously an asset and a liability for the community (Downtown Assessment)
- The City and County have high rates of people who are not in the labor force, leading to low employment levels (Workforce)
- Government and government enterprises make up the most significant share of the County's economy (Industry Analysis)
- While Arts, Entertainment, and Recreation provides the second-highest number of jobs in the County, it is also the lowest ranking reported industry in total payroll (Industry Analysis)
- The industries which have experienced the largest amount of growth between 2013 and 2017 were "Government and Government Enterprises" and "Accommodation and Food Services" (Industry Analysis)
- The industries which saw the most significant job losses over the period were "Other Services (Except Government)" and "Transportation and Warehousing" (Industry Analysis)
- Regional, not local, factors are helping job growth in most industry categories (Industry Analysis)
- The industries with the greatest concentration are "Forestry, Fishing, and Related Activities," "Accommodation and Food Services," and "Other Services (Except Government)" (Industry Analysis)

INTERVIEWS AND MEETINGS SUMMARY

During the week of March 3rd, 2019, Better City conducted more than 38 one-on-one interviews, several roundtable discussions, and a meeting with the local chapter of the Rotary Club, all of which culminated in a two-hour community meeting. The purpose of this process is to 1) interface directly and build relationships with community leaders and members from a wide range of experiences and backgrounds, 2) hear individual and well as group-based perspectives of community issues and goals, and 3) to find and understand the community's local strategic assets.

Major themes that were brought up during this week are shown in Figure 1. Such common themes include the availability and diversity of human capital, a sense of community and opportunity, and the availability of natural resources.

However, some common issues were also brought up, such as the lack of workforce skills, school district performance, and a general lack of clarity regarding services and programs being offered by the City's disparate foundations, nonprofits, religious organizations, and other groups.

Many of the concerns brought up by the community will be addressed in the following sections of this report. Themes brought out in the interviews and meetings will also guide the economic development strategy described in the recommendations section of the report.



SOURCE: Wordclouds.com, Better City

Figure 1—Interviews and Meetings Word Cloud

DEMOGRAPHICS

Demographic trends are important for understanding the makeup and movement of the residents of the City of Raton (the “City”). An analysis was conducted to examine the City and Colfax County (the “County”) demographic trends with an eye to how they relate to economic development.

COUNTY POPULATION BREAKDOWN

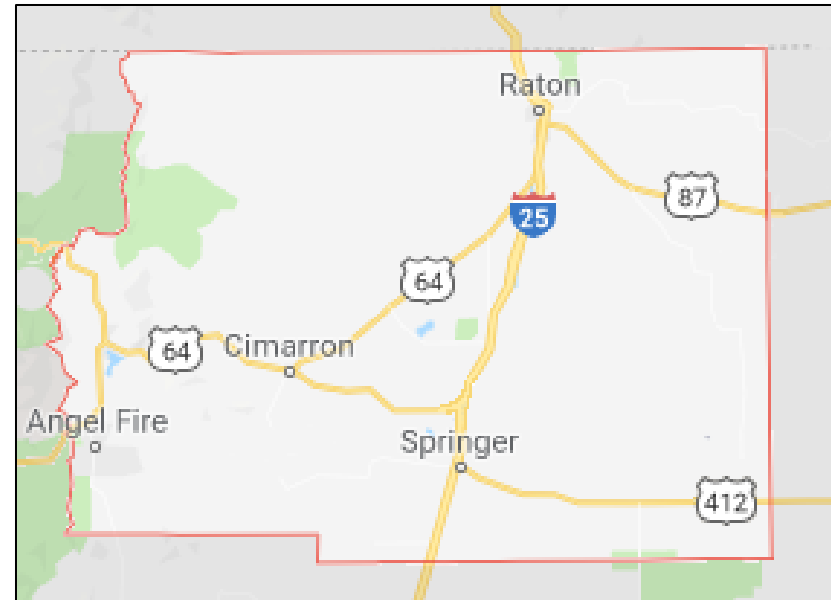
The population of the County is concentrated in and around the City, with 59 percent of the population in the City and the remaining Raton Census County Division (CCD) area. Raton is the only incorporated city in the County and serves as the county seat.

Community	Designation	2017 Pop. (Est.)	% of Total
Angel Fire	Village	1,216	9%
Cimarron	Village	1,021	7%
Remainder	Cimarron CCD	877	6%
Eagle Nest	Village	290	2%
Maxwell	Village	254	2%
Raton	City	6,885	50%
Remainder	Raton CCD	1,177	9%
Springer	Town	1,047	8%
Remainder	Springer CCD	912	7%
Ute Park	CDP	71	1%
Colfax	County	13,750	100%

SOURCE: ACS 2010 Census Summary Profile

CCD = Census County Division; CDP = Census Designated Place

Table 1—County Population Breakdown



SOURCE: Google Maps

Map 1—Colfax County

Just over a third of the County’s population resides in and around towns along U.S. Route 64. These are Springer and its remaining CCD area (15 percent), Cimarron and its remaining CCD area (13 percent), and Angel Fire (9 percent).

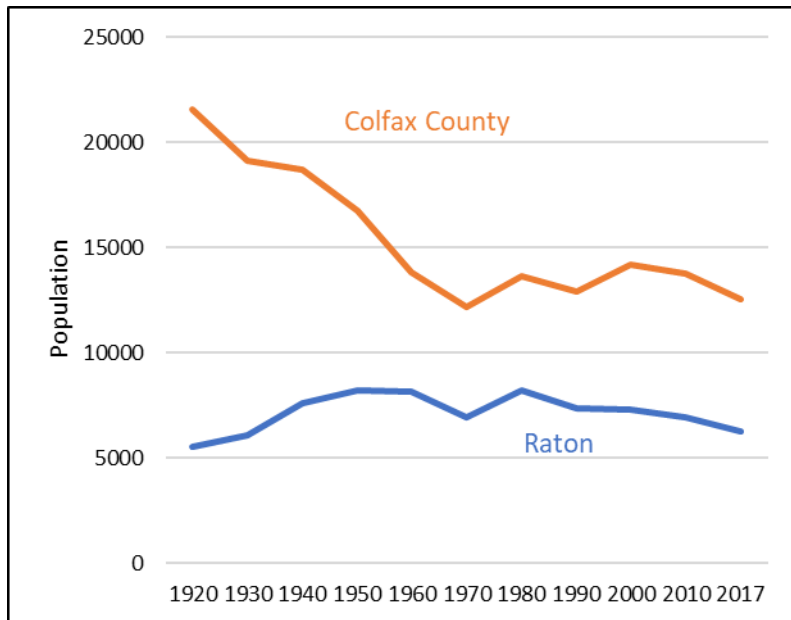
The remaining population lives in smaller communities located in the central and western parts of the County, such as Eagle Nest (2 percent), Maxwell (2 percent), and Ute Park (1 percent).

Map 1 shows the size and shape of the County, with Raton situated near the northern border. The three main thoroughfares in the County are Interstate 25, U.S. Route 64, U.S. Route 87, and U.S. Route 412.

POPULATION GROWTH

Colfax County has experienced a significant population decline in the past century, with marginal upticks in population growth between 1970 and 2000. After 2000, the population began to decline again, but at a relatively slower pace (0.18 percent per year). This decline is likely attributable to a larger national demographic trend, wherein people are leaving rural areas for urban locations.

Population change has been relatively stable within City limits, with a population increase of 13 percent from 1920 to 2017. The current City population is on the decline, however, with a decrease of 24 percent from 1980 to 2017.



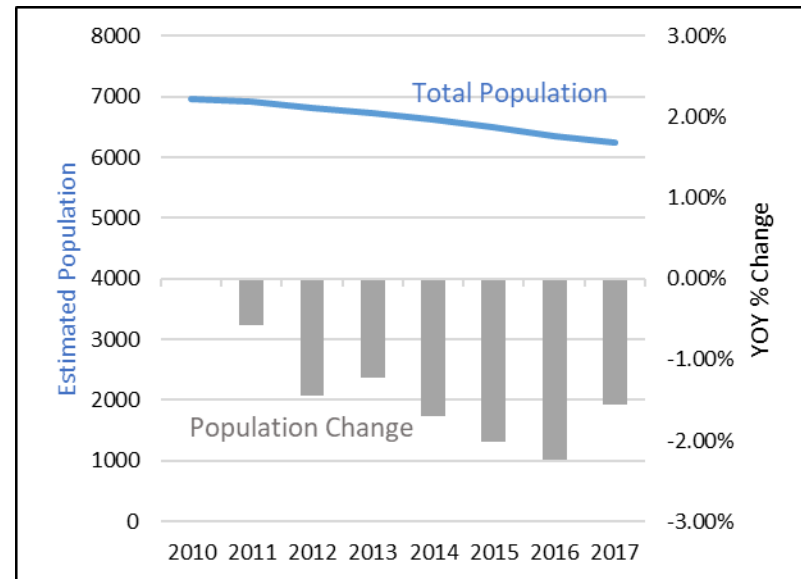
SOURCE: City and Town Intercensal Datasets

Figure 2—Colfax, Raton Decennial Population Trends



Raton

Since 1980, the City has experienced an average of 0.36 percent decline per year.



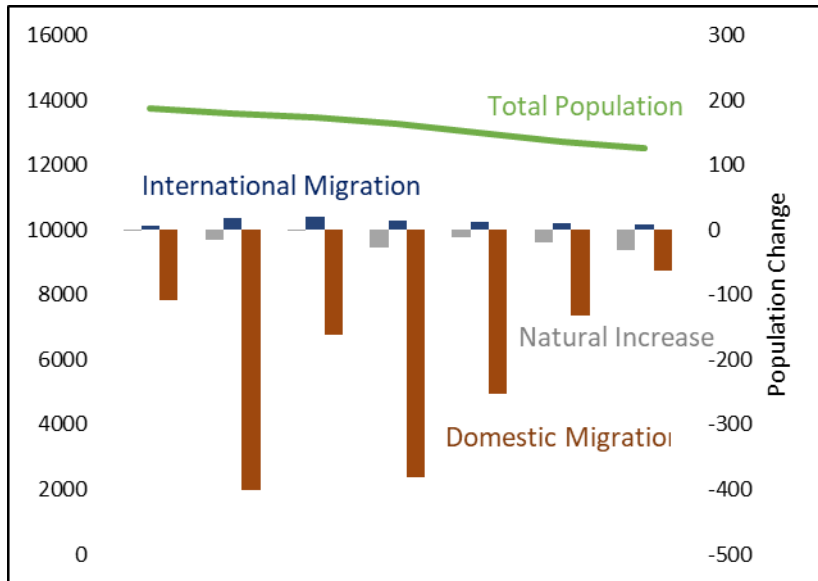
SOURCE: City and Town Intercensal Datasets, 2000-2010, 2010-2017

Figure 3—Raton Population Trends

Colfax County

The County’s population has experienced a consistent decline in the past decade, with an average decrease of 1.29 percent per year between 2011 and 2017. A more specific analysis of the demographic changes shows that, while the County has experienced more deaths than births (a negative natural increase), the loss of population is largely attributable to negative net migration.

City-level data show that the loss of individuals mostly comes from the 25 to 54 age groups (except for a slight uptick in the 30 to 34 age cohort). These percentage change estimates are analyzed in the age comparison section (see figure11).

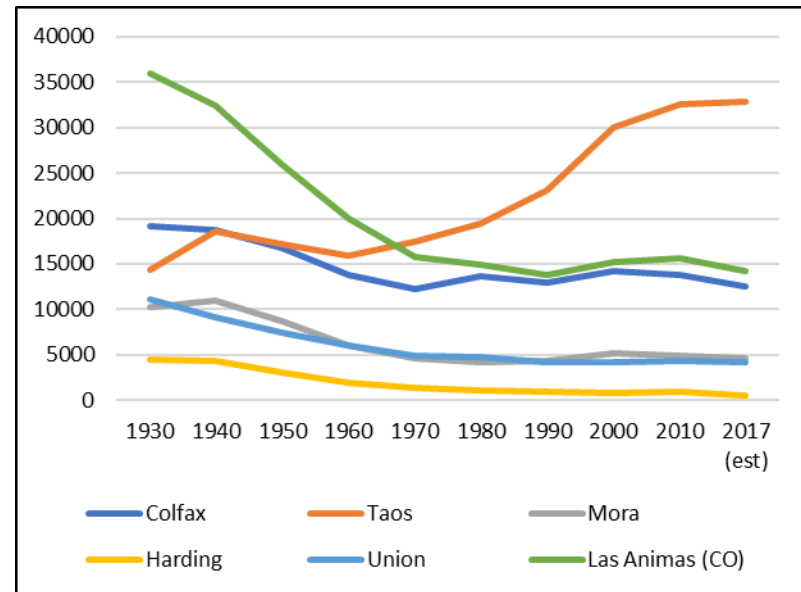


SOURCE: US Census Annual Population Estimates 2010-2017

Figure 4—Colfax County Population Trends

Regional Comparison

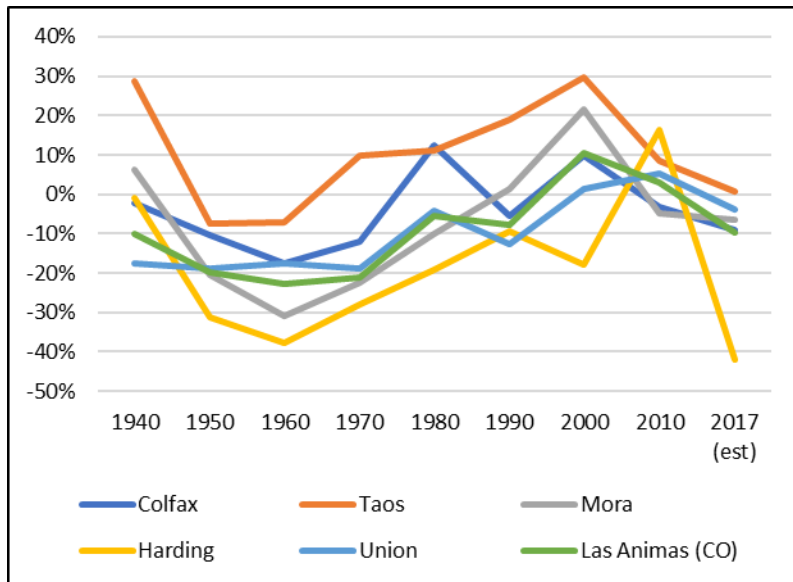
Most of the Counties surrounding Colfax County have also experienced population decline in the last century, although the fluctuation for Union, Mora, and Las Animas has been minimal since 2000. Taos County alone has experienced significant population growth, mostly between 1970 and 2010 (see Figure 5).



SOURCE: US Decennial Census Datasets

Figure 5—Population Growth County Comparison

When looking at percent-growth per decade, similarities in fluctuations are apparent for the overall region. Each county experienced periods of growth in the 1960s and 1970s. Each of the counties, even Taos, have had a decrease in their population between 2010 and 2017.



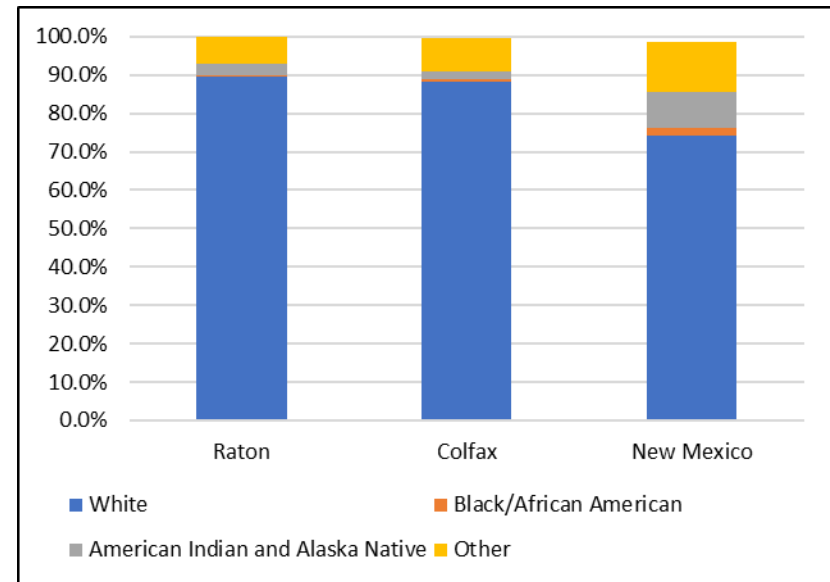
SOURCE: US Decennial Census Datasets

Figure 6—Percent County Population Growth

RACE PROFILE

According to the 2017 Census estimates, Raton is racially homogenous, with almost 90 percent of the respondents identifying as White. The remaining respondents identify as Black/African American (0.4 percent), American Indian (2.9 percent), and other (6.9 percent).

The County has a similar racial breakdown, with 88.1 percent identifying as white, 0.7 percent identifying as Black/African American, 2 percent identifying as American Indian, and 8.8 percent as other.



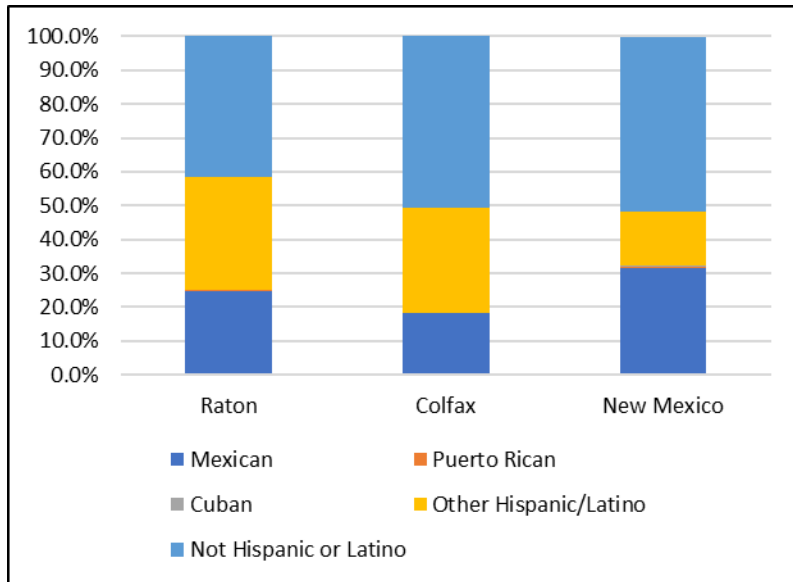
SOURCE: ACS 2017 5-year Estimates

Figure 7—Race Profile Comparison (2016)

Ethnic Profile

Of respondents in Raton, approximately 25 percent identified as Mexican, and 33 percent identified as other Hispanic/Latino. The remaining 42 percent of respondents did not identify as Hispanic/Latino.

In Colfax County, approximately 18 percent identified as Mexican, 31 percent as Other Hispanic/Latino, and 51 percent identified as not Hispanic/Latino (see Figure 8).

