Economic Development Strategies in Municipalities in Colorado

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Introduction to Public Policy Analysis

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Abstract

After analyzing the economic development plans of several communities, and comparing that data to Osgood's strategies, we concluded that the communities used different strategies depending on the unique need specific to the type of community: urban, inner suburban, outer suburban, rural, resort, and college. A type one strategy looks to build the economy through attracting business and firms. A type two strategy attempts to expand and improve upon firms and business that is already there. A type three strategy focuses specifically on building and improving the community. Urban communities utilize type three and type one strategies; inner suburban communities use type two strategies; outer suburban use type one strategies; rural communities use type one strategies; resort use type two strategies; and college communities use type one strategies.

Introduction

This study shows the different strategies utilized by types of municipalities in Colorado. It is helpful to differentiate between strategies as well as types of communities, so that Economic Development Boards in Colorado may assess the success of these strategies and choose to apply them to their own municipalities. We used Jeffery Osgood, Susan M. Opp, and R. Lorraine Bernotsky's article as reference to cluster different strategies to classify them as type one strategies, type two strategies, and type three strategies.[1] [2] A type one strategy would be a strategy that "look[s] outward for economic growth through the attraction of firms with the promise of financial incentives and infrastructure investment."[3] A type two strategy is when municipalities "focus inward by leveraging economic development efforts to retain and expand existing firms."[4] The last strategy, a type three strategy, focuses "'more broadly on community-level development economic development strategies' through 'small business, microenterprise, and community economic development strategies.'"[5] For easy reference throughout the paper, we have made a table for these development strategies as well:

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[1] Jeffrey Osgood, Susan M. Opp, and R. Lorraine Bernotsky, "Yesterday's Gains Versus Today's Realities: Lessons From 10 Years of Economic Development Practice," in Economic Development Quarterly: The Journal of American Economic Revitalization, 2012. SAGE Publ., Thousand Oaks, California.

[2] In the article they refer to these strategies as "wave one strategies," "wave two strategies," and "wave three strategies," but we disagreed with the authors, believing that these strategies are applied in accordance with the type of community, not in a sequence of waves.

[3] Jeffrey Osgood, Susan M. Opp, and R. Lorraine Bernotsky, "Yesterday's Gains Versus Today's Realities: Lessons From 10 Years of Economic Development Practice," in Economic Development Quarterly: The Journal of American Economic Revitalization, 2012. SAGE Publ., Thousand Oaks, California.

[4] Jeffrey Osgood, Susan M. Opp, and R. Lorraine Bernotsky, "Yesterday's Gains Versus Today's Realities: Lessons From 10 Years of Economic Development Practice," in Economic Development Quarterly: The Journal of American Economic Revitalization, 2012. SAGE Publ., Thousand Oaks, California.

[5] Jeffrey Osgood, Susan M. Opp, and R. Lorraine Bernotsky, "Yesterday's Gains Versus Today's

Strategy Type	Definition
Type One	A strategy that looks outward for economic growth through the attraction of firms with the promise of financial incentives and infrastructure investment
Type Two	A strategy that focuses inward by leveraging economic development efforts to retain and expand existing firms
Type Three	A strategy that focuses more broadly on community-level development economic development strategies through small business, microenterprise, and community economic development strategies

Through our research, we also decided to separate municipalities into types of communities: urban, inner suburban, outer suburban, rural, resort, and college. There are distinct differences in strategies used by municipalities. Each employs a different strategy according to the needs of the community, which often reflect the challenges specific to the type. For instance, rural communities want to bring in new businesses to develop their economy because they have both the space and potential for business, which is a type one strategy. However an urban community does not have space for new business, and would rather develop what is already there by using type three strategies. This assessment of communities is more precise.

Our research question is: what local economic development strategies are being implemented across the state of Colorado and how do these strategies relate to the various types of communities in which they occur? This question is answered in our paper through analyzing economic development plans such as Aurora, Fort Collins, Steamboat, Vail, Denver, Firestone, and municipalities in Northern Colorado.

Realities: Lessons From 10 Years of Economic Development Practice," in Economic Development Quarterly: The Journal of American Economic Revitalization, 2012. SAGE Publ., Thousand Oaks, California.

History of Local Economic Development in Colorado

Table 2. Trends in Local Economic Development (Percentage of Governments Reporting)

	2009	2004	1999
Responsibility for economic development			
Local government	67.6	68.4	n/a
Nonprofit	20.0	20.2	n/a
Other	5.5	11.5	n/a
Written economic development plan			
Yes	48.7	41.8	52.6
Local budget allocation linked to ED priorities			
Yes	38.8	n/a	n/a
How long has locality had ED plan?			
<3 years	21.0	n/a	n/a
3-5 years	20.4	n/a	n/a
>5 years	58.6	n/a	n/a
Participants in local economic development			
Chamber of commerce	60.8	57.1	74.7
County	46.6	39.2	40.5
Economic Development Corporation	40.6	37.4	n/a
Regional organizations	34.0	31.2	n/a
State	31.1	27.9	27.6
Federal government	7.0	8.0	7.8
Competitors for local economic development			
Nearby local governments	74.6	59.0	80.6
Other local governments within state	62.7	49.1	63.8
Other states	46.2	38.3	41.8
Local governments in surrounding states	44.4	38.8	40.4
Foreign countries	19.9	19.3	10.4
Number of competitors by characteristic	Mean (SD)		
Median household income			
<\$50,000	2.72 (1.52)*	n/a	n/a
≥\$50,000	2.31 (1.42)*	n/a	n/a
Median home value			
<\$250,000	2.66 (1.52)*	n/a	n/a
≥\$250,000	2.18 (1.36)*	n/a	n/a
Percentage in poverty			
<15%	2.34 (1.44)*	n/a	n/a
≥15%	2.77 (1.50)*	n/a	n/a

Note. ED = economic development; n/a = not applicable. Values in parentheses are standard deviations.
*$p < .05$.

[6]

The history of economic development in municipalities in Colorado is largely characterized by the recession of the 2000s. A table taken from Jeffery Osgood's article “Yesterday’s Gains versus Today’s Realities: Lessons From 10 Years of Economic Practice” illustrates the difference between municipalities’ investment in economic development in 1999,

[6] Jeffrey Osgood, Susan M. Opp, and R. Lorraine Bernotsky, “Yesterday’s Gains Versus Today’s Realities: Lessons From 10 Years of Economic Development Practice,” in Economic Development Quarterly: The Journal of American Economic Revitalization, 2012. SAGE Publ., Thousand Oaks, California.

2004, and 2009.[7] This table shows data from everywhere in the United States, not just in Colorado. However, the recession affected Colorado just as it did every other state, and the data is accurate as a description of economic development plans in Colorado. There is a clear difference between the 2004 statistics and 2009 statistics concerning a written economic development plan. In 2004, the data shows 41.8% of local governments had a written economic development plan, while in 2009 the number went up to 48.7%. For this reason, collecting data on the history of economic development for specific types of communities in Colorado was difficult, and in some cases impossible. This trend is also clear in the rest of the table, which shows an increase overall in investment in economic development locally. It is possible that this is because is an economic crisis like the Great Recession, municipalities were concerned only with the most basic strategy, to draw in businesses.

Once the dust settled, municipalities were once again able to focus on the complexities of economic development. However, those areas that were significantly developed before such as resort areas, college towns, and inner suburban cities yielded some historical information. For instance, inner suburban cities such as Aurora placed focus on creating a unique identity. Because inner suburban areas often meld into each other as Parker, Foxfield, Centennial, and Aurora have begun to do, they believe that a unique identity is important to economic development. In an article by Edward T. McMahon, this is explained when he writes, "…communities with the highest levels of attachment also had the highest rates of gross

[7] Jeffrey Osgood, Susan M. Opp, and R. Lorraine Bernotsky, "Yesterday's Gains Versus Today's Realities: Lessons From 10 Years of Economic Development Practice," in Economic Development Quarterly: The Journal of American Economic Revitalization, 2012. SAGE Publ., Thousand Oaks, California.

domestic product growth and the strongest economies”.[8] This tactic is in accordance with Osgoods’ “third wave strategy” and our rephrasing to a ‘type three strategy’.[9] In Osgood's article, a type three strategy is one that focuses “’more broadly on community-level economic development strategies’ through ‘small businesses, microenterprise, and community economic development strategies’”.