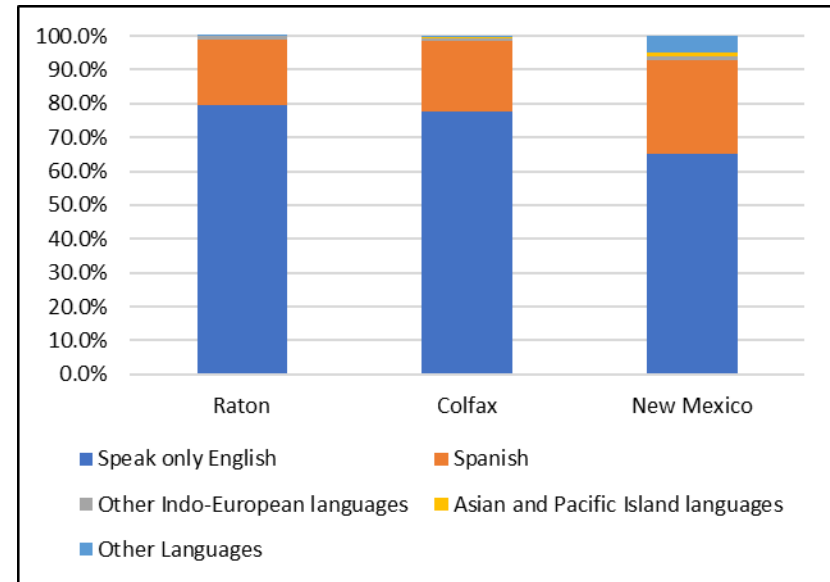


SOURCE: ACS 2017 5-year Estimates

Figure 8—Hispanic/Latino Profile Comparison

LANGUAGE

A large share of the population in Raton (approximately 80 percent) speak only English at home, and the remaining speak Spanish (19 percent) or another language (1 percent). Colfax County has similar language diversity (78 percent speak English, 21 percent speak Spanish, and 1 percent speak another language at home).

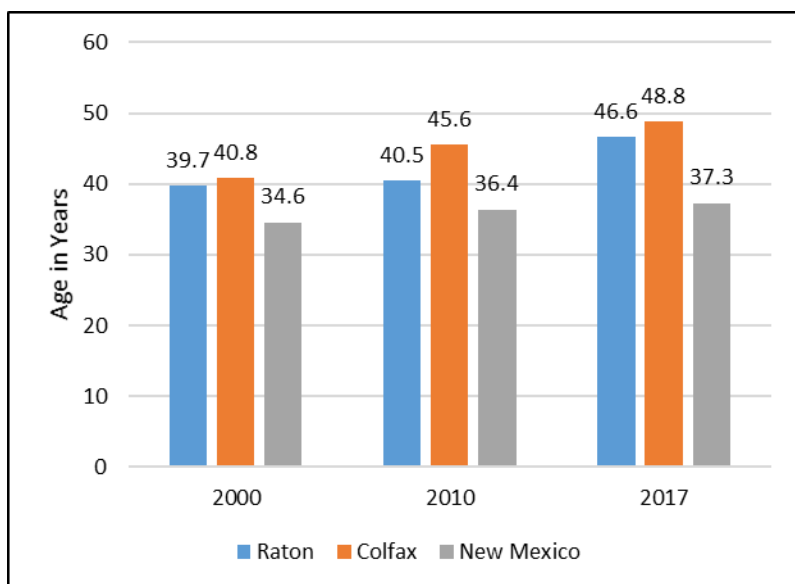


SOURCE: ACS 2017 5-year Estimates

Figure 9—Language Spoken at Home

AGE COMPARISON

Raton's median age has increased over time, from 39.7 in 2000 to an estimated 46.6 in 2017. Colfax County similarly saw an increase in median age between 2000 and 2017, from 40.8 to 48.8 years. The State has grown older over the same period, although with a less extreme change, from 34.65 in 2000 to 37.3 in 2017 (see Figure 10).



SOURCE: US Decennial Census, ACS 2017 5-Year Estimates

Figure 10—City, County, State Median Ages over Time

Raton

The largest share of ages in the City is 60 to 64 years with 16.8 percent of the population, followed by ages 70 to 74 and 75 to 79 (14.3 percent each). The smallest shares of the population demographic are ages 80 to 84 (2.8 percent) and 85 and over (6.5 percent), followed by ages 25 to 29 (8.4 percent) 40 to 44 (9.3 percent) and 30 to 34 (9.7 percent). This is a problem for the community because it means that there are fewer residents in the workforce, compared to the residents who are retired or too young to work. However, it also shows that many retirees are living in the area, and therefore there is likely already age-in-place infrastructure in the area. As was observed in the Raton Downtown Masterplan, opportunities, and attractions to bring

working-age individuals into the community would help reverse this trend (see pg. 13).

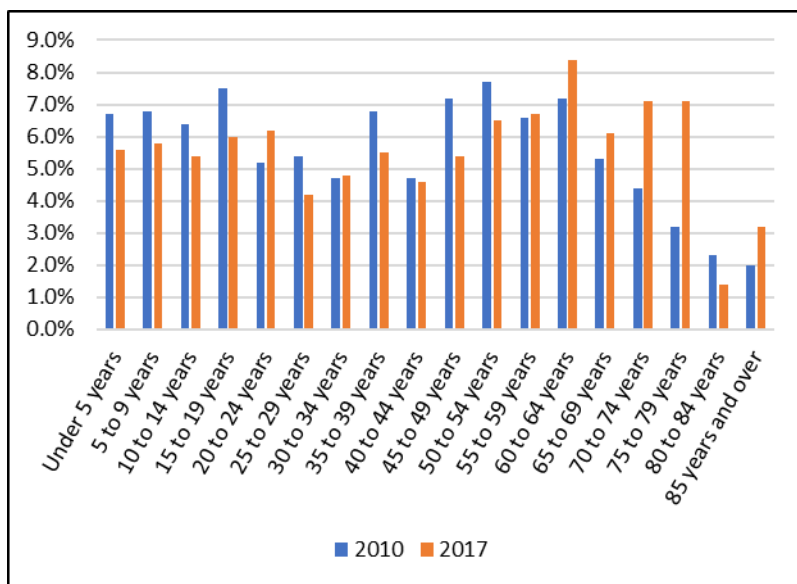
Age	Percent of Population
Under 5 years	11.1%
5 to 9 years	11.5%
10 to 14 years	10.9%
15 to 19 years	11.9%
20 to 24 years	12.4%
25 to 29 years	8.4%
30 to 34 years	9.7%
35 to 39 years	11.0%
40 to 44 years	9.3%
45 to 49 years	10.7%
50 to 54 years	12.9%
55 to 59 years	13.4%
60 to 64 years	16.8%
65 to 69 years	12.2%
70 to 74 years	14.3%
75 to 79 years	14.3%
80 to 84 years	2.8%
85 years and over	6.5%

SOURCE: ACS 2017 5-year Estimates

Figure 11—Raton Age Demographics (2017)

Since 2010, the share of young children under age 5 through age 19 has decreased by 1 to 1.5 percent. The cause of this decrease is likely due to a similar decrease of 1.2 to 1.3 percent in those aged 25 to 29 and 35 to 39 respectively, who may have moved out of the community and taken their families with them (see Figure 12).

The groups representing ages 60 through 79 saw the largest increase over the period. The large uptick in the older age range shows that there has been in-migration of individuals choosing to live in the City after retirement.



SOURCE: ACS 2017 5-year Estimates

Figure 12—Raton Demographic Changes (2010 to 2017)

DOWNTOWN ASSESSMENT

Previous analyses and plans have researched the economic landscape of downtown Raton and identified numerous challenges, opportunities, and goals to make a positive economic impact on the City and its residents. A brief overview of some recurring key points from these plans is outlined below.

DOWNTOWN DESIGNATIONS

Arts and Cultural District

The Raton Arts and Cultural District Plan defines the role of the district as “providing a vibrant and appealing environment is a major factor in retaining young citizens and their families, attracting a well-educated and creative workforce, and positioning the community as a cultural tourist destination” (pg. 2).

Raton Downtown Master Plan further elaborates that the creative community approach “seeks to shift the economy away from declining traditional industries, and grow the arts, performance, music, crafts, film, and other creative industries. This strategy builds upon existing community assets (such as historic buildings and natural scenery) to attract more visitors seeking a unique, “authentic” experience that cannot be found elsewhere. This strategy promises that not only has economic benefits but also improves the quality of life and livability of a place (pg. 43).

Metropolitan Redevelopment Area

Downtown Raton was designated a Metropolitan Redevelopment Area (MRA) in 2015. The MRA designation is an effective tool that empowers the city to promote economic development within the area. “The area includes most of the historic commercial buildings

in the Arts and Cultural District and is the focus of the highest priority projects for the Arts and Cultural District” (Raton Downtown Masterplan pg. 3).

ECONOMIC OFFERINGS

Market Demand, Supply, & Leakage

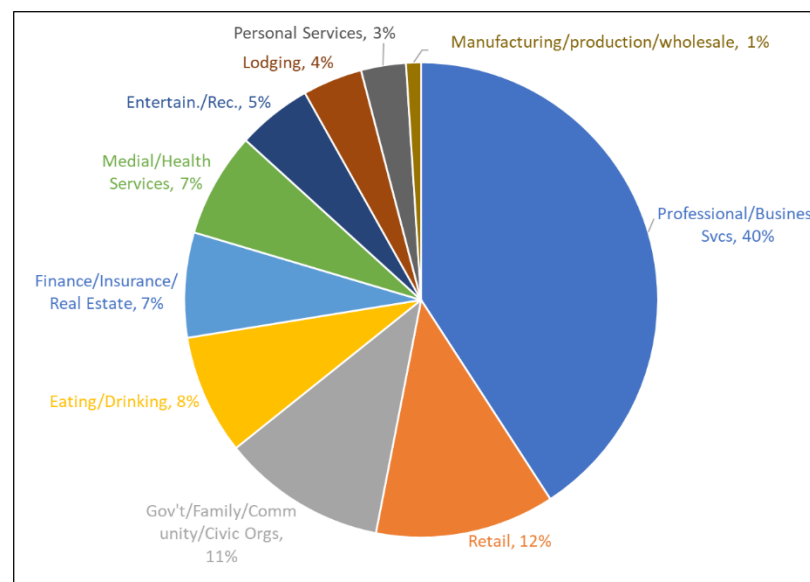
The Raton Market Analysis from 2017 identifies the demand, supply, and leakage for each industry based on their distance from downtown. The overall finding was that there is a surplus in the supply relative to demand in the retail trade and food and drink industries downtown (pg. 9). However, there were also identified gaps that result in leakage in the subcategories. The main source of leakage was grocery stores (pg. 10).

While there is leakage from the retail and hospitality sectors in the downtown area, resident spending would not be enough to support a wide expansion of downtown businesses given current incomes and population.

For the market to support an increase in downtown retail and hospitality offerings, there would need to be additional strategies either to bring tourists to the area and/or to export goods.

Business Landscape

The Business Mix identified in the Raton Market Analysis (pg. 11) is below. Most businesses in Raton were in the Professional and Business Services industry (40 percent). The industries that make up the minority of the businesses were Manufacturing, Production, and Wholesale (1 percent) and Personal Services (10 percent).



SOURCE: Raton MainStreet

Figure 13—Raton Business Mix

Workforce Skills

The Raton Downtown Master Plan noted that the educational attainment levels for residents are lower than those of the State, with 18.3 percent never having received a high school degree, and only 13.7 percent had received a bachelor’s degree.

The population is aging, as elaborated in the demographic section of this report, which impacts the workforce due to a low percentage of working-age adults in the community.

Data from the Raton Downtown Master Plan suggests the following key aspects related to residents’ skills:

1. “Residents’ skills are within the education, legal, community services fields, as well as within service occupations and those related to hospitality.
2. Some of the occupations with the highest degree of specialization remain in the production, transportation, on, and production fields.
3. Although 45 people are estimated to have an “arts, design, and entertainment” occupation, the overall location quotient for this category was slightly lower (0.94) than New Mexico as a whole, indicating that Raton’s residents are not currently specialized in these occupations relative to New Mexico. If this is true, it reflects the slow adoption to a creative economy within Raton.
4. Further, there were no residents employed within computer, engineering, or science occupations. As a subset of the creative economy, these occupations are often a complement to traditional arts and culture-based creative economy jobs” (pg. 46).

Amenities & Events

Raton has a diverse offering of regional and local amenities and events. These are important assets because they add to the quality of life available to residents, which provides an additional reason for people to choose Raton as a place to live, work, and play.

Raton amenities include:

- Shuler Theater
- El Raton Theater
- Isabell Castillo Performing Arts Center
- Old Pass Gallery
- Raton Museum
- Raton Regional Aquatic Center

- Arthur Johnson Memorial Library
- The Raton Convention Center
- Roundhouse Memorial Park
- Heritage Park/Multi-Modal Transportation Center
- Ripley Park
- Bonahoom Park
- Legion Park
- Climax Canyon National Recreation Trail
- Raton Country Club & Golf Course

Regional assets include:

- Sugarite Canyon State Park
- Capulin Volcano National Monument
- Maxwell National Wildlife Refuge
- Philmont Scout Ranch
- Vermejo Ranch Park
- Valle Vidal Unit of the Kit Carson National Forest
- Elliott Barker Wildlife Area
- NRA Whittington Center

and material fields, including material moving occupations, construction and extraction, transportation.

Events hosted by Raton include:

- Master of the Mountain (MOM)
- Down and Dirty (DAD)
- Summer of Color Event Series
- Santa Fe Trail International Balloon Rally
- Run to Raton
- Christmas Festivals
- Gate City Music Festival
- 4th of July Celebration & Balloon

The previous studies did not include visitor count information for the events hosted by Raton. If these numbers are collected, it could prove insightful to see what the attendance is like for each of the events, as well as any information on how effective they are at bringing people into the area. It may also be worth researching what the spending and lodging patterns are for people who attend events in Raton.

Historic Buildings

The downtown buildings are simultaneously an asset and a liability. The age and architecture of many buildings have great historic appeal and contribute to the identity of the City. However, many of the buildings are vacant, and even more require remodeling and repair, for both appearance and structural integrity.

One of the goals in the Strategic Plan Outcomes were “revitalization measures of closed businesses, vacant buildings, and abandoned private properties” (pg. 8).

PREVIOUS RECOMMENDATIONS

Historic Preservation

Historic preservation could help in the process of revitalizing the buildings while maintaining their integrity as historical assets. A part of this process is obtaining certification of buildings as historical landmarks.

Small Scale Projects

Small scale “pop-up” projects were mentioned as ways to use underutilized spaces creatively and economically and to bring people to downtown Raton.

Signage

Wayfinding was a recurring suggestion in many of Raton’s previous plans. The goal of creating wayfinding signage was twofold: to direct people to the downtown area and to help them find their way around while downtown.

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WORKFORCE

For the health of the labor market and the surrounding economy, it is important to have a stable workforce with a wide range of skills and experience. A robust workforce benefits the community because it leads to more citizens that are engaged in civic affairs, independent, tax-positive, and have disposable funds to spend on local services. An analysis of the current workforce was conducted and is discussed in this section of the report.

AGE-DEPENDENCY RATIO

A sustainable ratio between dependents and workers is important for a healthy economy. Some age groups, such as children and retirees, contribute to the economy through purchases of goods and services but do not contribute to the economy through labor and entrepreneurship. An age dependency ratio is good at highlighting these shares to make sure that a proper balance is achieved. The ratio is calculated by showing how many working-aged adults (ages 16-64) are supporting children and retirees.

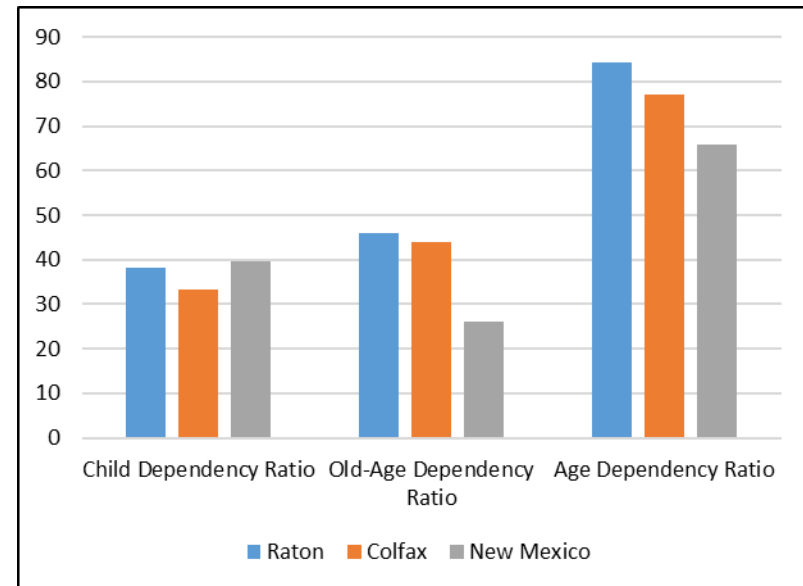
The age dependency ratio is calculated by dividing the amount of the dependent population (ages zero to 14 and ages 65 and greater) by the amount of the population in the “productive ages” (ages 15 to 64). It is expressed as the following formula:

$$\frac{(\text{Population ages } 0 - 14) + (\text{Population ages } 65+)}{\text{Pop. ages } 15 - 64} \times 100$$

The formula can also be used to determine the child dependency ratio or the old-age dependency ratio by excluding the factor in

the equation. There is not a target ratio amount; rather, the ratio is valuable in showing trends or pressures in a population over time. A child dependency ratio of 50, for example, would mean that for every 100 adults, there are 50 children dependent on them.

For both Raton and Colfax County, the old-age dependency ratio is quite high, 46 and 44, respectively. In comparison, the State of New Mexico has an old-age dependency ratio of 26.1. The child dependency ratio in Raton, on the other hand, is just less than that of New Mexico, 38.2, and 39.6, respectively.

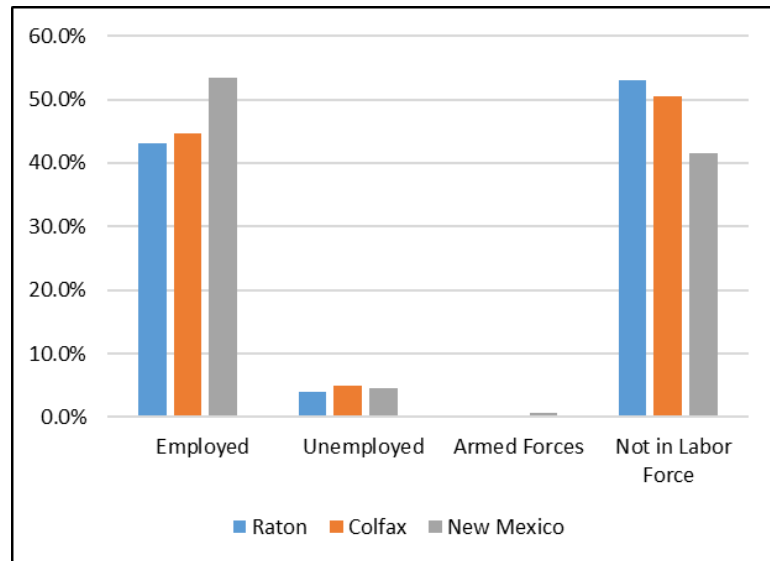


SOURCE: ACS 2017 5-year Estimates

Figure 14—Dependency Ratio Comparison

EMPLOYMENT STATUS

According to the most recent estimates, less than 45 percent of working-age adults in Colfax County is employed. The estimate is similar for Raton, at 43 percent employed. These figures are lower than both the State (53.5 percent) and National (58.9 percent) estimates (see Figure 15).



SOURCE: ACS 2017 5-year Estimates

Figure 15—Employment Status Comparison

Economists traditionally define an economy at full employment when the unemployment rate is at five percent. Colfax County is at 4.9 percent, which means that it is at or near “Full Employment.”