This is different from the data gathered about college towns. College towns showed a trend of economic strategy that aligns with type one strategies. While it is clear that all strategies are utilized, emphasis is placed on “Identifying new opportunities for primary job creation”.[10] Type one strategies might have been especially applicable to college towns because of the constant flux of student employees, who are often seasonal or leave after they graduate. While the recession caused many students to flock to colleges, college towns still felt the impact. First wave strategies were and will most likely continue to be a focal point in college towns.

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[8] Edward T. McMahon. "The Distinctive City." Urban Land Magazine The Distinctive City Comments. April 03, 2012. Accessed November 15, 2015. http://urbanland.uli.org/development-business/the-distinctive-city/.

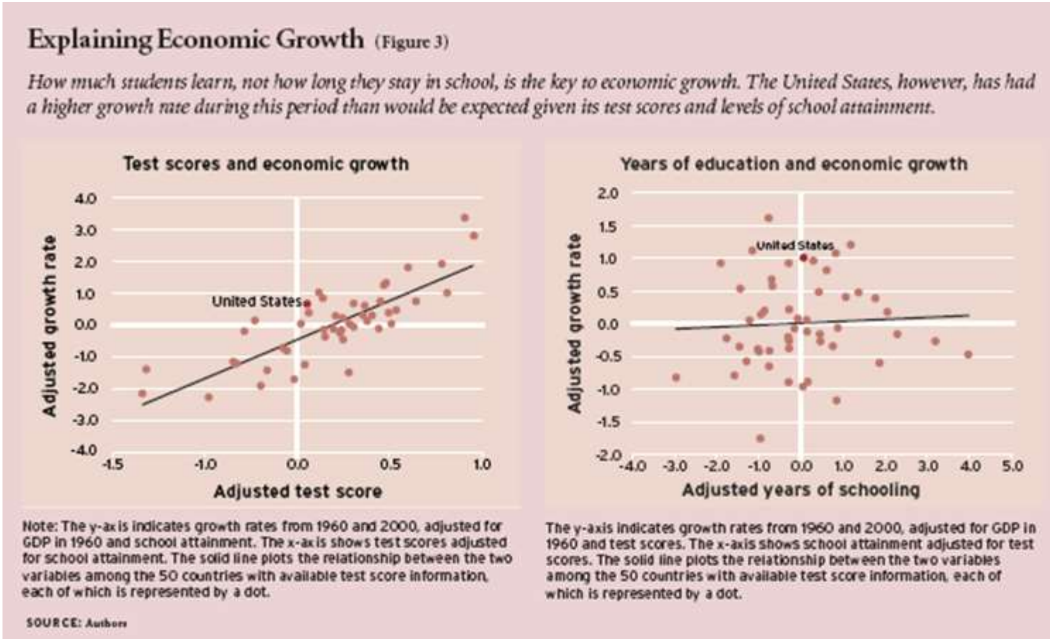
[9] Edward T. McMahon. "The Distinctive City." Urban Land Magazine The Distinctive City Comments. April 03, 2012. Accessed November 15, 2015. http://urbanland.uli.org/development-business/the-distinctive-city/.

[10] "Fort Collins: Creating and Sustaining a Great Community," http://www.fcgov.com/business/pdf/economic-action-plan.pdf, accessed November 2015.

Urban Areas in Colorado

Urban communities (i.e. would be what one typically thinks of when they imagine a city) are unique because their economic prosperity typically relies on the ability to retain and attract business investment and the jobs and tax revenue that this investment will generate. The quintessential example within Colorado would be Denver. Usually, municipalities with vigorous commercial and industrial activity have higher rates of employment, higher household incomes, and capital to support a wide variety of public services. Areas with little business activity often face economic downturn, distress, and increased levels of poverty. Cities that depend on natural resources, such as wood products and oil, should locate their operations in areas where these resources are abundant. Business owners often search for locations where there are low labor and land costs to increase economic profit. Economic growth tends to be higher in regions where overall education levels are higher, leading to more educated workers. The graph at the top of the following page, for example, shows the correlation between test scores and years of education and the economic growth rate of the United States.[11]

[11] Eric A. Hanushek, Dean T. Jamison, Eliot A. Jamison, and Ludger Woessmann. "Education and Economic Growth." What Makes Working Cities Work? Key Factors in Urban Economic Growth. Spring 2008. Accessed November 15, 2015.



From the graph, it is evident that test scores positively correlate with the adjusted growth of the economy in the United States. “In other words, higher levels of cognitive skill appear to play a major role in explaining international differences in economic growth”.[12]

In an urban community, there are many focuses that lead to a successful economy. Cities that utilize a cluster-led approach will typically end with their clusters being the center of business development investment and economic prosperity. A cluster is a group of companies and industries in a regional area whose economic activities are interrelated enough to function as an economic network. Clusters are thought to increase the productivity of an area in which companies can compete, nationally and globally. Michael Porter claims that clusters have the potential to affect competition in three ways: by increasing the productivity of the companies in the cluster, by driving innovation in the field, and by stimulating new businesses in the field.[13]

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[12] Eric A. Hanushek, Dean T. Jamison, Eliot A. Jamison, and Ludger Woessmann. "Education and Economic Growth." What Makes Working Cities Work? Key Factors in Urban Economic Growth. Spring 2008. Accessed November 15, 2015.

[13] Michael E. Porter, *On Competition* (Boston, MA: Harvard Businesss School Pub., 1998), pg. 225.

According to him, comparative advantage is becoming less relevant in society, and a competitive advantage is now more important. This argument relies on the fact that economic activities are intertwined now with social activities, and that social activities glue clusters together.

Urban areas sometimes involve anchor institutions, universities, medical centers, etc. which typically cooperate as the engine of economic activity. Anchors can play several distinct roles in their allotted communities, including roles as purchasers, workforce developers, and community infrastructure builders. These roles allow cities to leverage their anchor institutions as the key economic driving force behind their district. In an urban community, type three strategies are most prevalent because of an existing community and need for a better quality of life for that community. Because of this, these communities typically focus on transportation, housing, and urban renewal within the area. Urban areas are also putting a large portion of their drive into type one strategies right now because of the change in household wealth and need to create jobs. While many urban communities are booming, some are lacking in the business area which contributes to a need for business growth as well. Type three strategies are seen in all urban areas as there is an increasing need to revitalize the areas as more and more people come to the cities. There are typically three accelerants of inner city growth, as business growth is a core driver of economic vitality in urban areas. These three accelerants are: improving access to capital, providing management and business education for business owners, and connecting businesses to procurement and supply chain networks. These are all essential to providing business growth within the area and further developing the economy. From this, it is proven that type one and three strategies are most prevalent in the urban areas of the economy.

Inner Suburbs in Colorado

Inner suburbs/inner ring suburbs (i.e. those suburbs which have been established for decades and are closest to major cities and are, therefore, generally larger) face unique challenges when approaching economic development in recent years. In Colorado, this type of suburb exists mainly within a short distance of Interstate 25 and is landlocked by other cities or suburbs; examples of this type of community include Thornton, Westminster, Lakewood, and Arvada. One of the most prevalent challenges in economic development that inner ring suburbs face is a lack of space for expansion. Because these areas have been developing for such a long time, it is natural that there would be an eventual loss of space into which both new and old businesses could expand and bring in revenue. Solving this issue appears to be the economic development priority of inner suburbs.