“Unemployed” represents the segment of workers age 16 and above who are willing and able to work but are not yet employed. With such a small share of these types of workers in the County, it

may be difficult for new businesses to find employees from the current labor pool. New businesses will need to:

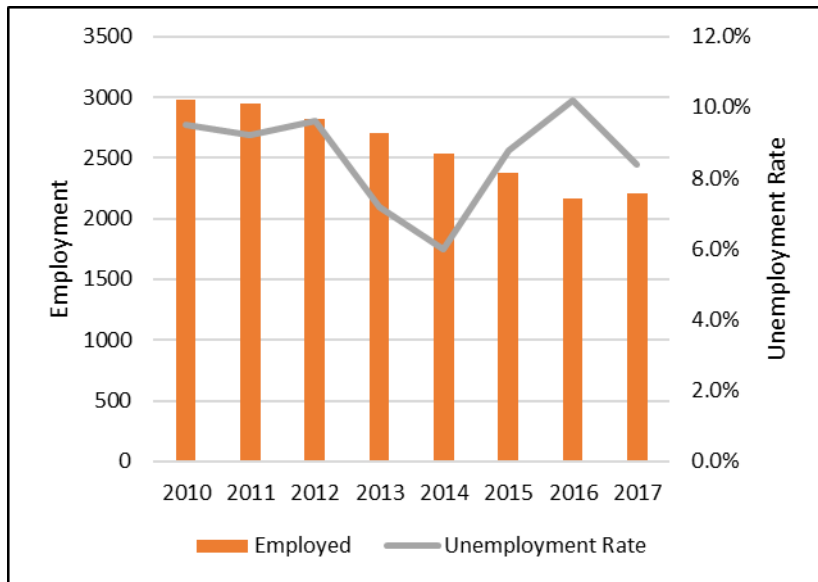
- 1) Search for workers in the “Unemployed” segment, which only represents 4.9 percent of the County and might be too limiting.
- 2) Pull workers from the “Not in Labor Force” segment.
- 3) Hire workers from outside the County and bring them in.
- 4) Take workers from other employers in the County by offering better wages, better benefits, or both.

All four of these options are expensive since it requires extra effort from the business to secure good labor. This is good for workers since it means they can secure higher wages and benefits, but it also makes it more difficult for small or new businesses that are trying to establish a presence in the community.

UNEMPLOYMENT RATE

Raton City has experienced some fluctuation in the unemployment rate in the last decade. From 2010 to 2014 it dropped from 9.5 percent to 6 percent, then by 2016 it was up to 10.2 percent, and then dropped back down to 8.4 percent in 2017. The large fluctuation in the rate, as shown in Figure 16, is expected for such a small community. A gain or loss of 1 percent in the rate can occur because of the gain or loss of just 25 jobs, for example.

More importantly, total employment has dropped steadily each year since 2010, representing an estimated loss of 763 workers within that time. This is concerning given the current tightness of the labor market. It can be assumed that those who would be considered unemployed—such as those who are laid off or injured or have other needs which stop them from working for a time—choose to leave the area rather than staying and looking for a new job locally.



SOURCE: ACS 2017 5-year Estimates

Figure 16—City Employment and Unemployment Rate

LARGEST EMPLOYERS

The largest employers in the County and the number of individuals they employ are provided in Table 2. The largest public entity is the Miners Colfax Medical Center, and the largest private entity is the Philmont Scouts Ranch (although the latter is only open seasonally).

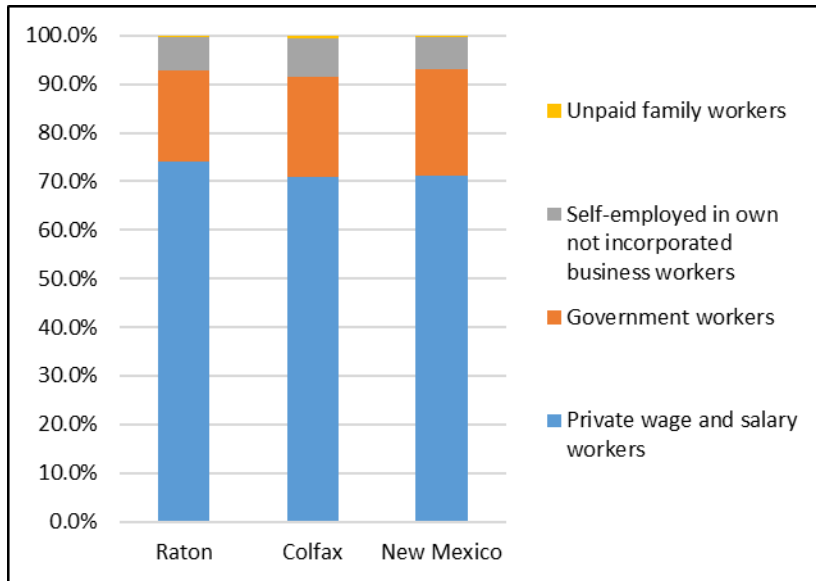
Largest Employers in Colfax County	
Philmont Scouts Ranch (Seasonal)	500-999
Miners Medical Center	300
Angel Fire Resort	250-499
State of New Mexico	207
Raton Schools	121
Colfax County	115
City of Raton	86
Cimarron Schools	64
Town of Angel Fire	52
US Government	45

SOURCE: New Mexico Partnership

Table 2—Colfax County Largest Employers

TYPE OF WORKER

A significant share of the County’s workforce is employed by a private entity (71 percent). The remaining are employed by a government entity (20.5 percent) or are self-employed (8 percent). This mirrors the State’s breakdown, except that in the State of New Mexico the share of government is smaller while the share of self-employed is larger.



SOURCE: ACS 2017 5-year Estimates

Figure 17—Class of Worker Comparison

INDUSTRY ANALYSIS

This section analyzes industry trends and measures the industry clusters in the City and the County by the number of jobs as well as the economic value provided by payroll estimates. An industry cluster analysis and Location Quotient analysis was also performed and are described in detail.

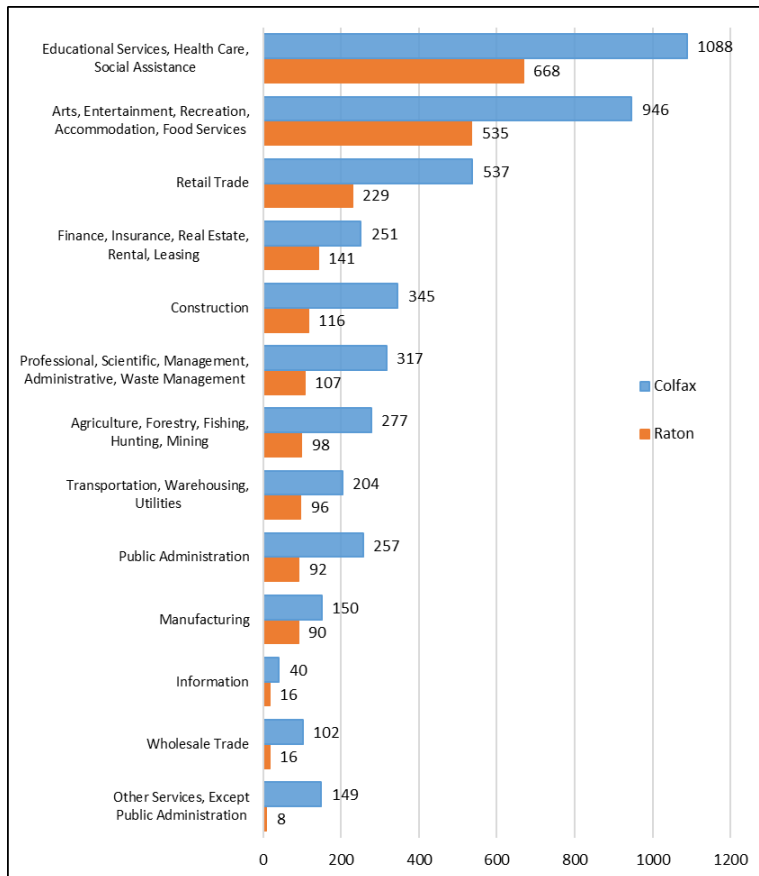
INDUSTRY CLUSTERS BY JOBS

The American Community Survey (ACS) estimates that the County has a total of 4,663 jobs. According to estimates provided by ACS, approximately 55 percent (2,571 total) of the jobs in the County are in the County’s three largest clusters.²

The “Educational Services, Health Care, and Social Assistance” cluster represents the largest number of jobs in the County (1,088 jobs), followed by “Arts, Entertainment, Recreation, Accommodation, and Food Services” (946 jobs) and “Retail Trade” (537).

² Estimates from the Bureau of Economic Analysis may differ from Census estimates due to differences in the way BEA analyzes economic data. Not all industries are represented by the data. Some industries do not have enough workers or businesses represented so the data was suppressed to prevent personally identifying information. The industries that

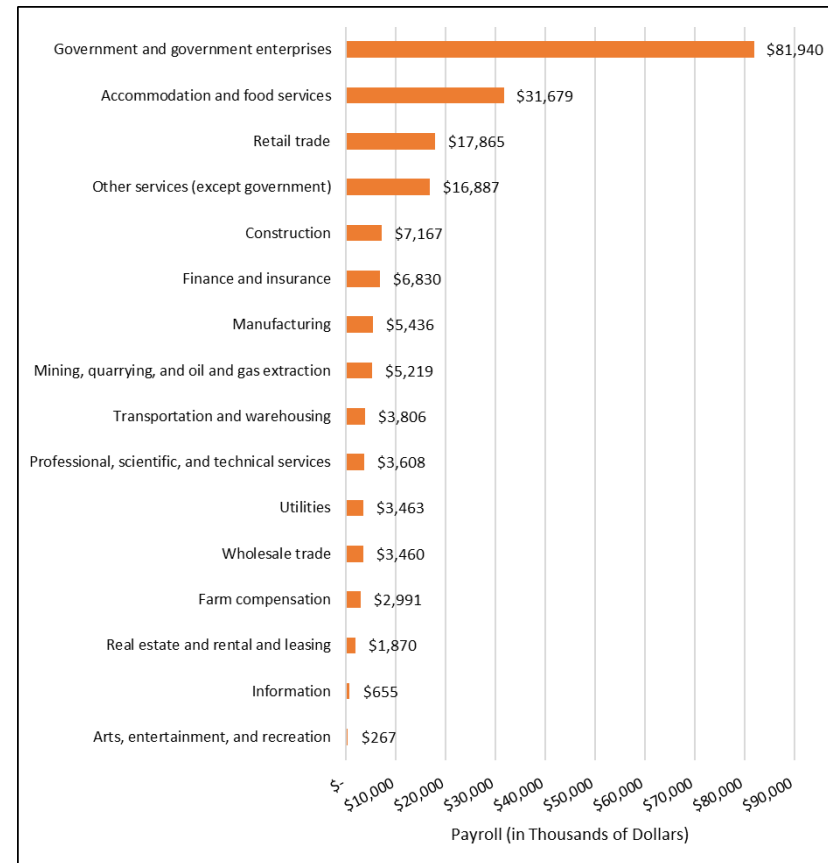
were suppressed in this report include Administrative and Support and Waste Management and Remediation Services; Management of Companies and Enterprises; Educational Services; and Health Care and Social Assistance.



SOURCE: ACS 2017 5-year Estimates; Not all industries represented (see Footnote 2)

Figure 18—Number of Jobs by Industry Type, 2017

Not all jobs have the same economic value for the community. Figure 19 shows the economic value of the industry clusters by payroll. A larger payroll value means that a given industry contributes more to the economy since incomes turn into local spending.



SOURCE: Bureau of Economic Analysis BEA; not all industries represented (see Footnote 2)

Figure 19—Total Payroll by Industry, 2017

The larger the payroll value, the more reliant the County's economy is on the industry. According to estimates from the Bureau of Economic Analysis (BEA), the employment in Government and Government Enterprises makes up a significant share of the County's economy, equaling 42 percent of total payrolls, dominating all other clusters in economic value. The

Accommodation and Food Services cluster is the second-largest, which makes up about 16 percent of total payrolls.

It is interesting to note that while the Arts, Entertainment, and Recreation industry provides the second-highest number of jobs, it is the lowest ranking reported industry³ in total payroll for the county. Raton has an interest in moving away from traditional industries and growing the arts, performance, music, crafts, film, and other creative industries, and as this trajectory is pursued strategies need to identify ways the Arts, Entertainment, and Recreation industry produce higher economic returns per job than is currently recognized.

INDUSTRY CLUSTER ANALYSIS

The County's industry clusters were analyzed using the shift-share and location quotient methodologies. The analyses will be described in detail, followed by an analysis of what they mean for the County's economy.

Overview

Shift-share analysis is a method of dissecting job growth into its parts. This helps to better understand the factors contributing to growth. The following are components of the analysis:

State Share

The portion of job growth that can be attributed to general economic growth throughout the State. It is calculated by multiplying the number of jobs created in each industry by the State's overall growth rate. For example, a change in the real

estate agents may be the result of the State's overall economic growth (or decline), and not because of local industry or regional trends.

Industry Share

The industry share represents the portion of job growth that is attributable to the industry's state-wide expansion or contraction. It is calculated by multiplying the number of jobs in the County at the beginning of the period (2013) by the State's growth rate for a specific industry and taking out the State Share. This share shows expansion or contraction trends for a given industry that cannot be explained by the State Share.

Regional Share

This is the most important component of job growth for the local analysis. It is calculated by subtracting the industry share and the state share from the total number of jobs gained or lost in the selected industry at the local level. This highlights the change in employment that is attributable to the County's economic conditions. Regional shares highlight aspects of the region that may be working with or against the other trends and can reveal the strengths or weaknesses of the area for selected industries.

Total Job Change

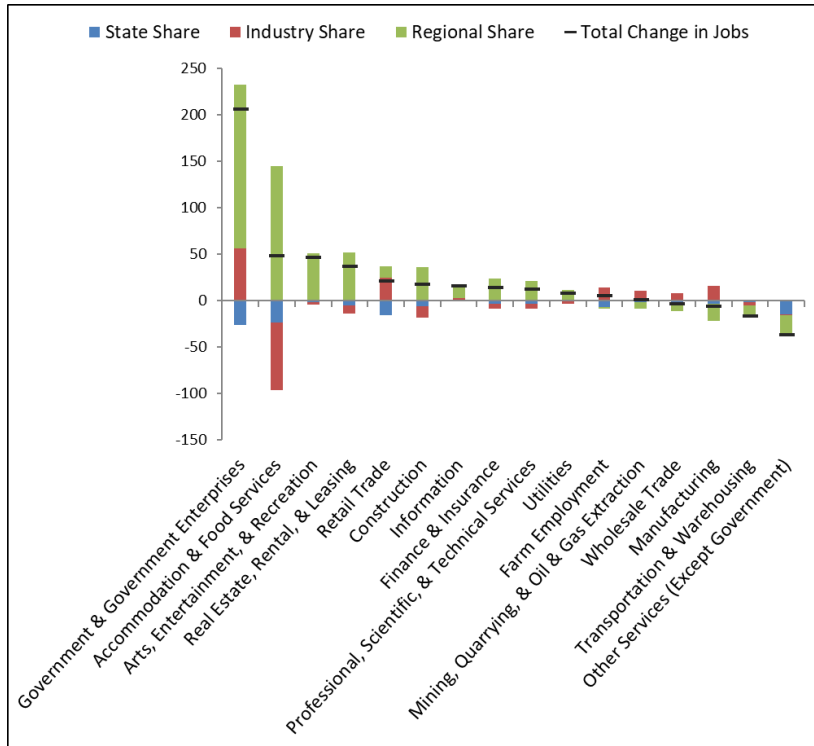
The total number of jobs (full-time and part-time) gained or lost in an industry during the period analyzed (2013-2017). This number is based on estimates provided by the Bureau of Economic Analysis (BEA).

³ Note that there are four industries not represented which likely rank lower. To avoid disclosure of confidential information the BEA withheld payroll information for Management of Companies and Enterprises,

Administrative and Support and Waste Management and Remediation Services, Educational Services, and Health Care and Social Assistance.

Shift Share Analysis

According to BEA estimates, the industries which have experienced the largest amount of growth between 2013 and 2017 were “Government and Government Enterprises” (206 jobs) and “Accommodation and Food Services” (48 jobs). Growth in both industries was largely due to regional factors.



SOURCE: BEA, Better City

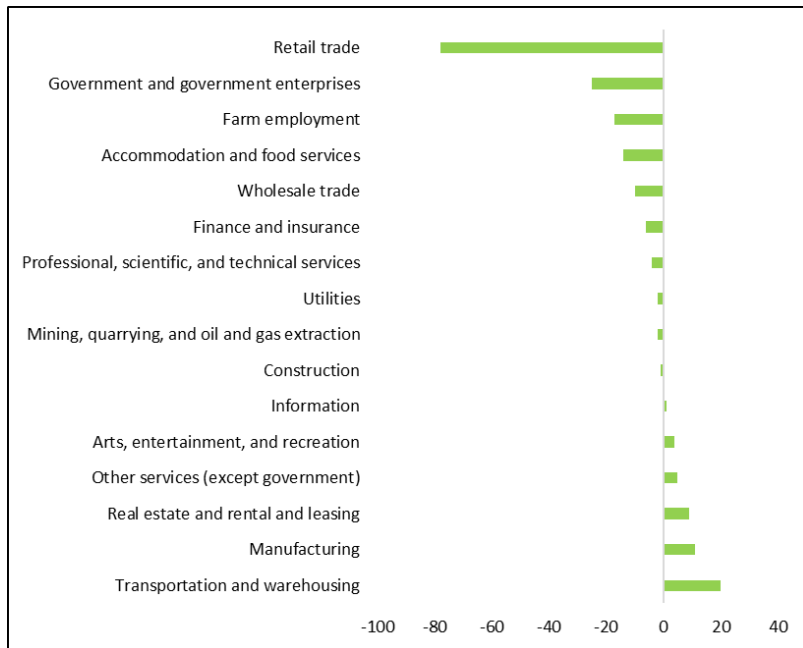
Figure 20—Colfax County Shift Share Analysis (2012-2016)

The industries which saw the most significant job losses over the period were “Other Services (Except Government)” (37 jobs) and “Transportation and Warehousing” (17 jobs). The decline in these

industries is a combination of regional, state, and industry factors. The next lowest category is “Manufacturing” (6 jobs) which has declined in the region and the state despite the fact the overall industry is growing. It may be worth considering ways to address the regional loss in this industry.

Regional Analysis

Looking at the region-specific aspect of job growth reveals the County’s strengths and weaknesses in terms of industry performance. Some of the industries which have decreased overall between 2013 and 2017 have experienced a small uptick between 2016 and 2017. These include “Manufacturing” and “Transportation and Warehousing” (see Figure 21).



SOURCE: BEA, Better City (data for some industries repressed to protect confidentiality)

Figure 21—Regional share in Job Growth (2016-2017)

Regional factors are helping job growth in most categories, in some cases despite a decline in the State overall. The County should prioritize an effort to continue any efforts which may have contributed to the recent growth in these industries.

EMPLOYMENT LOCATION QUOTIENT

An employment location quotient (LQ) analysis is a method of quantifying the concentration of an industry cluster in an area when compared to the State averages. This tool allows the County to see if it has a highly-concentrated cluster it can leverage for future economic growth.