Nation-wide, there appears to be a trend toward "smart growth strategies" being used in inner suburbs.[14] These strategies are described as "movements to control the negative impacts of sprawl and provide alternative ways for future growth."[15] Strategies of this type emphasize most on mixed-use development (development with multiple functions such as industrial and commercial), re-use of existing infrastructure, establishing an improved sense of community, and improving affordability of housing.[16] These development strategies all together are a combination of all three types of development; mixed-use development typically falls under type one development, re-use of current infrastructure qualifies as a type two development strategy,

[14] Sugie Lee and Nancy Green Leigh, "The Role of Inner Ring Suburbs in Metropolitan Smart Growth Strategies," *Journal of Planning Literature* (2005): 330

[15] Sugie Lee and Nancy Green Leigh, "The Role of Inner Ring Suburbs in Metropolitan Smart Growth Strategies," *Journal of Planning Literature* (2005): 338.

[16] Sugie Lee and Nancy Green Leigh, "The Role of Inner Ring Suburbs in Metropolitan Smart Growth Strategies," *Journal of Planning Literature* (2005): 338.

and both growing a stronger sense of community and making housing more affordable are type three strategies. It can be observed, then, that there is not a focus on one specific type of development in the spectrum of smart growth strategies for inner suburban development. Though these clear, established strategies for development targeting the problem of limited space availability exist, there still are potential problems that inner ring suburban communities may face when attempting to implement them. If revenues have drastically declined due to the limited availability of expansion, these suburbs may not necessarily be able to utilize development strategies because of the monetary cost; this can be especially difficult if the community is not a separate jurisdiction that can qualify for state/federal money targeted to areas that are deprived (which many inner ring suburbs are not).[17] This creates a Catch 22 for these communities, because limited space doesn't allow for much further type one development to bring in capital, but a lack of capital can be an obstruction to implementing smart growth strategies to fix this issue.

In Colorado specifically, inner suburban communities are combating the issue of space availability by using primary job development. By developing primary jobs in their respective towns, Colorado's inner suburban areas are able to generate more revenue by selling *outside* of their region to bring capital *into* their region.[18] This ties to the smart growth strategy of re-using an existing infrastructure in a community to fight the problem of limited space, because it allows for the existing businesses in a town to grow without having to use any more physical land. More type two strategies are being utilized in Colorado's inner ring suburban communities as well;

[17] Sugie Lee and Nancy Green Leigh, "The Role of Inner Ring Suburbs in Metropolitan Smart Growth Strategies," *Journal of Planning Literature* (2005): 341.
[18] John Cody (Economic Development Director of the city of Thornton) in discussion with the author, October 2015.

there is a strong emphasis on supporting existing business overall.[19] Considering these communities' primary issue, it is understandable that there would currently be a focus on type two development strategies, since type one strategies are in some capacity prevented. Even with a restriction on type one development, inner suburban communities still appear to have plans in place for new business development. These towns have grants and other incentive programs in place, and some have even partnered with larger organizations like the North Metro Denver Small Business Development Center to cultivate new development.[20] Communities of this type, in fact, pride themselves on being highly business-friendly, with many people wanting to live there because they have access to all of the resources that they would need.[21]

Overall, it appears that although nationwide, there is a mix of all three types of development in approaching the issue of limited availability, Colorado towns' current approach to this issue focuses mainly on type two. There is certainly prevalence of type one in their respective economic development plans, but the state of affairs at the moment in these communities restricts this type of development; given the issue they are currently facing, the towns have found it most advantageous to develop from within, utilizing strategies like primary job development and supporting existing businesses.

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[19] "Westminster Economic Development Office: About Us," http://www.westminstereconomicdevelopment.org/About-Us.aspx, accessed November 2015

[20] "Westminster Economic Development Office: Existing Business Services," http://www.westminstereconomicdevelopment.org/Existing-Business-Services.aspx, accessed November 2015

[21] John Cody (Economic Development Director of Thornton) in discussion with the author, October 2015.

Outer Suburbs in Colorado

Outer suburbs/outer ring suburbs (i.e. those suburbs which are farther away from major cities than inner suburbs, have been established more recently, and are still growing) have distinctive development goals and strategies that set them apart from other community types. In the state of Colorado, outer suburbs exist between other suburbs/cities and rural area (they are not yet "landlocked" by developed areas), and are farther away from Interstate 25 than inner suburbs and cities; examples of this community type within the state include Firestone, Frederick, and Windsor. The current focus of outer ring suburbs is getting citizens to come to the town as well as getting them to stay and become residents to build a stronger, more developed community. These areas are still growing, so they must rely heavily on economic development in several areas to incentivize others to move to the town.