The LQ is calculated as shown below:

$$\text{Location Quotient (LQ)} = \frac{\text{Local Proportion}}{\text{State Proportion}}$$

Where the local and state proportions are calculated as follows:

$$\text{Local Proportion} = \frac{\text{Employees in the County in Industry X}}{\text{Total \# of Employees in the County}}$$

$$\text{State Proportion} = \frac{\text{Employees in the State in Industry X}}{\text{Total \# of Employees in the State}}$$

For example, there were approximately 1,189 employees in the “Accommodation and Food Services” industry in Colfax County in 2017. This cohort represents 19.9 percent of the County’s total 5,951 employees estimate in the same year. For the State, the share of the “Accommodation and Food Services” industry to total State employment was significantly lower, at a mere 8.4 percent. Dividing the former number by the latter equals 2.35. This means that the “Accommodation and Food Services” industry is approximately two times as concentrated in Colfax County than it is in the State as a whole. An LQ of 1.0 indicates that the local concentration is in parity with the State.

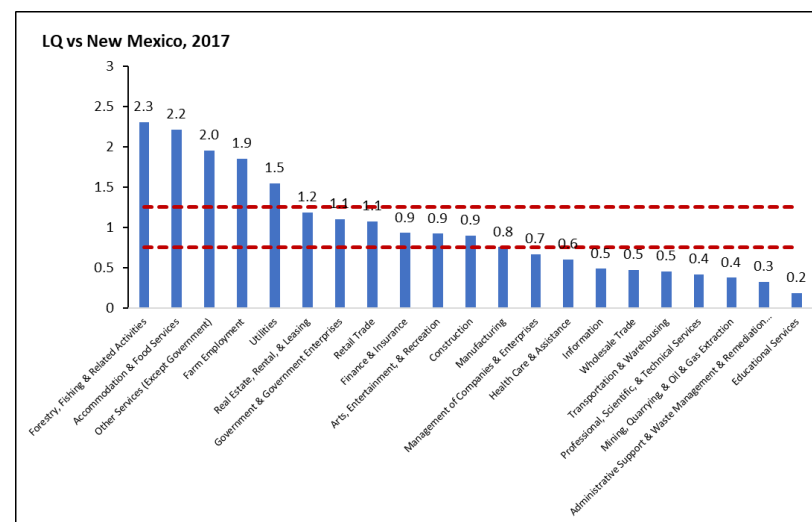
Industries with LQ values greater than 1.25 are typically beneficial to the local economy because they become export-oriented, providing a good or service from the County that goes to customers outside of it. These industries not only provide jobs locally but also have a multiplier effect, creating jobs in other industries that are dependent on the concentrated industries. An LQ value that is below 0.75, on the other hand, is an industry that has very low concentration and is typically unable to serve local

demand, resulting in a “leakage” of goods and services outside of the County.

Colfax Location Quotient Analysis

According to Figure 22, the industries with the greatest concentration are “Forestry, Fishing, and Related Activities,” “Accommodation and Food Services,” and “Other Services (Except Government).” These represent significant industry sectors to the County and should be viewed as the County’s economic base.

The industries which fall below the 0.75 threshold may have a regional disadvantage that needs to be mitigated. It may also represent industries that have room to grow and which could likely be supported by the local economy. Industries that fall far below the threshold often represent the low-hanging fruit in terms of reducing economic leakage. These industries should be targeted first.



SOURCE: BEA, Better City

Figure 22—Colfax Location Quotient Vs. New Mexico, 2017

INDUSTRY CLUSTER MATRIX

Shift Share, location quotient, and wealth creation measures can be combined into a simple matrix that provides a more comprehensive view of the County’s economy. The method used in this report plots industries in a two-by-two matrix using normalized LQ estimates on the x-axis and the regional shift on the y-axis. The graph also adds a bubble size to represent total payroll, a proxy for the industry’s wealth generation for the County.

The graph can be interpreted according to where the point is placed in comparison to the origin as well as the relative size of the point. The interpretation for each quadrant is listed below:

Quadrant One: Industries in this quadrant are concentrated in the region and are growing due to regional advantages. Large

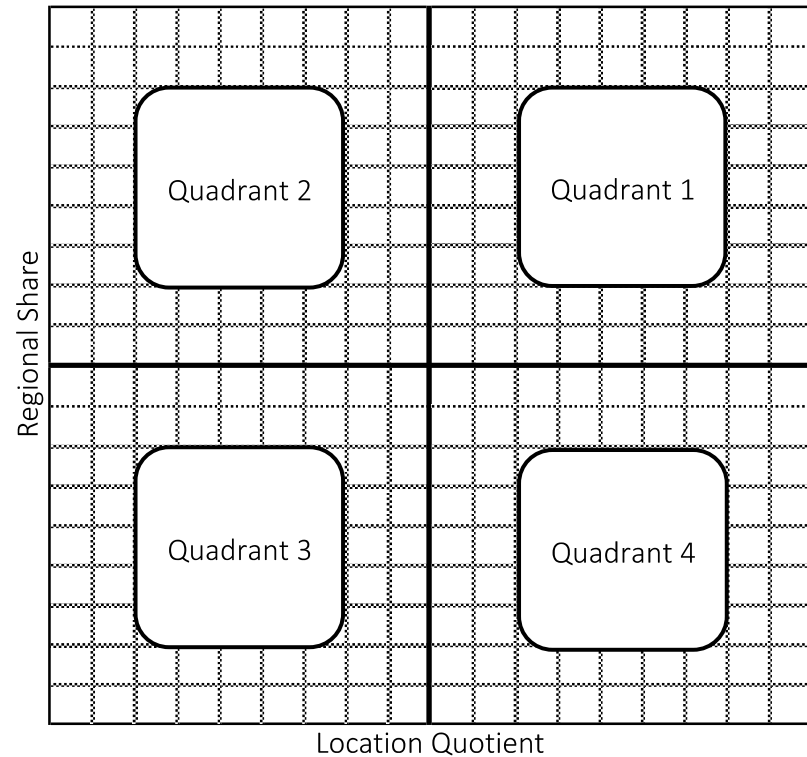
industries in this quadrant distinguish the regional economy as they increase workforce demand. Small industries in this quadrant are possibly emerging exporters that should be developed.

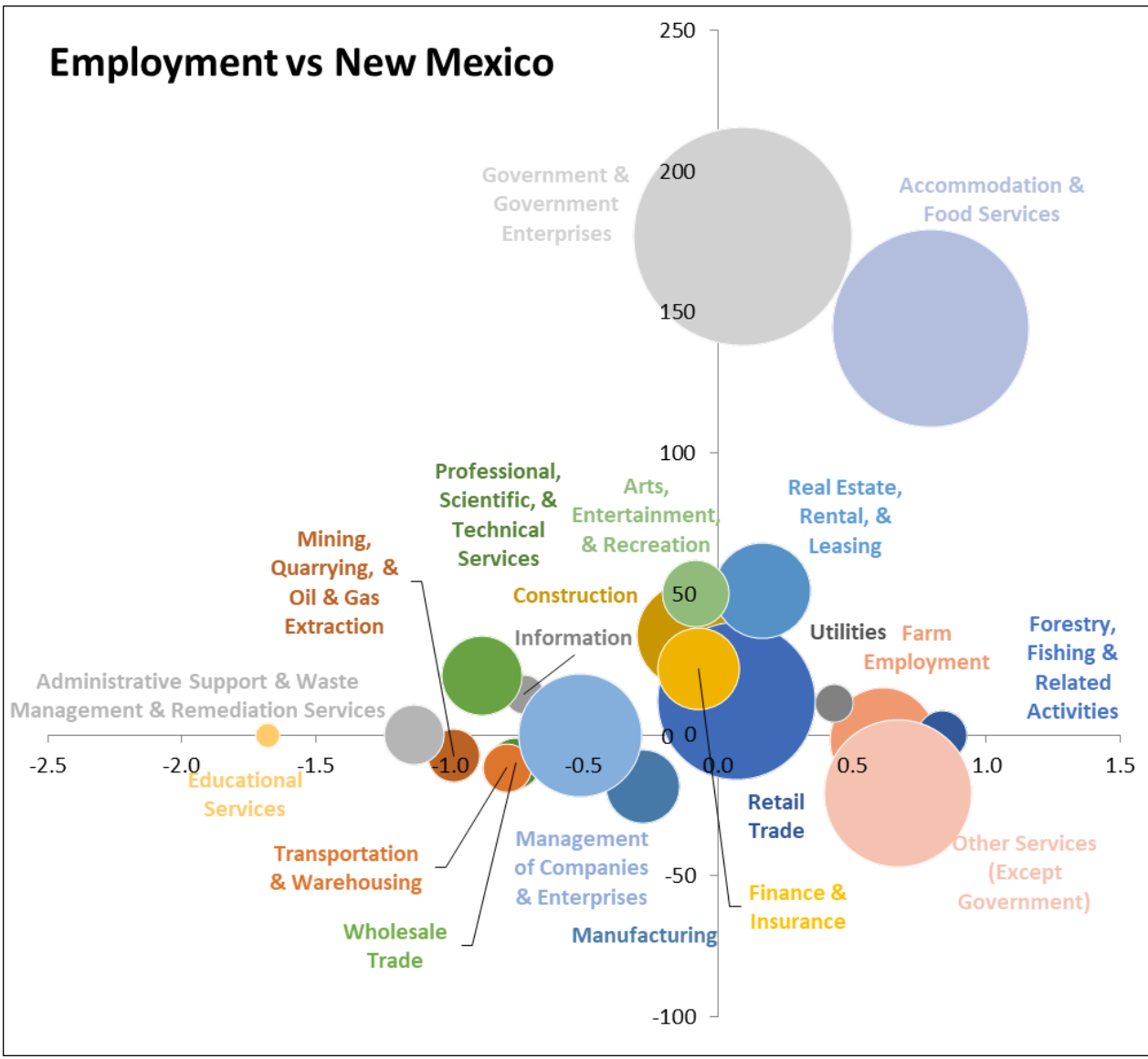
Quadrant Two: Industries in this quadrant are growing over time but are still less concentrated than the State average. Depending on the industry, it may settle at the State average or continue to grow and move into Quadrant One.

Quadrant Three: Industries in this region are less concentrated than State average and are losing ground relative to State growth. Such industries may face competitive disadvantages due to area factors.

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 region should plan and invest accordingly.

The size of an industry (according to its relative wealth generation, as represented by the size of the bubble) is key to identify short-term economic impacts. Growth or contraction in industries with high payrolls will have a large impact on the local economy. Small industries will take time to have a significant impact. Smaller industries are usually dependent on the growth or contraction of the larger ones, so a trailing effect is common in this analysis.





SOURCE: BEA, Better City

Figure 23—Industry Cluster Analysis, 2013-2017

Most of the bubbles are clustered near the regional share (horizontal) line, signifying a lack of major expansion or retraction of these industries between 2013 and 2017. Industries that have seen substantial growth in the past few years are “Government and Government Enterprises,” and “Accommodation and Food Services.” The “Other Services (Except Government)” industry has seen a small decline, and although it isn’t a significant amount its concentration and size mean that even a small amount of contraction can lead to a more significant decline in the total economy as the multiplier effect ripples throughout the economy and into other industries.

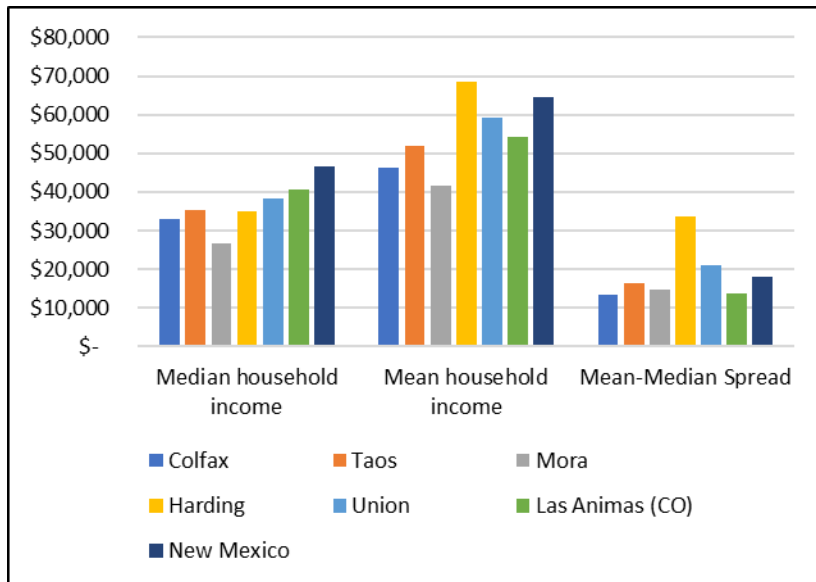
INCOME AND COMPENSATION

Income and compensation estimates were analyzed at the City and County level. Colfax County competes for the workforce, and the local economy needs to offer jobs with competitive wages so that it will remain competitive with other counties in the region.

INCOME AND BENEFITS

As shown in Figure 24, Colfax County’s median household income (MHI) is \$33,042 (including monetary benefits). This is lower than the State’s \$46,718 MHI. However, this income level is about average for comparable Counties in northern New Mexico.

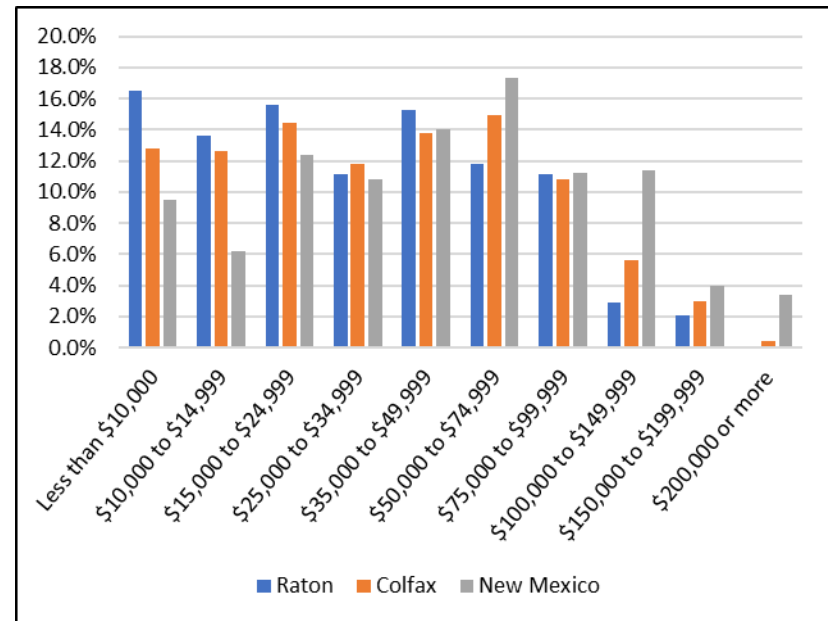
Mean household income estimates in Colfax are not significantly larger than the median (around \$46,296 annually). This spread is smaller than the spreads in Taos, Mora, Harding, and Union Counties, which can be interpreted as the County’s income levels being more equal than in those Counties. In other words, the mean is not being pulled significantly by high-earning individuals who receive a significant portion of the County’s incomes.



SOURCE: ACS 2017 5-year Estimates

Figure 24—Income Statistics Comparison

The County’s incomes are fairly evenly spread (between 10 percent and 15 percent each) across each of the categories from “less than \$10,000” to “\$74,000 to \$99,999.” Colfax County has a higher share of earners than the State in the categories on the lower-income portion of the scale; but has fewer earners in the higher income brackets from “\$35,000 to \$49,999” on up, with a significant difference in both “\$100,000 to \$149,999” and “\$200,000 or more” categories (see figure 26).

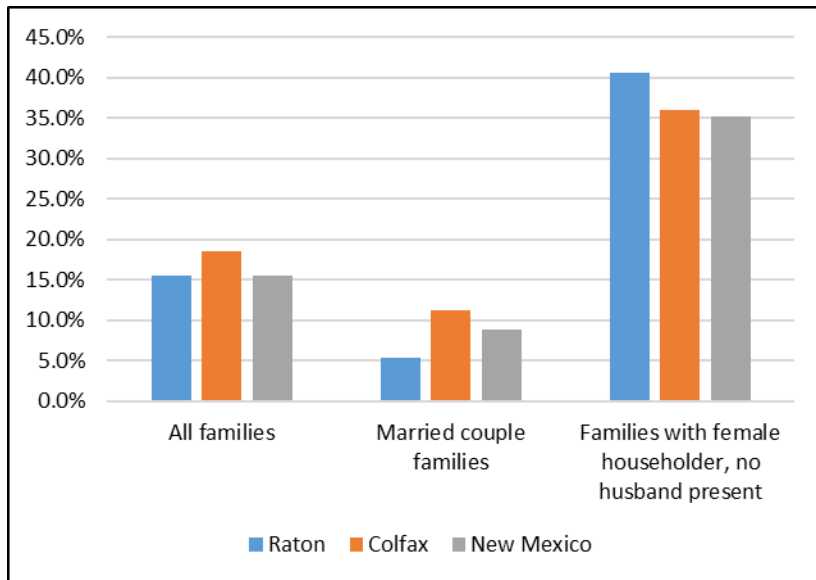


SOURCE: ACS 2017 5-year Estimates

Figure 25—Income and Benefits Comparison

POVERTY

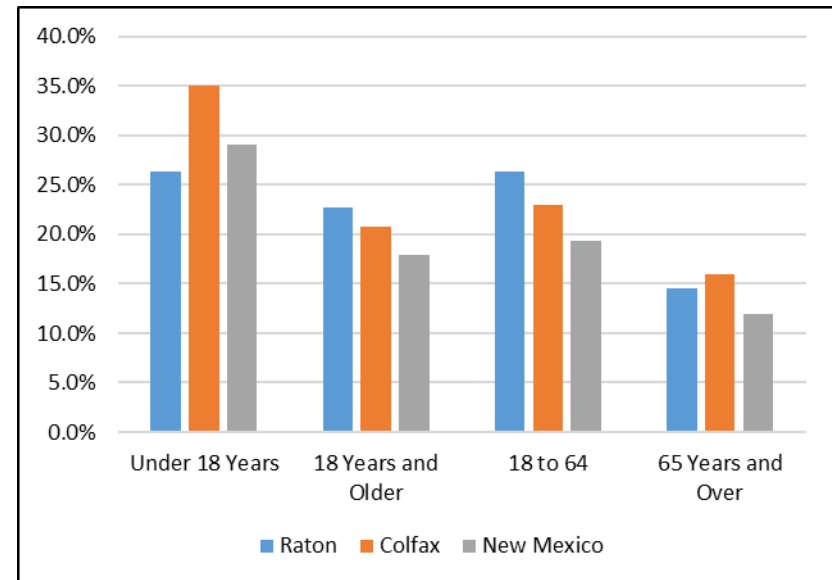
Of the City’s households, an estimated 15.5 percent had a household income that was below the poverty level. Of the married-couple families, an estimated 5.4 percent were below the poverty level. Families with a female householder and no husband are especially hard hit in the county, with more than a third of families (40.6 percent) in that category below the poverty level.



SOURCE: ACS 2017 5-year Estimates

Figure 26—Poverty Rate by Family Type Comparison

Colfax County has a higher rate of adults 18 and older in poverty than that of the State. The overall poverty rate for all people is approximately 23.5 percent compared to the State’s rate of 20.6 percent (see Figure 27).



SOURCE: ACS 2017 5-year Estimates

Figure 27—Poverty Rate by Age Comparison

IMPLEMENTATION APPROACH (MID-2019)

The following are areas of focus recommended for further strategic development. These recommendations result from the stakeholder interviews, community meetings, past studies, and the analysis of economic trends presented previously.