Looking at outer ring suburbs on a nationwide scale, the major issues surrounding these communities can be observed. The main goal for these communities at the moment is to bring in more residents, but there is a trade-off for potential movers that these communities must consider when crafting their primary development strategies; the lower housing prices in these areas as well as a "love of the new" that people in general possess work in favor of outer ring suburbs, but there is also the rising cost of driving time and the desire for more urban living among the American population that draw them away from relocating to these types of communities.[22] This is one of the issues that outer suburbs are trying to alleviate through effective economic development strategies. On top of this, outer suburbs also are concerned with recovering from the massive foreclosures that occurred during the nationwide recession period, which, in general,

[22] John McIlwain, "Suburbs 2.0: The Evolving American Suburbs," *UrbanLand*, 1 June 2011.

hit these communities the hardest.[23] Because these suburbs were still just growing, the recession was especially damaging for them, and it still appears to be a leading development target today.

In the outer suburban communities of Colorado, several methods of development are being used to bring in residents and alleviate past economic damage. A top priority in many of these towns is to bring in large box retailers such as Target and Wal-Mart; this ensures that people in the community have immediate access to the things that they need, and it also generates revenue in the community.[24] Bringing in these retailers helps these communities alleviate both the concern for potential residents that they may have to drive far to access these necessities (driving time) and the concern over producing more capital in the post-recession economy. In a similar vein, outer ring suburbs in the state are taking a very pro-business approach to economic development, being very flexible, responsive, and utilizing programs to draw in small business growth such as grants and loans.[25]

Towns of this type commonly partner with other organizations/areas to create these incentives as well, such as chambers of commerce or even other regions of the state such as Firestone's partnership with upstate Colorado to create an incentive package for new business, which the communities find advantageous since they would not necessarily be able to provide the same level of incentives on their own.[26] These strategies that are being utilized by outer ring suburbs are obvious examples of type one development strategies; there is a natural inclination

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[23] John McIlwain, "Suburbs 2.0: The Evolving American Suburbs," *UrbanLand*, 1 June 2011.
[24] Wesley LaVanchy (Town Manager of Firestone) in discussion with the author, November 2015.
[25] Wesley LaVanchy (Town Manager of Firestone) in discussion with the author, November 2015.
[26] Wesley LaVanchy (Town Manager of Firestone) in discussion with the author, November 2015.
"Frederick Colorado: Urban Renewal Authority," http://www.frederickco.gov/index.aspx?NID=176, accessed November 2015.

toward type one strategies of outside business growth since, by definition, outer ring suburbs are growing suburbs. This type of development also addresses the issue of drawing in more residents, because the more developed businesses that exist within a community, the more people will be enticed to move there. Specifically addressing the issue of post-recession development, outer suburbs in Colorado are trying at the moment to figure out the best method to mitigate the damage they suffered.[27] One possible strategy being debated is management of water resources, since water can be largely an economic resource in the community.[28] Another potential method is the utilization of Urban Renewal Authorities to "establish tax-increment financing districts...for the purpose of spurring reinvestment in areas of physical or economic decline."[29] Both of these strategies fall into type two development, but it may be a few more years until the results of programs such as these can be deemed effective or not since they are post-recession/more recent strategies.

The outer suburban communities of Colorado appear to be facing the same issues as outer ring suburbs nationwide: drawing in more permanent residents and alleviating the harm done by the recent recession. Colorado's towns of this type appear to have the strongest focus on type one strategies to generate revenue and draw people into their communities (which is their primary goal), and type two strategies are more so being used in attempt to allay recession damage.

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[27] Wesley LaVanchy (Town Manager of Firestone) in discussion with the author, November 2015.

[28] Wesley LaVanchy (Town Manager of Firestone) in discussion with the author, November 2015.

[29] "Frederick Colorado: Urban Renewal Authority," http://www.frederickco.gov/index.aspx?NID=176, accessed November 2015.