Better City recommended that the City take a structured network approach to bring together stakeholders and entities across the community to develop robust, structured programs for each of the areas of focus described below. Within this framework, a committee will be formed from stakeholders in each area. The committee will then leverage their resources to develop programs and infrastructure to support development in each area.

Note that these recommendations were made in mid-2019 and since that time the City has made considerable progress in these focus areas.

WORKFORCE DEVELOPMENT

As shown in the demographics section, there is a shortage of skilled workforce for adults in their “prime working-age” (16-65). This has led to frustration among entrepreneurs and businesses who struggle to find employees, resulting in delayed or stunted growth of local businesses. Workforce development will work with employers, educators, job centers, and nonprofits to do skills development and training, education program enhancement, and apprenticeship programs.

ENTREPRENEURIAL INFRASTRUCTURE

Fostering and supporting local businesses is important for the City’s economy. While the community has seen significant momentum in entrepreneurship over the past few years, a more

robust funding and support network is needed to help companies navigate their first years and to grow their business beyond the local area to capture demand in the region. Additionally, programs need to be built up and capacity added to find and support new entrepreneurs in the community.

The entrepreneurial infrastructure committee will consist of the multiple nonprofits and institutions which are working in the entrepreneurial space so that efforts are aligned and can pass off easily according to the needs of the entrepreneur.

OUTDOOR RECREATION

Outdoor recreation has become an area of focus and opportunity for the City. The purchase of the Crazy French Ranch in Trinidad, Colorado will not only increase regional visitation but it also enhances the potential for investment in the outdoor cluster as it creates connectivity with Sugarite Canyon State Park and thus Raton. However, recreation offerings must be planned with multiple stakeholders to develop a clear strategy and niche. The outdoor recreation taskforce will discuss how outdoor recreation amenities can be positioned to take advantage of the region’s natural assets.

SUSTAINABLE ECONOMIC DEVELOPMENT

The City needs a sustainable economic development strategy that can continue funding strategic projects in the future. The sustainable economic development committee will be tasked with organizing the effort around which this fund can be secured. The committee can then hire a professional economic development practitioner who can act on behalf of the City’s interests for economic development activities.

DOWNTOWN REVITALIZATION

Raton MainStreet has provided great leadership around downtown revitalization, including infrastructure and beautification improvements. Small businesses and entrepreneurs have and are continuing to occupy and improve buildings in downtown. The City should focus on creating catalytic projects in downtown that are of significant scale to attract follow-on investment.

BUSINESS RETENTION AND EXPANSION

Within the last year, the City Manager and Mayor visited with local businesses to understand needs and opportunities. This activity is referred to as Business Retention and Expansion, or BR&E. Having an institutionalized process will assist the City with retaining businesses and identifying those businesses that may be at risk for relocation or closing. This activity could be led by the economic development director.

STRUCTURED NETWORK

Based on the recommendations above, the City of Raton has adopted a Structured Network Approach for economic development services and has hired an Economic Development Director. This approach involves several task forces that are governed by the City Commission and administered by City Staff. Each task force has been or will be assembled from a cross-section of key stakeholders and organizations relating to each Focus Area (i.e. MainStreet has a seat in the Downtown Revitalization Task Force). Each task force is assigned responsibility for the scope of work and subsequent projects that are decided upon by the task force members, who are also responsible for carrying out the tasks and bringing the projects to fulfillment. Each task force includes or will include a mix of public and private sector stakeholders to ensure alignment and a holistic view of economic development needs. A map of the City of Raton's task force network is shown in Figure 28. The full list of current membership in each task force is provided in the background section for each Focus Area.

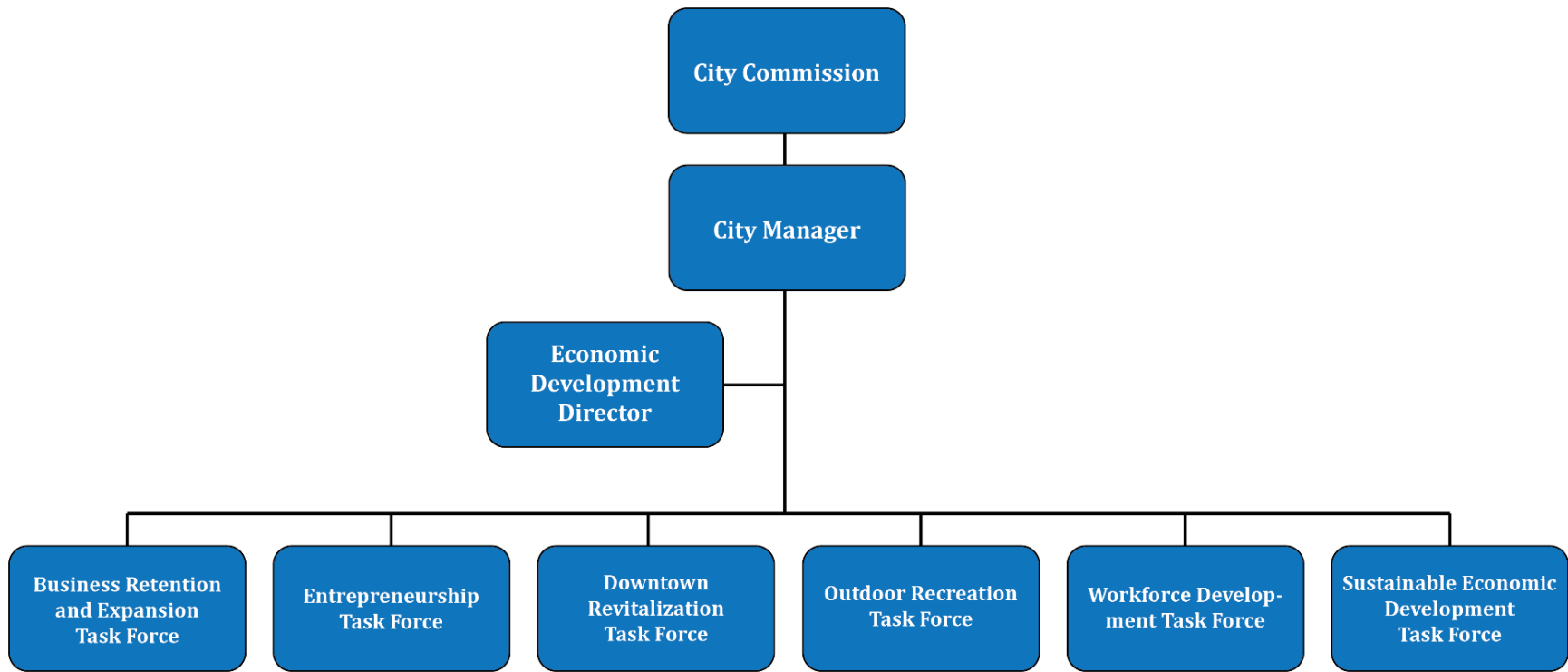


Figure 28—Structured Network Map

BUSINESS RETENTION AND EXPANSION⁴

Applicable to all businesses in a community, Business Retention and Expansion (BR&E) is a core program of any economic development plan. An effective BR&E program assists with issues that could force a company to fail and subsequently close. BR&E also helps prevent companies from relocating to a new community. The primary objectives of business retention and expansion programs are to:

- Understand the needs of specific local firms, especially those firms that are at risk of closing or relocating elsewhere
- Respond to those needs using a wide variety of services, such as technical assistance, workforce development, financing, and building new markets
- Address local issues that detract from a healthy business climate in which local businesses can prosper and grow

A good BR&E program will retain jobs and tax revenues within a community, foster the growth and development of local firms, and enhance a community's reputation as a good place in which to do business. Note that it is easier to sustain and grow a local economy by retaining an existing company and helping it to grow than to attract a new company. A formal BR&E program identifies the hurdles and challenges facing local businesses and helps address those issues.

Technical assistance provided through a BR&E program can help a local business increase its competitiveness in the wider marketplace through economic gardening initiatives, business

intelligence, and analytics programs to foster expansion and adding new jobs, including site selection assistance. Economic development incentives at the City, County, and State levels can help keep business from relocating to other areas and survive economic difficulties through business continuity planning, pre-disaster planning, and post-disaster recovery assistance. A key role of BR&E is to help businesses connect to networks such as manufacturing extension partnerships, chambers of commerce, regional cluster initiatives, and angel investment networks.

A successful BR&E program provides the data and intelligence to strategically attract new companies to a community and to foster the creation of new businesses. Business retention and expansion programs also supply the community with up-to-date data on the local economy, on the competitive strengths and weaknesses of the local area as a business location, and on the strength of the local economy—the number of business expansions and new investments, for example.

BR&E prioritizes areas of interest and concern that can be used to formulate public policy, enhance development efforts, or improve the local business climate, addressing issues such as workforce availability and capability, regulatory issues, access to capital, speculative building, or industrial park development. A critical component is to understand the current workforce and the workforce needs of the business community.

In pursuing a BR&E strategy, an economic development organization will use many of the same tools and techniques used in business recruitment and new business development programs:

⁴ Portions of this discussion are adapted from *Business Retention and Expansion*; IEDC (2016).

- Marketing
- Assistance with land and buildings
- Infrastructure
- Financial assistance, including linking companies with available sources of capital
- Development of a competent workforce through training and retraining, including by coordination with local WIOA partners
- Technical assistance and assessments
- Availability of technology resources
- Export assistance
- Assistance in reducing energy costs and complying with environmental regulations
- Assistance with permitting and licensing
- Various forms of tax and non-tax incentives

community’s key stakeholders, decision-makers, and businesses that are strategically important to the community. Clearly define BR&E roles, as exemplified in Table 3:

STEP 1—GET ORGANIZED

Form a BR&E task force representing business, government, healthcare, education, and other stakeholder organizations, assuring that each participant is passionately committed to the region’s recovery, that no one is “window dressing”—all are committed and involved—and that everyone at the table is treated as an equal, for “we’re all in this together.” In addition to the core task force, several others might be invited to view updates virtually to keep them informed. But do not assign tasks to subgroups and leave them alone—too often such groups see a tangential problem and assume another group is taking it on, and some things fall through the cracks. The umbrella group needs to establish clear principles and goals to guide problem-solving and require regular brief reports. For the task force itself to be accountable, it is necessary that an oversight or sponsoring board to be defined, if one does not currently exist, comprised of the

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	EDOs	Local Gov't	County Gov't	Chambers	Educational Institutions	Business leaders
Manage	◆					
Advise	◆	◆	◆	◆		◆
Financially support	◆	◆	◆	◆		◆
Collect data	◆	◆	◆	◆		
Evaluate data	◆				◆	◆
Solve problems	◆	◆	◆	◆	◆	◆
Identify SMEs	◆			◆	◆	◆
Technical assistance	◆			◆	◆	◆
Ensure sustainability	◆	◆	◆	◆		◆
Advocate	◆	◆	◆	◆	◆	◆
Recruit participants	◆			◆	◆	◆
Report results	◆	◆	◆	◆	◆	◆

Table 3—BR&E Roles

A more effective approach, with the same table, is to clarify and define roles and responsibilities using “RACI.” Although there are many ways to define RACI, ours is the following. Every person so indicated is **Responsible** for success or failure of a project; all members with an “R” are in it together, the “doers”. One person, and only one, should be **Accountable**, meaning that the person who has the “A” and accounts for or explains what is going on—the buck stops here. She or he is the person ultimately answerable for activities and decisions and has those with an “R” backing him or her up. Various individuals would be **Consulted**, particularly in collecting and evaluating data. Many groups would be **Informed** about plans, decisions, progress, and results. Using RACI enables relevant stakeholders in any decision-making process to remain engaged and in the right roles—depending upon the appropriate scope of their involvement.

How can the leadership team be most functional?⁵ Trust each other—ask for help and listen. Embrace conflict—extract and build on each other’s ideas. Commit—truly buy into the critical few tasks; make mistakes and learn from them. Account—hold your own feet to the fire. Focus on collective results—be all-in, focused on the goal.

Many boomers remember hearing President John F. Kennedy state in 1962 that “This nation should commit itself to achieve the goal, before this decade is out, of landing a man on the moon and bringing him safely to the earth.” That visionary statement energized the nation! It was what everyone talked about. However, in speaking to Congress, President Kennedy articulated three other goals: funding for the Rover space exploration system, space satellites for world-wide communications, and satellites for

world-wide weather observation. Going to the moon captured the public’s imagination, but which of the four programs ultimately had the most impact?

STEP 2—ANALYZE EXISTING BUSINESS RETENTION & EXPANSION NEEDS

Define desired results, milestones, and indicators of BR&E success—for the community and, separately, for the collection of businesses. Identify friction points and likely conflicts. Engage community influencers and leaders and gain their support. Strive to build a “great group”⁶ of diverse, talented, and driven individuals.

Implement outreach and relationship building efforts, including periodic surveys, targeted focus groups, and in-person visits to key businesses.

Many organizations used to conduct annual, detailed surveys of employee opinions, often running to more than 100 questions. Today, workers express—usually by not responding—annoyance at spending a long time on such surveys. More commonly now, the practice is to issue pulse surveys—with a few key questions that are sent electronically to a sample of the population, using multiple-choice or other types of queries that are easy to answer with a computer mouse. The traditional kinds of detailed surveys are still conducted, but only every three years or so and only to test the validity of the pulse surveys.

One of the best uses of focus groups was by Domino’s® Pizza in turning around their business. It is worth watching their story [here](#) and [here](#). What happened? Same-store growth in the first

⁵ Based on Lencioni, Patrick. *The Five Dysfunctions of a Team*. San Francisco: Jossey-Bass, 2002

⁶ Bennis, W. G., & Biederman, P. W. (1997). *Organizing genius: The secrets of creative collaboration*. Reading, Mass: Addison-Wesley

quarter was three times Papa John®'s and Pizza Hut®'s combined, yet Domino's spent considerably less on advertising than either competitor. Domino's® achieved higher customer satisfaction, retention, and purchase frequency.

Meeting frequently, face-to-face but briefly, with key stakeholders will keep you in touch with their changing concerns. It will also build trust and credibility and to allow more "Agile" development of the local economy, for example, by failing faster. What is meant by that? See [here](#). A few other good practices are to keep surprises to a minimum, be good at providing regular, but brief, summaries of progress to date, and listening to stakeholders who are resistant to change. When won over—and that takes time and patience—their passionate rebuff turns into passionate advocacy.

This will help to identify relevant past and future trends in the community's economic base. Define how those trends have affected and are likely to affect local industries and firms. Understand first-hand the needs and priorities of local firms. Survey local firms to learn what issues and opportunities they face and what their plans are to address them. Develop a clear understanding of the industries and firms comprising the local economic base. What industry-wide trends will influence the competitive advantages or disadvantages of local firms relative to external competitors? Who is strong and resilient? Who is threatened? Identify red flags—what keeps them up at night?

Gather information about primary employers, including jobs, sales, market share, plant capacity, and property ownership. Particularly emphasize historical trends, which provide insights not visible in current or year-on-year data and shows a picture of long-term health. Identify their priorities, challenges, and strengths. By identifying trends such as declining sales or market share, this data may be used to forecast trouble for a company or

community, oftentimes considerably in advance of reaching crisis modes. In addition to paying close attention to quantitative information, ask open-ended, qualitative questions of companies to scrutinize long-term trends, including queries about infrastructure, employee relations, safety, energy costs, equipment, and so on. Ask companies to rank these factors by order of importance, which helps to target assistance accordingly.

STEP 3—COMPILE AN INVENTORY OF EXISTING BUSINESS DEVELOPMENT PROGRAMS

Inventory existing economic development efforts locally and understand what is going well and what is not. Review previous studies, no matter how old—there is often gold in apparent dust. In one situation, an economic development group had suffered through a series of political changes over the years, each with a new short-term imperative. When a consultant was brought in to help address a particularly vexing issue, he was handed a binder from the 1970s. "We have faced this problem several times over the years. The analysis and answers are in that binder. We just haven't executed," the consultant was told.

Interview local companies, community influencers, and decision-makers to determine their concerns, intentions, and opinions about the business climate—present and future.

Conduct a literature search of other BR&E programs, seeking not only "best practices," but also searching for failures and identifying what can be learned from them. Seeking best practices is not about the processes used; it is about understanding the underlying principles that guided the successful effort. In the 1980s a host of automobile manufacturers flew to Japan to understand the Toyota Way. Most did not. Instead, they came back with methods like quality circles, process flow charts, control

charts, plant layout diagrams, and other processes used by Toyota and missed the main point. Toyota has succeeded for many years because their “Way” is an integrated system “designed to provide the tools for people to continually improve their work.”⁷

STEP 4—DEVELOP PROGRAMS (AS NEEDED) TO ASSIST & RETAIN EXISTING BUSINESSES

Analyze the community’s strengths, weaknesses, opportunities, and threats (SWOT). This process iterates between the analysis by the task force and reports to the sponsoring organization and back again to come to a consensus on a *roughly correct* picture. It is useful to review the SWOT analysis once each year to learn what might have materially changed. Winston Churchill said that “perfection is the enemy of progress.” One organization spent three years perfecting its strategic plan and associated performance metrics. By the third year, nothing had been implemented and their environment had changed enough that they had to go back to the drawing board to create another strategic plan. This time they decided to be directionally correct and to modify their plan as needed, reviewing it in a short meeting every quarter or so—similarly to what is now referred to as being “Agile.”

The SWOT analysis should be conducted by a task force comprising community leaders from business, government, academia, and community organizations. SWOT analysis should aim to provide a clear picture of community assets that are important to local businesses, as well as community weaknesses

that need to be addressed. Build on strengths and shore up weaknesses—relative to other communities.

Every few years or so, it is good to test the SWOT analysis by benchmarking against similar communities. One organization found it was the best at several functions and celebrated. They then met—feeling somewhat prideful—with some others they had compared themselves to. Each group explained how they went about addressing a variety of similar issues. It quickly became apparent that benchmarking was more useful learning from each other about *how* they went about solving problems than about *what* the solutions were.

IEDC published a comprehensive set of key factors for a SWOT analysis that can assist Raton in starting its BR&E program: *Business Retention and Expansion*, Washington, DC. December 2016, pages 17-20.

Role of the Economic Development Team⁸

The economic development team has several responsibilities in a BR&E program. These include: bringing partners in the community together for the sponsoring board and the BR&E task force, being a resource for sources of funding, integrating sources of funding with the organizations needing assistance, having ready a compendium of potentially-available sites and buildings as well as a knowledge of the history of those locations, maintaining regular contact with key influencers, and constantly communicating with the various interested groups, including the media and the public. Here are examples of case studies which provide examples of BR&E programs:

⁷ Liker, Jeffrey (2004). “The 14 Principles of the Toyota Way: 14 Management Principles from the World’s Greatest Manufacturer”. McGraw-Hill Education (2004).

⁸ IEDC, *Business Retention and Expansion*, Washington, DC. December 2016, page 11

- [Ohio State University](#)
- [University of Minnesota](#)
- [State of Indiana](#)
- [University of North Carolina-Chapel Hill](#)
- [University of Illinois](#)
- [Florida State University](#)

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ENTREPRENEURSHIP

ANALYSIS AND EXISTING EFFORTS

Entrepreneurship has been an area of focus for the City of Raton and local partners. As the City of Raton lost their small businesses in the 2010s and during the coronavirus pandemic, the City renewed its focus on entrepreneurial efforts.

PAST EFFORTS

Raton has had several organizations in town who have held business classes and workshops, etc. for quite some time. That said, Raton's focus on Entrepreneurship truly started in 2018.