Rural Areas in Colorado

Rural areas (i.e. communities that focus more so on agriculture, have smaller populations, and are far away from major highways and retail areas) face individual challenges as well. In the state specifically, much of Northern and Eastern Colorado fits the description of a rural area. Since World War Two, the primary challenge of rural economics has been to adapt to the changes of nineteenth century economics.[30] This is a struggle because rural communities must forgo the small town settlement patterns that they formerly followed. The towns must adapt to the new cultures, including shopping, public service requirements of larger firms and a new mobile population, and new transportation requirements. These challenges lead to the question of what these areas aspire to be. The underlying goal is to increase economic prosperity and all sorts of different communities have different ways to achieve this goal. In rural communities, this goal usually translates to bringing new people to the area to further increase the development of the economy.

In a rural area, type one strategies are most common, focusing on bringing business in to provide sustainable economic growth. Because of this, rural areas focus more on private-sector investment in the local economy, by enhancing the public sector's capacity to facilitate private investment or by attracting local investors to the area. Rural areas put less focus on type two and three strategies because the areas are usually not fully developed yet. Most rural areas rely on a few numbers of industries, usually one or two. Because of this, rural areas lack in economic diversity and a major challenge is that many rural areas depend on reinvestment not just for growth, but for survival. This is a large problem because these areas do not have the same

[30] Gene F. Summers, "Cynthia M. Duncan, Worlds Apart: Why Poverty Persists in Rural America: Worlds Apart: Why Poverty Persists in Rural America," *Social Service Review 74*, no. 3 (2000), doi:10.1086/516416.

financial resources that an urban area would have. Furthermore, because of the small population and lack of self-sufficiency, rural areas are more dependent on the national and regional economy than cities, and are usually more vulnerable to economic downturn.

The political economy of rural areas is key to understanding the reasoning behind economic decisions. Because of this, there are multiple kinds of external dependency found in rural economics. First, direct dependency arises when outside owners control the key sectors of economic vitality. Secondly, trade dependency is found when locally produced goods and services are exported to other markets where demand and prices may fluctuate frequently. In this situation, the demand would be lower in the local economic area as opposed to distant markets. Additionally, financial dependency occurs when a community must import capital to stimulate economic development. Lastly, technical dependency occurs when a community needs to import trained personnel and technology in order to improve productivity, develop new products and processes, and finally achieve economic growth. All of these external dependencies', based on the dependency theory, reliance on outside factors and markets will make the community more vulnerable to large swings from prosperity and economic growth to depression and recession within the community, as well as exploitation by outside interests.

In a rural community, the focus is usually on business growth, aimed at improving a town's position as a central place, through more and better retail outlets, manufacturing firms, services, or some combination of the three. The problem here is that rural communities often focus on job creation and expansion of the tax base without considering other involvements of the community. This reliance leads rural areas to lack in economic diversity and this focus on job creation leads there to be less development in the housing and public services area, which make an area a desirable place to live. Because of this, rural areas must focus on economic diversification to broaden their scope of involvement.[31] Industrial recruitment and downturn revitalization are the two most common economic diversification strategies used in rural areas. Industrial recruitment involves attracting outside investment into the area to build up the community's manufacturing export base. Downturn revitalization features development from within, centered on retail trade. The two strategies are often used simultaneously and are not mutually exclusive. By recruiting industrial development, rural areas typically bring in a single plant to create jobs and employ a large number of people. This is a quick solution to the local need for jobs and property tax base, but still ends with the areas depending on a single or small number of industries.

The physical characteristics of the rural landscape create the most challenges for this type of community. Communities are often isolated and this creates a large need for greater human capital. "Finally, half the rural population lives in areas plagued by chronic poverty, places where adequate resources have never been invested in education or community infrastructure. Whole communities stand broken".[32]

Overall, rural communities' biggest challenge to success is finding human capital. Because of the physical characteristics of rural areas, the areas are often isolated and this makes it much harder to find a sustainable workforce. This results in the reliance of few industries which could, therefore, lead to huge swings in economic vitality.