The first Entrepreneurship course offered locally came in form of a state grant through Creative Startups, a company that works with communities to grow their economy through the creative sector. The program was entitled "Libraries as Launchpads". Creative Startups worked with local partners to promote the application to their bootcamp program. Expecting a handful of business plans, Creative Startups received 12 business plans and interested entrepreneurs. The City and local partners then realized the potential of concentrating on Entrepreneurship as a large portion of its economic strategy.

The success and popularity of Libraries as Launchpads inspired local organizations to focus on creating an ecosystem of support for entrepreneurs and small business owners in NE New Mexico. Since the Launchpad project, *The Center for Community Innovation* stepped up to continue offering bootcamp classes on an on-going basis, maintaining traction on the forward momentum with local entrepreneurs.

In addition to the previously mentioned bootcamps, *GrowRaton!*, another local partner, obtained a grant from the Rural Community Assistance Corporation (RCAC) to assist community development projects and strategic planning. The RCAC organization also provided a business bootcamp program to help educate new and existing business owners.

CURRENT & FUTURE EFFORTS

The Entrepreneurship efforts that have been building for the past couple of years have successfully created programmatic services including:

- A commercial Community Kitchen, The Coal Camp Kitchen is managed by *The Center for Community Innovation*. With a grant from the USDA and support from the City of Raton, a commercial kitchen is in use by a number of local entrepreneurs. One of the incubated businesses has recently gotten clearance for retail and is operating at a full-time capacity using the Community Kitchen. With a number of businesses currently utilizing the facility, there are talks of upgrading or expanding the Coal Camp Kitchen in the near future.
- An ongoing relationship with Santa Fe Community College has been created. This relationship has allowed us to receive technical help and assistance for a number of businesses.
- Los Alamos National Laboratory has committed to help local businesses in need of technical assistance. This assistance can be for any business sector, and the lab has very advanced testing capabilities for Entrepreneurs to tap into.

- CU Boulder has made a commitment with *The Center for Community Innovation* to assist with training and mentorship programs for local entrepreneurs.

As the City looks into the future, community partners plan to come together and create an Economic Development Task Force to assist with strategic planning. With limited resources the City and stakeholders have realized it is essential for organizations to work together. Many of the partners' talents complement each other, and more progress can be made with a collaborative effort. Ongoing classes and start-up programs will be a continued focus.



Candies for sale at Dulces Encantados – a Coal Camp Kitchen business incubated through the Center for Community Innovation and partners.

DOWNTOWN REVITALIZATION

Raton’s downtown corridor is one of the most important assets of the City. It represents the cultural and social heart of the entire community. The downtown is the only part of the City that belongs to and is shared by everyone in the region, representing the historic past, dynamic present, and hopeful future of the community. Like many rural communities, Raton’s downtown has experienced economic strains in the form of population loss, high vacancy, and economic and behavioral headwinds, such as the adoption of online shopping as an alternative to local commerce. Fortunately, the City has continued to invest in its downtown and has seen growth and resiliency in the downtown despite these challenges largely due to the City’s successful partnership with Raton MainStreet and the New Mexico MainStreet office.

Downtowns are a very efficient land use form, capturing a wide variety of functions including retail and service businesses, housing, government services, religious and civic organizations, cultural activities, and city events—all within a small, walkable area. This density has many positive economic implications, such as the concentration of employment opportunities, support of live-work lifestyles, and the crossbreeding of ideas to generate innovative businesses and services.⁹

Raton’s historic district exhibits the region’s unique personality and history. Urban sprawl and land development practices have led to many buildings that look the same. But historic buildings

are unique and reveal the significant amount of time that the City’s founders and leaders of the past invested to build the City. The historic district, therefore, provides the City with a unique market identity and potential competitive advantage that can be used to secure additional investment into the downtown.

Rural downtowns tend to attract local small business owners who care about and are active in the community. These owners understand downtown’s significance in the area’s history and culture, making them more likely to participate in local events and initiatives to promote downtown’s brand. The City should look at these owners as the first candidates for job creation and use “economic gardening” tools to assist Second Stage businesses (those that are beyond the startup phase but not yet at the size of a corporation).¹⁰

Downtowns are an important factor for the sustainability of the City’s finances. The downtown Memphis Commission found in 2013 that one square mile of downtown property generated more than twice the county and city taxes as an average square mile in the city as a whole and more than three times than what the same square mile would generate in the county.¹¹ Downtown land is also less expensive to maintain and service. Low-density neighborhoods are more expensive because they require the same amount of policing, fire prevention, snow plowing, and utilities than higher-density areas while benefiting fewer residents.¹²

This section is not meant to disparage investment in other important areas of the community outside the downtown.

⁹ For more information, see *Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier and Happier*. Edward Glaeser. Penguin Press. 2011.

¹⁰ For more information, visit <https://nationalcentereg.org/> or <https://edwardlowe.org/eg-case-studies/>.

¹¹ Kitsinger, Andy. “A Healthy Downtown is Key to a Strong Community.” *Planner’s Web*. September 2013.

¹² For more information on wealth creation and downtown spaces, see <https://www.strongtowns.org/journal/2018/8/22/the-more-we-grow-the-poorer-we-become-td9nw>

However, the City should also be aware of the opportunity cost of improving or redeveloping any land outside of the downtown corridor. Investment in other areas is much less likely to be catalytic and see the same returns to the community than what can be achieved by revitalizing the downtown.

The City should organize a Downtown Revitalization task force made of up key stakeholders who will meet to discuss the needs and potential projects in the downtown corridor. With a track record of proven success, Raton Main Street to lead this task force, with participants from local businesses, active community members, the Visitors Center, the Museum, Raton Arts Humanities Council, and city leadership providing input and feedback. The task force should focus on projects that require participation from various players and should enhance current efforts, being careful not to duplicate efforts or restrict activities from other stakeholders.

Downtown Revitalization Best Practices

Examples of good downtown corridors can be found across the country and in a variety of City sizes. However, most downtowns have a few key aspects which make them a successful economic asset:

Mixed Uses—A vibrant downtown needs to have a variety of offerings so that there is activity throughout the day. A mixed-use area achieves an economic synergy that cannot be replicated by single-use development, which is busy for only a portion of the day. The downtown needs to be able to appeal to office workers during the day, families in the evening, and young adults and teens at night. Continual activity will allow retail locations to stay open later, be more profitable, and give them a larger base of potential customers. The City will need to evaluate how it can strategically plan for and develop the downtown corridor to host a mix of uses.

Activities and Events—Park City, Utah has a relatively small population of around 9,000. But the City can capture significant tourism revenue because it hosts events in its downtown at least four days out of the week. These events include movies in the park, free concerts, farmer’s markets, festivals, parades, and speeches from recognized community members and leaders. The City recognized the importance of creating consistent and high-quality activities to create vibrancy. A truly vibrant and active downtown usually does not occur on its own—rather, it is the result of careful, thoughtful planning and execution.



Figure 29—Downtown Park City, Utah

The Downtown taskforce should take charge of programming so there are new and exciting things happening every week downtown. For programming to be successful, adequate

institutional accountability and stewardship must be established to foster growth, ensure appropriate tenancy, and maintain property/public space. Without a governing body and passionate, engaged membership, the downtown may atrophy. Local business owners should be actively involved in championing and supporting economic and tourism development initiatives to ensure a strong economic base. Many BIDs are operating throughout the country, including the Downtown Boulder BID in Boulder, CO; the Church Street Marketplace District in Burlington, VT; Madison Central BID in Madison, WI; Downtown Denver Partnership in Denver, CO; and Buffalo Place in Buffalo, NY.

In addition to organizing events, the downtown task force should ensure that these events are marketed effectively. While several of Raton's organizations host calendars on their respective sites (MainStreet, the Visitor's Center, the Chamber of Commerce, KRTN), the calendars are run independently and do not feature the same events, making it difficult for residents and visitors to find a comprehensive calendar of upcoming events. The Downtown task force will want to collaborate with these organizations to make it easier for people to find and participate in events.

Clustering—Clustering refers to a critical mass of various types of products and services to serve a large base of customers. This clustering is known as the rule of 10. According to this rule, the downtown should have ten of each of the following:

- 1) Dining destinations: drink shop, coffee shop, café, themed restaurant, wine store, bakery, etc.
- 2) Retail shops: galleries, antiques, museums, collectibles, books, gear, etc.

- 3) Entertainment offerings: a theater (movie or performing arts), bars & bistros with live music, specialty stores, laser tag arena, bowling alley, escape room, arcade, etc.

These clusters need to work within and be complementary to the downtown's atmosphere and culture while also providing options for different interests. Raton should keep track of how many offerings are in each cluster and where gaps may exist. The City can then recruit businesses downtown as needed to achieve a critical mass in all three.

Downtown Anchor—A downtown anchor is a specific feature (i.e. activity, event, or location) or business that drives most of the patronage and activity to the downtown corridor. People often go downtown for the anchor and then spend time and money at surrounding businesses, such as shops and restaurants that might not bring people downtown themselves.

Raton's anchors include the El Raton, Schuler Theater, Raton Museum, and the Raton Convention Center. These anchors are well-positioned and invite walkability in the corridor.

Hailey, Idaho is a rural town of 8,000 which has done a remarkable job of developing its downtown with all its anchors close to each other. The city's skatepark, ice rink, and rodeo arena are all clustered together at the southern side of town, with restaurants and hotels surrounding it (see Map 2). This concentrates activities and adds vibrancy to a robust and highly-occupied downtown corridor, directly to the north of these recreational anchors.



SOURCE: Google Maps

Map 2—Hailey, ID

Pedestrian Friendliness—The downtown should be an inviting built environment that promotes walkability through Adequate signage, narrow rights of way, traffic-calming measures such as angled parking, and a safe atmosphere.¹³

For example, Ogden, Utah’s main transit corridor (shown in Figure 30) is similar to Raton in that Washington Boulevard was too wide, with two lanes of traffic flowing each way. While the City wanted to try to reduce the road to only one lane of traffic and reduced speeds, it would be difficult to do so without the support of the Utah Department of Transportation. Ogden instead increased pedestrian friendliness by implementing smaller

¹³For more information, see: <https://nacto.org/publication/urban-street-design-guide/streets/downtown-thoroughfare/>

measures—such as adding flashing signs, a pedestrian island in the median, and creating a bulb out so the walking distance was shorter—which significantly improved safety. Raton will carefully consider how its street design impacts pedestrian friendliness.



SOURCE: Google Earth

Figure 30—Downtown Ogden, Utah

Residential Units—An often-overlooked, yet important key to vibrancy is the presence of residential units in downtown. Often, this means the inclusion of units on upper floors of buildings, but it can also consist of horizontal mixed-use where the commercial and residential uses are in separate, though proximate buildings. The combination of residential and commercial uses provides

downtown with a steady source of patronage in the daytime and nighttime hours.

Units within the downtown area should be rental units (rather than owned) so there is greater turnover in occupancy and new people continually coming to live in the downtown. This turnover helps reinvigorate demand in local stores and restaurants. A professionally managed property will maintain its value and appearance, whereas for sale units may be acquired by unsophisticated real estate investors and used for rental income. This may result in unkempt properties that are being made available to undesirable tenants. Raton has a low number of rental units available and there is market demand for affordable workforce housing in the downtown.

The North Central COG recently finalized a housing plan which addresses many of these issues in more depth. Please review that document for additional information.

Visual Conformity—The design of the downtown corridor should be visually consistent so that people can easily tell where downtown begins and ends. This is achieved by regulating building façades so that they are consistent with each other. Raton’s downtown excels in conformity, especially between Savage and Cook. Although the buildings are each unique, with different roof styles, levels, and architecture, they are congruent in that they belong to the Downtown corridor. Despite the uniqueness of each building, each contributes to a welcoming, easily recognizable corridor that is conducive to the town’s atmosphere. The City should evaluate new construction, renovation projects, and other redevelopment projects to ensure that the City can keep a high level of conformity.

ANALYSIS AND EXISTING EFFORTS

Raton MainStreet’s program has seen significant success in recent years, which has contributed significantly to the current quality of the downtown, especially in the Great Blocks Project Area. Because of the leadership and proven success of the local organization, Raton MainStreet is currently leading downtown initiatives, including the organizing of events, rehabilitating existing buildings, and supporting small businesses and startups.

Raton MainStreet’s *Economic Transformation Strategies & Implementation Plan* outlines the strategies and initiatives currently being worked on by Main Street. Other being worked on by the City are described below:

Yucca Hotel

The Yucca Hotel, owned by InBank, is the tallest and one of the most recognizable structures in the City (see Figure 31). The Bank occupies the bottom two floors of the building, while the other floors remain vacant and in need of improvements. The City has prioritized this building as a downtown project and is currently seeking firms interested in renovating the building.

While the structure is not currently within an eligible new market tax credit tract, the City has been working with the Geography Division of the US Census Bureau to move the tract boundaries to include the Hotel (as well as the rest of the downtown corridor). Having access to these incentives will play a vital role in attracting firms that can renovate and repurpose the building.



SOURCE: Raton Center for Community Innovation

Figure 31—Yucca Hotel

Depot Station

The historic 1903 Raton depot stands as a testament to Raton’s Spanish history. The stucco and brick structure is well known to the Station’s more than 18,000 annual Amtrak passengers, many of which are Boy Scouts traveling to and from Philmont Scout Ranch. Amtrak estimates that the Station provides approximately \$1.9 Million of economic impact per year.

The Depot has been the subject of talks between Burlington Northern Santa Fe Corporation (BNSF) and the City for many

years. The City recently purchased the building and is working on a long-term rehab and management plan for the Historic Depot.

The Depot is underutilized, with virtually no services for passengers. The building will require a significant investment for adequate improvements.



SOURCE: Marc Glucksman

Figure 32—Raton Depot Station

The Downtown Task Force will be in charge of this project, with the City taking the lead through finalizing negotiations for purchase and Main Street leading the planning and implementation phases to ensure that it fits in with the broader Great Blocks project.

Townhome Block Project

The City has acquired property on the western half of the city block between Clark Avenue and Park Avenue (see Map 3). This 1-acre parcel is well positioned to be a location for future workforce housing and will assist in activating the downtown. The City is currently conducting outreach to development companies to solicit interest in the project.



SOURCE: Google Earth, Better City

Map 3—Townhome Project Concept Map

SHORT-TERM GOALS

- Work with partners to develop feasibility studies or plans for the Yucca Hotel, Depot Station, and Townhome projects
- Conduct outreach with potential developers for the Yucca Hotel, Depot Station, and Townhome projects
- Coordinate with Raton Public Service (RPS) to define project scope and search for a possible funding mechanism
- Capitalize and expand efforts in the great block project area, especially by retention and recruitment of businesses along the 1st and 2nd street corridors
- Create a tourist-focused shared calendar for all downtown events
- Expand the number and variety of activities in the downtown

MEDIUM-TERM GOALS

- Leverage new market tax credits, LEDA funds, and other incentives to renovate the Yucca Hotel as a hotel or for affordable workforce or LIHTC housing
- Begin the development and marketing of the townhome project
- Repurpose the depot station to include amenities for Amtrak passengers and events
- Begin master-planning the museum complex and, if financing is favorable, begin work on retrofitting the building
- Improve visibility of vacant buildings, promote infill development, where possible

- Improve walkability in the downtown corridor by improving the streetscape, installing signage, and promoting walking
- Renovate top floors into downtown lofts to promote residential uses and co-working space
- Regularly evaluate the downtown's clusters and anchors through a business inventory to ensure that there are attractions that will draw in and keep residents and tourists in the downtown corridor
- Utilize the Metropolitan Redevelopment Area to incentivize businesses and business owners

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LONG-TERM GOALS

- Redevelop 2nd street as a 1-lane road with angled parking, bike paths, and widened pedestrian pathways to encourage walkability and pedestrian friendliness
- Schedule and promote at least two to three events per week in the downtown corridor

OUTDOOR RECREATION

The City of Raton is uniquely positioned as the southern gateway to Raton Pass, Sugarite Canyon State Park, and several other unique recreational assets such as Lake Maloya, Vermejo Park Ranch, Capulin Volcano National Monument, Philmont Scout Ranch, and the NRA Whittington Center. The City has spent considerable effort to improve in-town opportunities, including Climax Canyon National Recreation Trail, a municipal golf course, and two 18-hole disc golf courses. Raton has done an admirable job of understanding its unique position in the State and Region to market itself as an outdoor recreation destination. With the addition of Colorado's Fisher's Peak State Park bordering New Mexico's Sugarite Canyon State Park and other land owned by the City of Raton, now is the time for Outdoor Recreation development.

Outdoor recreation must be recognized as multi-faceted and general in its implication, encompassing activities, events, and businesses that support people being active outside. Activities can range multi-faceted adventure races such as the Master of the Mountains Adventure Relay events to simply taking your dog for a walk on the cart paths of the Raton Municipal Golf Course.

The State has only just started to invest in its outdoor recreation assets. In 2019 the Economic Development Department created an Outdoor Recreation Division and outlined its approach to investing in outdoor recreation, including the five core values:

- 1) Sustainable Economic Development
- 2) Conservation & Access
- 3) Equity
- 4) Education
- 5) Health & Wellness

SUSTAINABLE ECONOMIC DEVELOPMENT

Outdoor recreation can be a significant contributor when developing local economies. With the transition from natural resources to the skills-driven "knowledge economy," outdoor recreation offerings are crucial for attracting skilled employees and entrepreneurs. Local economies can be strengthened significantly by capitalizing on the benefits of investing in outdoor assets.

Outdoor recreation plays a deciding factor in where people go for weekend trips and vacations. In addition to visiting key points of interest, they visit local restaurants and shops, occupy hotels and RV parks, and provide additional revenue to the local economy.

As visitation increases, opportunities emerge for new businesses and entrepreneurs. It also increases the area's appeal for the workforce and business recruitment. Colorado's success is due in part to its investment in high-quality outdoor recreation experiences for its workforce.

Investment in this sector also provides additional quality-of-life assets that can be enjoyed by current and future residents. This increases the likelihood that workers and businesses will stay in the community. Investment in this sector, therefore, supports business recruitment and retention efforts.

CONSERVATION AND ACCESS

Increasing non-resident visitation in outdoor recreation causes concern for the maintenance and conservation of these assets. The State's focus on conservation will ensure that communities will have the resources and tools they need to preserve habitats and prevent trail degradation through use. The City will need to use its

partner organizations and clubs to consider conservation concerns.

The State’s focus on access is also important because of the need to ensure that all members of the community can use and enjoy these assets. The municipal disc golf course at the Raton Country Club is a good example of how the City has provided additional access to an amenity that might be too costly or skills-prohibitive for all members of the community to enjoy otherwise. There will always be a tension between public and private interests and the City should review its strategy often to find an appropriate balance between the two.

Additional consideration will need to be made for multiple use restrictions. Increased activity in outdoor recreation will concern other organizations and businesses who would like to see the land used for other purposes, such as livestock, conservation, energy development, mining, and logging.

EQUITY

The State is focused on its diverse demographics and has created an Outdoor Equity Grant Program to provide low-income youth with micro-grants for purchasing outdoor gear, covering recreation fees, and offsetting the cost of driving to the State’s National Parks and Monuments.

According to the Outdoor Industry Association’s “2019 Outdoor Participation Report”, youth outdoor outings dropped by 1.4 percent over the past three years. Most youths cited expensive equipment as a major reason for not spending more time outdoors.¹⁴ In terms of ethnic diversity, 73.3 percent of outdoor participants surveyed in 2018 were Caucasian, with just 10.7

percent of outdoor participants identifying as Hispanic. The State’s Outdoor Equity Grant Program is intended to offset these barriers.

The City can leverage the newly-created Outdoor Recreation Division and available funds to enhance its offering and to ensure that all residents can participate in outdoor recreation activities. Expansion of Roundhouse Park (which sits in an “Opportunity Zone”) with the addition of a sand volleyball court in 2020, is a good example of the local effort and emphasis on equitable access to recreation.

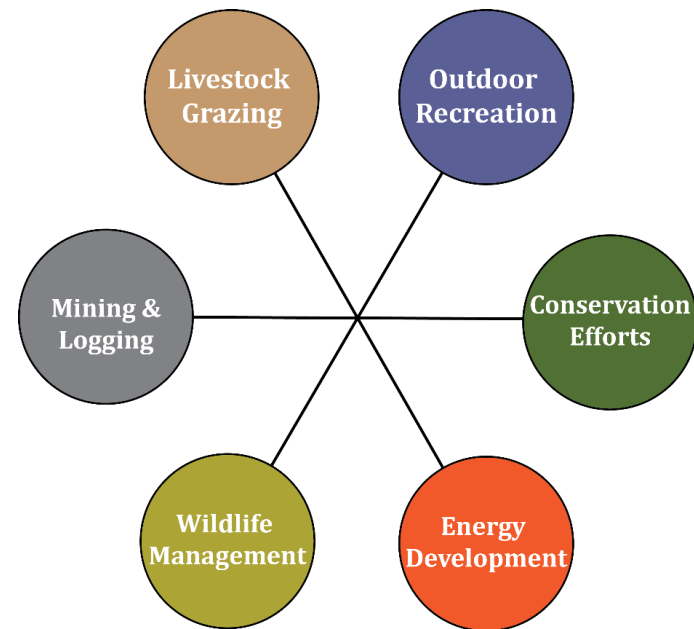


Figure 33—Multiple Use Considerations

¹⁴ woutdoorindustry.org/resource/2019-outdoor-participation-report/

EDUCATION

The State's focus on education is intended to increase awareness and interest in the outdoors. Having a healthy understanding of natural processes and effects increases awareness of environmental and political concerns. Many organizations provide educational opportunities for children and youth, including the Boy Scouts of America, Girl Scouts of America, Outward Bound, the YMCA, and others.

The City should be aware of how the State is funding educational opportunities and leverage these resources for business and workforce recruitment, additional funding for quality-of-life assets, and to provide additional education and recreation opportunities to local children and youth. In the past, the Mandala Center and the RREC have offered summer outdoor recreation programs for youth in the Raton area. In addition, the Rocky Mountain Youth Corps helped build the Climax Canyon Trail System.

HEALTH & WELLNESS

The mental, physical, and spiritual benefits of being outdoors cannot be understated. A 2017 business insider article outlined 12 specific benefits of spending more time outdoors:¹⁵

- 1) Improving short-term memory
- 2) De-stressing effects
- 3) Reduced inflammation
- 4) Elimination of fatigue
- 5) Lowered depression and anxiety

- 6) Reduced risk of developing myopia in children and adolescents
- 7) Lowered blood sugar
- 8) Increased ability to focus
- 9) Increased creativity
- 10) Reduced risk of cancer
- 11) Boosted immune system
- 12) Lowered mortality rate

The City should understand and include the health and wellness benefits in its outreach and collaboration efforts. One of the main functions of government is to increase the quality of life for its people. Investment in outdoor recreation should be a major factor in fulfilling that function. Healthy Kids Healthy Communities would be solid partner and asset to this effort.

The State's approach to outdoor recreation is comprehensive. The City will need to collaborate continually with the Outdoor Recreation Division to see what is being prioritized, what funding opportunities are available, and which of those will be a good fit for the City's strategy.

It is important to note that in the spring of 2020, the Raton Parks and Recreation Department conducted a community recreational needs assessment which showed a strong consensus that after lack of time, lack of desired facilities and programs was a top reason people did not recreate. Desired amenities included an indoor recreation center, bike trails, and expanded adult recreation programs/amenities. Additionally, parks and recreation was listed as a priority for the City Commission.

¹⁵ <https://www.businessinsider.com/why-spending-more-time-outside-is-healthy-2017-7>

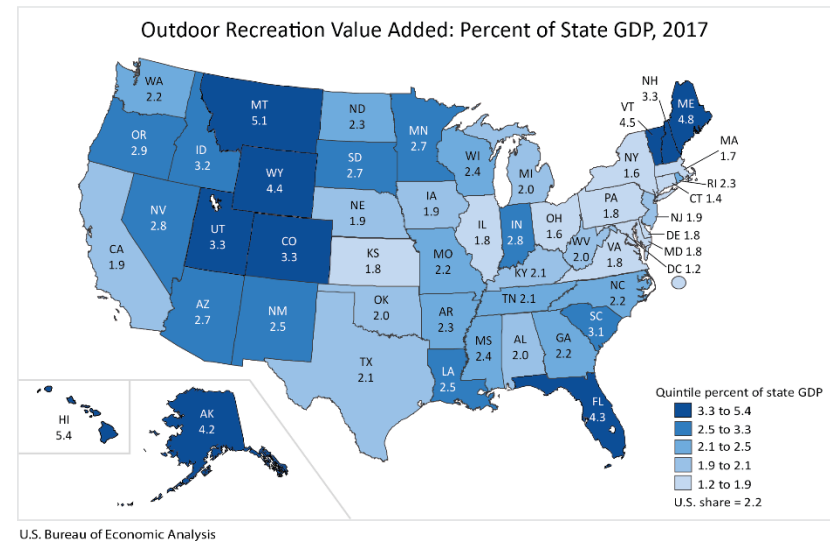
ANALYSIS

A condensed analysis of the outdoor recreation industry was conducted to get a better understanding of where the Nation and the State are regarding the Outdoor Recreation Sector.

National Trends

According to a Bureau of Economic Analysis report from September 2019,¹⁶ the U.S. outdoor recreation economy accounted for 2.2 percent (\$427.2 billion) of current-dollar gross domestic product in 2017. This sector has grown faster than the U.S. economy as a whole.

As shown in Map 4, the share of value-added from Outdoor Recreation is smaller than all Rocky Mountain States (including Montana, Wyoming, Idaho, Utah, Colorado, and Arizona) at only 2.5 percent. This estimate is likely to increase as the State focuses additional effort on building this sector in the State.



Map 4— Outdoor Recreation Value Added (Percent of State GDP)

State Trends

New Mexico had an estimated \$2.31 billion in total outdoor recreation value added in 2017. This is in line with the value added by Idaho (\$2.32 billion) and Montana (\$2.38 billion) but much lower than the neighboring states of Arizona (\$8.65 billion) and Colorado (\$11.31 billion). These estimates suggest that New Mexico is indeed “behind the times” when it comes to investing in the Outdoor Recreation sector. The State will have a long and hard road in developing the correct mix of culture, marketing, and recruitment strategies to capture additional value from this sector.

¹⁶ The BEA news release and methodology can be found online at : <https://www.bea.gov/news/2019/outdoor-recreation-satellite-account-us-and-prototype-states-2017>

Employment and compensation is another important metric because it can capture what economic benefit the sector is offering to its residents. In 2017, the State's Outdoor Recreation sector employed an estimated 33,486 individuals, with \$1.16 Billion in total compensation (an average of \$34,880 per employee). An estimated 3.9 percent of total employment is attributable to this sector, which produces an estimated 2.4 percent of total compensation, indicating that wages in this sector are lower than in other sectors throughout the State. The City's strategy should not be to increase the number of low-paying jobs in this sector, but rather to create additional amenities that are attractive to the workforce and potential employers.

Local Priorities and the Outdoor Recreation Task Force

The City has already made significant strides in investing in this area of focus. The City has already created an outdoor recreation task force and has organized specific goals upon which the City and task force will be focusing.

Outdoor Recreation Task Force

The Outdoor Recreation Task Force was organized in late 2019. The committee currently consists of three permanent seats, forming the leadership team, and three at-large members. The leadership team consists of one delegate from each of the following:

- 1) City of Raton, Parks & Recreation
- 2) City Commission
- 3) Economic Development Director

At large members will be decided by a majority vote of the leadership team. It consists of people who are vested in the community and have an interest in sports, fitness, and outdoor

recreation. A priority for the leadership team is that these members can bring an outside perspective and represent an active lifestyle demographic.

LOOKING FORWARD

A necessary priority is community buy-in toward an outdoor recreation lifestyle and economy. Raton cannot move forward by looking back at bygone industries and glory days. Outdoor Recreation is a viable, valuable industry and key element in the future economy.

It is key to develop an Outdoor Recreation Improvement Plan for the City of Raton. The need to identify and create a shared spreadsheet of recurring grants (USDA, EDA, EPA, State, private, etc.) and develop grant writing strategies, shared verbiage, and a list of possible in-kind and monetary match sources is paramount in these efforts. Communication with and facilitation of key partners is also vital.

INFRASTRUCTURE POSSIBILITIES

- Wayfinding geared toward Outdoor Recreation with branded signage for biking, walking, and driving. These plans are already in place from the Branding Team with potential signage mockups from designers.
- Improvement of trailhead at Climax Canyon Park/National Recreation Trail with better parking and vault toilet.
- Development of a pathway for biking/hiking between Climax Canyon, Downtown Raton, and Sugarite Canyon State Park. There is already a preliminary plan in place created by graduate students at UNM with some initial groundwork completed. ("Raton Bicycle Path")
- Improve/Resurfacing Roundhouse Trails (2 miles total)-- city has millings; machinery; widen and stripe down the

middle (City could provide a solid match in materials, equipment, labor)

- Workout stations at Roundhouse Park along the trail (Possible city installation as in-kind match).
- Development of Roundhouse Park as a landscaped greenspace including water system and maintenance plan for upkeep.
- Clean up of the rail yard which connects historic downtown/Heritage Park (multi-modal transportation area) with Roundhouse Park.
- Develop multi-modal transit throughout the City of Raton. This would include interconnecting trails or paths with access to various types of transportation. Multi-modal transit may include bike and electric scooter rentals, as well as encouragement for other forms of transit.
- At grade railroad crossing (possible revitalization of the tunnel) to connect historic downtown with Roundhouse Park (walking trail, disc golf, sand volleyball, horseshoe pits, etc.) and the Aquatic Center.
- In town trail system linking Goat Hill/Old Pass to Climax Canyon.
- Improvement of Goat Hill and Old Pass visitor experience/trailhead, etc.
- Upgrade current city parks with modern equipment and amenities.
- Identify other achievable outdoor recreation assets that capitalize on downtown Raton as the epicenter—revitalize downtown and the rest will follow.

KEY RELATIONSHIPS

- State of New Mexico Outdoor Recreation Division (Axie Navas & Alyssa Renwick) and pursuit of funding opportunities and support. Goal to host the 2021 or

2022 State Outdoor Recreation Economy Conference in Raton.

- New Mexico State Parks regarding camping capacity expansion and management plans; capital outlay requests/funding appropriations; continued political outreach to develop assets at Sugarite.
- Senator Martin Heinrich's office to pursue OR development (entrepreneurship & asset funding).
- Colfax County, regional municipalities crossing into the Colorado border as well (Cimarron, Trinidad, Springer, etc).
- Seek funding possibilities/intersectionality between YCC/EMNRD/Raton/Colfax/CPW/TPL/LOR/TPL/TNC/HKHC/private landowners to purchase private lands that are advantageous to our city and regional plans for trail connectivity and recreation.
- Colorado Parks and Wildlife: Vitaly important to renegotiate Raton's watershed area, the Lake Dorothy area, with a management plan to be geared for a wide range of outdoor recreation and not as it currently stands with Colorado hunting/fishing license required to recreate. The City needs to utilize this land for major connection with Fisher's Peak State Park in Colorado.

OTHER POSSIBILITIES AND SUGGESTIONS

- Possible need to hire a CO lobbyist/conservancy consultant to pursue the sale or lease of the City-owned property to the State of Colorado while preserving City water rights and access (i.e., get cash from latent assets) or using city-owned land for income with city-owned lodging.
- Increasing involvement in existing outdoor recreation events such as the Master of the Mountain Adventure/Relay Race (M.O.M.) and the Down and Dirty

Mountain Bike Race (D.A.D.) and discuss creating multi-day events (possibly in conjunction with surrounding states to incorporate this region) to stimulate the economy.

- Create an intentional outdoor recreation focused marketing plan for Raton and the region with adventure itineraries and strong knowledge of the City's target market.
- Better utilizing the Visitor Center and local businesses to create a "yellow brick road" experience for ease in exploring local recreation—climbing, hiking, birding, biking, kayaking, trail running, shooting, equestrian use, etc.
- Recruitment of an outdoor-oriented retail and export business for empty properties as available.
- Networking with a continued presence at Outdoor Retailer shows.
- Continued strategies for community input regarding projects and amenities related to Outdoor Recreation.
- Seek a lease management system for Goat Hill, the Iridium Layer, and what has been Old Pass Park to an agency such as New Mexico State Parks as an additional Camping/Recreation area for Sugarite Canyon State Park or other area.
- Curated recreational packages. Assemble offerings from outfitters, equipment rentals, restaurants, hotels, tour operators, etc. into a variety of packages designed to targeted tourism demographic segments.
- Caboozing (using our railroad history to promote staying in cabooses/train cars, etc.) and other non-traditional lodging options such as glamping (find an operator and investor).
- Plan an annual multi-day OR event (perhaps using the 40-mile potential loop between Raton and Trinidad) that ends with an major annual event such as the Gate City music festival, 4th of July, or Run to Raton.
- New Events like Miner Days, or Burro Days or Goat Days with Goat Hill that piggyback on history or a Taste of Raton bike tour—different places in town with voucher/participating businesses—like a passport bike tour of food, drinks, fun. Maybe a scavenger hunt/lodging discount. Extra credit for Goat Hill or some "beefy" rides along the way (wrist brands for \$75 and every booth offers 1 free item like beer, cupcake, etc.).
- "Raton Pass" recreation package; freely drive to certain places, or use the Rec Bus as a package deal; could be family or could be adult packages with bar hopping
- Mini-MOM at Roundhouse youth triathlon; summer rec programs where kids are training/exercising on bike, swim, run—could piggyback on Healthy Kids Healthy Community
- Youth hiking club; summer swim club; youth trail building and maintenance club
- Old Raton Pass Road—figuring out access and trail system to non-motorized for bikes/horses
- Bike rentals—simple with credit card and available in town (the Multi-Modal had plans for a bike building and has conduit for power)
- Have a concert with musicians on Goat Hill playing for the whole town.
- La Mesa Park revitalization as a town recreation field, bike/walk
- Trail building volunteer group
- Archery course
- ATV/OHV trails--where could they be built and not disturb residents or quieter recreators
- Downtown walking tour of Raton

WORKFORCE DEVELOPMENT

Workforce Development is an integral aspect of economic development. Without a strong workforce, local businesses cannot thrive, new businesses will struggle to grow, and recruitment efforts will be unsuccessful because there will not be a sufficient workforce to compete with more robust labor markets. The City will need to collaborate with employers, educators, the State's workforce development resources, nonprofits, and other regional groups so that all parts of the workforce development pipeline are represented and knows their part.

Workforce Development has several players and is regulated at several levels by various administrations. Looking only at the federal workforce piece of the broader workforce development system, it is governed by the Workforce Innovation and Opportunity Act (WIOA) and overseen by the Department of Labor. However, the funding is given to the State, who can then administer programs at a state or even regional level. The system also needs to coordinate with the U.S. Departments of Education and Health and Human Services, along with State and regional institutions, each with their regulations, goals, resource constraints, and ways of doing business. Because of the complexities of planning for, organizing, and bringing a workforce development plan to bear, this document will not attempt to create a specific workforce development strategy, but rather will discuss strategy and consideration for the City and/or county to create its own Workforce Development Plan (WDP) to address the community's specific needs. The WDP should be the guiding document and tool of collaboration and vision for all workforce development partners in the system.

STEP 1—ORGANIZE AND ALIGN RESOURCES

The City, and/or in collaboration with its community partners, will take the lead in advocating for the creation of a workforce development plan that is specific to the community to create a Workforce Development Advisory Board (WDAB). It should include stakeholders from across the spectrum including at least one representative from each of the following:

- City of Raton
- Colfax County
- Raton Public Schools
- Northern Area Local Workforce Development Board (NALWDB)
 - Board Chair
 - Executive Director
- Healthcare
- Technology/Communications
- Nonprofits
- Public Service (Police, Fire, etc.)
- Higher Education
- Chamber of Commerce
- NM Economic Development Department
- Local Bank/Credit Union
- Finance
- Outdoor Recreation (including Sugarite, Whittington, etc.)
- Agriculture
- Hospitality

The WDAB should consist of all major employers and workforce educators so that there is a strong relationship between those producing workforce talent and those who will be employing it. The City should make clear that this advisory board is intended to

become a permanent fixture in the community and that it will meet regularly to discuss and address workforce needs, make assignments, and create accountability. The WDAB should adopt the RACI method discussed in the BR&E section to ensure accountability and a clear definition of roles. The WDAB's first meeting should discuss the purpose of the advisory board, agree on how often it should meet, and discuss the needs and priorities for the WDP.

STEP 2—COLLECT AND ANALYZE DATA

After the WDAB has been organized, the City will want to work with NM Workforce Connections to pull labor force data. This data is often only collected at the regional level (NALWDB boundaries), so the City will likely need to augment the data with city- and county-level data such as from the Bureau of Labor Statistics (BLS), US Census Bureau, or from a labor force data provider, such as JobsEQ¹⁷ or ESRI¹⁸. After the BR&E program is implemented, data from participating businesses should be anonymized and included at an industry level. These data will likely be more accurate and up to date than federal or regional resources.

Due to the rurality of the County, these data will likely be incomplete, competing, or restricted to protect individual businesses. The data is likely to have large margins of error and will, therefore, be quite unreliable. One of the main roles for employers participating in the WDAB should be to verify and provide further insight into the data and workforce trends.

The City should keep in mind that data is always backward-looking and that this step is mostly useful to frame discussion

surrounding goals, track progress, understand the community's strengths and weaknesses, and for planning assignments.

STEP 3—DEVELOP WORKFORCE CAREER PATHWAYS

In addition to collecting data regarding workforce trends, the City should also research local workforce pathways. Workforce Career Pathways should be the primary focus of the WDP and should be presented in a format so that residents (especially students) can use it as a tool to understand what careers are available, what educational requirements will be needed, and expected income levels for each pathway.

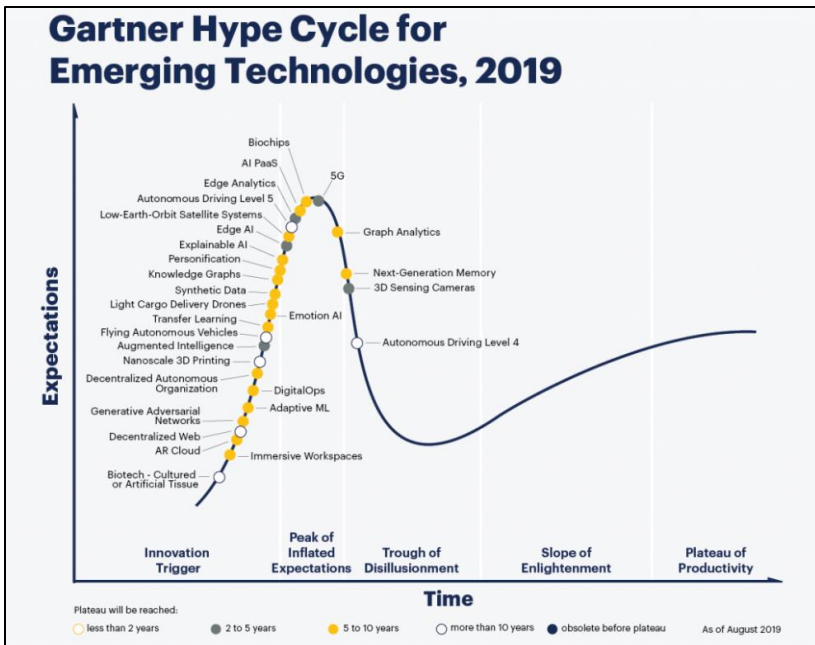
The Workforce Career Pathways should be created with workforce partners and employers, so they accurately represent local needs. There are often mismatches between what employers need and what the workforce and/or educational systems provide, and the workforce pathways should assist in resolving discrepancies, where possible.

STEP 4—THE WORKFORCE OF THE FUTURE

The WDP should include a section devoted to the Workforce of the Future (industries that are reliant on new and emerging technologies such as 5G, autonomous driving, augmented and virtual reality, robotics, Artificial Intelligence, etc. Good sources include Gartner (see Figure 34) and the BLS Occupational Outlook Handbook (<https://www.bls.gov/ooh/>). The WDAB should discuss what industries and occupations should be pursued to ensure the community has relevant and well-paying jobs in the future.

¹⁷ For more info, see <http://www.chmuraecon.com/jobseq/>

¹⁸ For more info, see <https://www.esri.com/en-us/arcgis/products/arcgis-business-analyst/overview>



SOURCE: Gartner

Figure 34—Gartner Hype Cycle for Emerging Technologies

Remote and Freelance Work

Remote and freelance work opportunities have become popular in the last several years. The number of people who work from home increased by 140% between 2005 and 2019, representing more than 4.3 million workers in the United States. Remote work has only gained in popularity after COVID-19 and subsequent social distancing efforts.

The number of employers open to and offering remote work is also on the rise. Sites like [FlexJobs.com](https://www.flexjobs.com) help qualified talent find high-wage jobs that they can do from a home office or coworking site. This is beneficial for both the employer and for rural communities.



Employers have access to a larger talent pool and can hire employees in different time zones to increase output and customer service responsiveness. Employers also experience less turnover. According to Owl Labs, companies that allow remote work have 25 percent lower employee turnover than those that do not. This is because employees who work in non-competitive job markets do not have itchy feet and often make more money than if they looked for jobs in the local market.

Employees also have access to a larger range of choices than what they can find in a local market. Unfortunately, urban flight and brain drain are persistent issues, often resulting from a lack of career opportunities in a rural community. Remote jobs can make it easier for graduating students and gives them the choice to stay in the region while still being able to work for a large company with competitive benefits.

Remote and Freelance work opportunities are going to be vital for rural communities. In the past, communities like Raton have relied on resource-based industries like mining and transportation. However, as the economy moves away from resource-dependent industries into service-based industries, labor will continue transitioning into service-oriented jobs. Rural economies that train their workforce with the skills needed to work remotely will make its workforce marketable to companies around the country and the world. In addition to discussing remote work in the WDP, the City should include remote work in all its training materials, workforce discussions, educational meetings, etc.

STEP 5—LEVERAGE THE WORKFORCE DEVELOPMENT PLAN

The City will need to write the WDP as a document that will be used. It might be helpful—if the WDP is too large and complex for target users—to create a complementary pamphlet or whitepaper

that can be distributed and used on a more practical level. The document will need to be well understood by members of the WDAB so they can follow its recommendations and fully leverage the document and make the maximum impact on the community.

Leveraging the document also means that it should have alignment with the NALWDB's regional plan and is broad enough to allow for grants and other funding sources from the various agencies and programs.

As mentioned in the introduction to this section, many of the participating entities will be bound by federal, state, or local regulations. While the WDP should try to be compatible with as many federal and state regulations as possible to maximize eligibility for funding resources, these regulations might be irresolvable or incompatible. The WDAB will need to discuss the advantages and disadvantages of wording the pathways and subsequent goals regarding these discrepancies.

STEP 6—ITERATE AND AMEND THE PLAN REGULARLY

After the plan has been published and is being used by the WDAB, it will be important to measure outcomes and to iterate on the approach accordingly. As new and better strategies are found, the City can incorporate them into the plan. It is recommended that the plan be updated at least every four years but should have minor revisions at least every two years to follow NM Workforce Solution's LASER estimates.

The labor market is dynamic and shifting, so the WDAB and WDP will need to do what it can to stay on top of industry and workforce trends. Failing to recognize and adjust to these trends will put the community at a disadvantage and further issues of population loss in the community.

CONCLUSION

Workforce development is economic development. Creating and leveraging the WDP should be one of the City's top priorities for economic development. Without a strong workforce, other projects and activities cannot be sustained. The WDAB and WDP will play a strategic role in the community's ability to be resilient and emerge from turbulent economic conditions. The main goal of the City's workforce development efforts should be to foster a robust support network that addresses diverse workforce needs.

The most auspicious way of accomplishing the steps outlined in this section is to get all the workforce system's stakeholders working together. Addressing workforce challenges are larger than what a single entity or organization can understand and manage on its own. Developing a WDP will require input and participation from several groups and players, especially if it is to be useful for the community's workforce talent. There are several workforce development plans available that can be used as a template for the City. Links to resources are provided following:

- <https://www.esri.com/library/brochures/pdfs/creating-a-workforce-plan.pdf>
- <https://newmexicotruetalent.org/>
- <https://www.jobs.state.nm.us/vosnet/Default.aspx>

CONCLUSION

This strategic plan is only as effective as the people who are implementing the recommendations and adjusting them based on the evolving needs of the community. Several exciting initiatives, such as the potential for a film studio and the upcoming Statewide CEDS process, should play a significant role in how these recommendations should be implemented.

Priority should be given to projects that can build the region's resources and capacity. As funds and human capital is added into the system, other projects will have the resources and added support of community members who have seen past successes. The Raton "Cash Mob" program is a great example of building the City's resources by infusing cash and excitement into the local economy. The Cash Mob was a program piloted on Facebook by Lynette Sipson wherein local businesses were able to sell their inventory very quickly to help them survive the worst months of the coronavirus pandemic.¹⁹ This program was so successful that it was replicated in five New Mexico MainStreet Districts. This added more funds to the local economy and generated support for the City's elected officials and newly hired Economic Development Director.

NEXT STEPS

The City Commission, City Manager, and Economic Development Director should review this document and evaluate which projects should be given the greatest priority and will be the most impactful in the short term. The City should set up those

taskforces first and help them align their goals and initiatives toward the City's shared vision for its economy. After these initiatives has sufficient funds and human capital being put toward the project, the City can expand its network to include the remaining task forces over time.

The City should evaluate and update this plan every two or three years, with major updates planned at least every ten years. The City should evaluate its economic development ecosystem at the same time and should dissolve and add task forces as deemed necessary. The focus should always remain on improving the quality of life and economic opportunities of the City's citizens.

The rest of this column left intentionally blank.

¹⁹ SOURCE: Soliz, Steve. "Raton 'Cash Mob' Raises Money for Local Businesses in Need." April 27, 2020. <https://www.kob.com/new-mexico-news/raton-cash-mob-raises-money-for-local-businesses-in-need/5711942/>

APPENDIX I—ECONOMIC RECOVERY AND RESILIENCE

Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2. The disease was first identified in 2019 in Wuhan, China, and has spread across the globe to result in what the World Health Organization has categorized as a pandemic.

The first known case of COVID-19 in the United States was confirmed on January 20, 2020 in a man who had returned from Wuhan just five days earlier. A White House Coronavirus Task Force was established on January 29th, with the President declaring a public health emergency two days later.

The virus has since spread throughout the United States, especially in large metropolitan areas such as New York and Seattle. The private sector began taking preventative measures in early March, with several firms requesting employees to work from home and/or canceling large events. On March 16th, the White House released guidance to all residents of the United States which included recommendations to work from home, avoid social gatherings of more than 10 people, use drive-thru, pickup, or delivery options, avoid discretionary travel, and not visit nursing/retirement homes or long-term care facilities. This guidance, along with the closing of public facilities or harsher restrictions by state governments, has significantly reduced economic activity in the United States.

While these measures have likely helped to slow the spread of the disease, it has caused a significant impact on the nation's economy, with thousands of businesses closing their doors and scrambling to find ways to keep their businesses and employees

afloat with little or no revenue sources. Economists at Morgan Stanley project that U.S. Gross Domestic Product will contract more than 30% over the next three months, driving unemployment into the double digits.

Raton's businesses have been hit hard by the sudden demand shock to the economy. Several business owners have taken out loans using their homes as collateral and face foreclosure and/or bankruptcy if unassisted. Employees are facing reduced hours or have been laid off, resulting in a surge of requests for unemployment assistance and a significant impact on local purchasing power.

The most difficult aspect of the COVID-19 pandemic is that there are so many unknown variables. The speed at which the virus will spread when cases will peak, and the true fatality rate all remain to be seen. Similarly, the deep and length of the resulting recession are still unknown.

This section of the economic development plan is focused on steps that the City takes to assist businesses in the local area. However, it must be noted that, at the time of writing, the dynamism of the COVID-19 situation will impact the effectiveness of these recommendations and that new programs or assistance from national or state government entities may prove to be more useful tools for local problems related to this pandemic.

This document is broken up into several sections, focused on different phases of recovery:

- 1) **Urgent Needs**—stop the hemorrhaging (cash grants now from the local community to provide 30-day lifeline)
- 2) **Stabilization**—businesses establish a revised operational baseline (deferred maintenance, profit reductions, lower headcount, going dark, etc.). This will be dependent on Federal and State support.

3) **Recovery**—purchase of inventory, hiring, etc.

URGENT NEEDS (APRIL 2020)

The first and most important phase will be urgent needs. This phase should be implemented as soon as possible to reduce panic and keep as much consumer sentiment as possible. Other needs will need to be addressed in the community, such as the psychological and social impacts of the virus and following economic recession, but they will not be addressed directly in this document.

Economic Recovery Fund

Funds can be made available and contributed to an Economic Recovery Fund (ERF) through:

- General Fund or EcoDev Funds. If cash is available now through EcoDev funds or general funds, money could be repurposed to the ERF to assist local small businesses.
- Temporary Gas Tax. Request that the State allows local municipalities to impose a temporary gas tax for use as an economic recovery fund. For communities like Raton located on a major highway, this may be a good source of temporary income. The nexus would be a “demand-side management” tool. That is, gas will not be purchased to travel to places if there are no places left to travel to because they have all been closed or are out-of-business. The tax would sunset after a certain period. A temporary gas tax faces less consternation from constituents, especially during recessionary periods when softening demand for fuel results in lower gas prices at the pump.
- Tax Assessment + Deferral. A Special Service Area (or similar mechanism) could be adopted that would create a new

property tax assessment. The municipality may secure bank financing using the projected proceeds of the assessment to service new debt. Proceeds from the new debt would be utilized to fund an ERF. A one- to two-year deferral period on the financing, as well as capitalizing the first few payments as part of the principal, would allow the municipality to pass along a deferral of payments for a similar period to the property owners. This would face some challenges in being adopted as property owners are less likely to approve of a new tax when facing economic hardship.

Cash Grants

- The Federal stimulus package is proposing small business assistance (less than 500 employees) in the form of a loan equal to 2.5 times weekly payroll. The loan is forgivable if the money is used for its intended purpose: to pay for payroll, rent, and other operational expenses. Businesses will have to demonstrate that they have been impacted by the COVID-19 containment protocols by showing a decline in revenue year-over-year. This funding may take weeks to become available and local businesses may not have that long to wait. In the meantime, communities could adopt an urgent economic recovery approach to stopgap businesses until such time that the Federal stimulus funds trickle down to local businesses.
- Raton may want to be more strategic than the Federal stimulus bill, which is designed to be broad-based economic support. Towns with limited resources may need to restrict the program to businesses that provide valuable community services, contribute significant revenue and/or quality of life assets, etc.
- Businesses that are likely to make it through the recovery because of community assistance should be prioritized. In the aftermath of Hurricane Katrina, economic trends accelerated;

those going down before went down faster, those already growing grew faster. Businesses that have not demonstrated strong operational results before the COVID-19 may not be able to recover and may represent a poor investment.

- Local entrepreneurs should be prioritized and supported as they are more likely to reinvest profits in the community during periods of growth.
- Large national chains and franchisors with multiple locations and organizational infrastructure are likely to have more capacity and access to institutional support to weather economic disruptions.
- Like the Federal bill, the grant could be structured as a loan that is forgivable if the money is used for its intended purpose: to pay for payroll, rent, and other operational expenses. The Federal stimulus will use banks to underwrite the program and receive an origination fee.

It would appear reasonable to ask for the following items from an applicant to a grant program to address urgent needs:

- They can demonstrate an external hardship—a drop in revenue, tuition cancellations, bookings, etc.
- Action steps are taken—employee layoffs/furloughs, store closure, request of rent deferral/abatement (and landlord response), infusion of capital, utilization of reserves, cancellation of events, other sources of funding they are pursuing
- Letter of good standing from the Secretary of State
- Sustainability plan—what will they do with any grant money provided and what is their plan to stabilize and remain a going concern after the shutdown. Will they be investing their funds to support their business?

- 2018 Tax Return/K-1 (to demonstrate profitability)—2019 if available but most likely not. This may be a good indicator of their ability to bounce back.
- Look at each business on a case-by-case basis and the application reviewers may request additional information to make the best decision of how to allocate funds. Another pertinent question is: how much is the owner invested in the community?
- How can we make sure the grant funds are being used as intended? Perhaps it is a loan that is forgiven if the proceeds are used as intended—that is how the Federal government is approaching their small business recovery funding.
- The program could entail a grant portion and a loan portion.

The City will need to keep the program simple and not overburden businesses with information requests; the above recommendations should all be easy to put together and submit.

APPENDIX II—GOALS DIAGRAM

Focus Area	Short-Term Goals	Medium-Term Goals	Long-Term Goals
Business Retention and Expansion	1.	1.	1.
Entrepreneurship			
Downtown Revitalization			
Outdoor Recreation			
Workforce Development			
Housing			
Legislative Issues			

APPENDIX III—OGDEN COMMUNITY FOUNDATION CASE STUDY

The City of Ogden, Utah created a community foundation that plays a significant role in transforming Ogden’s downtown. The foundation has invested hundreds of thousands in funds for reinvestment, improved market dynamics and property taxes, and has helped to create thousands of jobs. This section of the report looks at the history of the foundation and what decisions led it to be a success.

HISTORY AND FUNDING

The foundation was started in 2013 with a goal of providing a sustainable resource for community investment. The mayor understood the importance of this kind of fund because it can invest in projects that are too complex or might take longer than what a bank would be willing to fund. To assist the community with these kinds of project, the Mayor organized a nonprofit entity and brought in stakeholders from across the community.

The foundation did not start with an endowment; in its early years, the foundation only collected funds by hosting small fundraisers, races, and other events. The board was careful to minimize expenditures in the first few years. To raise money, the Mayor personally reached out to small businesses to get them to donate supplies and equipment for these events so any funds raised would be pure profit. After approximately three years, the foundation had raised more than \$20,000 per year to spend on local initiatives.

The foundation was managed carefully during its early years, collecting sufficient funds to invest into a large, transformative

project rather than on smaller, less impactful projects. In the third year, the foundation identified an opportunity that would significantly improve the downtown.

THE AMERICAN BUILDING

The AmeriCan building is a historic 200,000 SF building (see figure 1). Built in 1914, it was home to a can manufacturing firm that went dark in 1974. A local investor was interested in purchasing the building, and the City helped by securing new market tax credits; however, absorption of the space was lower than expected, with only a trade school leasing part of the bottom floor. A few years later, the City contacted with a prospective tenant for a portion of the building. By that time, the investor was looking to get out and the building needed substantial renovations and improvements before it could be leased out.



SOURCE: Standard Examiner

Figure 35—Building Before Renovations



SOURCE: Google Earth

Figure 36—Building During Renovations

The Foundation was able to purchase the building at base cost from the previous owner, who was able to use offset his taxes that year and walk away with the same amount as if the building were sold for market value. The foundation then negotiated with a development firm so the prospective tenant could move into the building quickly. The remainder of the complex was sold off to the developer in chunks as tenants were identified and the building was modernized and seismically retrofitted (see Figure 3). The foundation was able to see some of the upside from selling the building as its market value increased. The developer was also able to realize the value of the new market tax credits.



SOURCE: Google Earth

Figure 37—Building After Renovations

The purchase of the AmeriCan building provided the Foundation with significant resources, while at the same time improving surrounding blocks in the downtown (see Figure 4). The building increased the foundation's reserve to more than \$3 Million, giving it the ability to pursue more challenging projects and have a large corpus for operations. However, the foundation was careful to invest funds in projects that would only pay the money back and achieve its mission to redevelop the community.



Figure 38—Built Environment, 2007 & 2019

The Foundation has also played a key role in redeveloping the city's older neighborhoods. The Foundation set aside funds in 2010 to purchase homes in depressed and blighted neighborhoods, renovating the properties and selling them at or below market rate to provide affordable housing for citizens of the community. Over the course of more than ten years, the foundation has renovated properties along several city blocks, increasing property values and making the neighborhoods more desirable.



Figure 39—Fourplex in downtown Ogden, renovated as a single-family home. Click [this link](#) for news coverage of the property

WHAT IS A COMMUNITY FOUNDATION?

A community foundation is a public charity that focuses on supporting a specific geographic area, primarily by pooling donations to address community needs and support local nonprofit and for-profit businesses. This type of entity is desirable for a community because there are a lot of restrictions for public funds, which are subject to statutes and regulations as well as the whims of politics. Communities need a sustainable, reliable source of funds for projects that are complex or will take time and could be at risk if there is a change of elected officials.

The foundation should be organized as a 501c3 nonprofit and run independently from the local government. While elected officials can and should participate on the board and in its meetings, the board should be majority private-sector individuals who are engaged, committed leaders. To maximize its impact, the board should avoid hiring someone to run the foundation; if the organization needs to hire someone, the staff member must be able to pay for himself/herself, operating the foundation like a business.

STEPS TO SUCCESS



CONCLUSION

The community foundation should tackle projects that will have a catalytic, demonstrable impact on the local economy. The foundation could pursue a similar strategy through the purchase of a local building, or by investing in similarly impactful projects. The board should evaluate projects regularly and ensure that new projects will remedy and resolve key economic hurdles. The board should consist of a diversity of experience and expertise so it can come up with creative solutions across the economic spectrum, working closely with nonprofit and public organizations to ensure that efforts are not being duplicated.

The organization should also ensure that its structure and activities are sustainable, providing sufficient income year over year so the foundation can survive economic hardships, when its services will be needed most. To do this, the organization should continue fundraising efforts, even as projects provide a more sustainable cash flow and reserve.

The City should also consider connecting with large firms or individuals (i.e. InBank, Angelfire Resort, Edward Jones, or local individuals connect with the NRA Whittington Center, Philmont Scout Ranch, or Ted Turner Ranch) to acquire a sizeable corpus from which the foundation can be run.