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[31] Jenny Briedenhann and Eugenia Wickens, "Tourism Routes as a Tool for the Economic Development of Rural Areas—vibrant Hope or Impossible Dream?," *Tourism Management* 25, no. 1 (2004), doi:10.1016/s0261-5177(03)00063-3.

[32] Cynthia M. Duncan, "Investing In What Works for America's Communities » Community Development in Rural America: Collaborative, Regional, and Comprehensive," *Investing In What Works for Americas Communities*, accessed November 15, 2015, http://www.whatworksforamerica.org/ideas/community-development-in-rural-america-collaborative-regional-and-comprehensive/.

College Towns in Colorado

College towns (i.e. a town or city where a major university is located, typically state universities with over 15,000 students) are especially interesting when addressing economic development strategies, because the community they are catering to differs greatly from any other community type. In the state of Colorado, examples of college towns include Fort Collins, the location of Colorado State University, and Boulder, the location of the most populous branch of the University of Colorado. These communities must cater to both students and town residents in their development strategies, so their strategies of economic development, in large, aim to make the entire demographic better off.

Firstly, looking at college towns on a nationwide scale, there are "smart growth" strategies that are attributed specifically to this type of community. Overall, these strategies aim to add to the quality of life in the towns, including more/better transportation services, community involvement, and increasing variety of available homes.[33] These growth strategies obviously fall under the category of type three development, as they are aimed at increasing the general quality of life within the community. The more specific goals that these smart growth strategies are trying to accomplish, however, include attracting and keeping excellent students and staff, finding a mutually beneficial way that the university and its surrounding community can interact, and even allowing universities to improve their environmental performance.[34] On a broad scale, there is a clear focus on making the town simply a good place to live overall; this is

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[33] Matthew Dalbey et al., *Communities of Opportunity: Smart Growth Strategies for Colleges and Universities* (Baltimore: NACUBO, 2007), 7.

[34] Matthew Dalbey et al., *Communities of Opportunity: Smart Growth Strategies for Colleges and Universities* (Baltimore: NACUBO, 2007), 7.

advantageous in terms of economic development because it draws in more people that want to live there, as well as encouraging the students and other temporary residents to stay.

In the state of Colorado specifically, there is a strong focus on making college towns an excellent place to live, but the strategies used to achieve this differ in some ways from the nationwide trend. There is a strong focus on developing new businesses within the state; this includes businesses involved with higher-level industries such as carbon reduction, new technology, and the complex sciences, but it also involves small, local business development.[35] These strategies fall under type one as opposed to type three development. The advantage of using type one development in college towns is that, because of the nature of this type of community, there is an increased desire for activity, which means that the more new business that is brought in, the more revenue it will generate for the community. A unique quality of college towns is that they are also able to capitalize the university through research and business opportunities.[36] This strategy of development does not neatly fit into one specific type, which reflects the distinction between college towns and other community types. The current major issue facing college communities in Colorado is the price of housing; with the consideration that a major goal of these towns is to incentivize people to remain there after they have completed their college education, the price of housing is an important factor in someone's decision on where to live. The issue that is facing college towns is that average housing prices are rising

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[35] Josh Birks (Economic Health Director of Ft. Collins) in discussion with the author, November 2015.
"Boulder Economic Council: Home," http://bouldereconomiccouncil.org/, accessed November 2015.
[36] Josh Birks (Economic Health Director of Ft. Collins) in discussion with the author, November 2015.

faster than average wages, so less people can afford houses in the community.[37] What creates perhaps an even larger issue is the fact that housing in adjacent communities is lower, so people may choose to simply live there instead.[38] This is the major issue facing these communities at the moment, but the lack of policies specifically targeting this issue reflect that the towns are still generating enough housing revenue that it is not their top development concern.

The development strategies of the major college towns in Colorado seem to differ a bit from the strategies used nationwide in the fact that there is a stronger focus on type one development as opposed to type three. Though this is the case, there is a shared sentiment that college towns have the goal of wanting to draw in and keep excellent students and faculty, as well as generating revenue through the town and the university.

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[37] Josh Birks (Economic Health Director of Ft. Collins) in discussion with the author, November 2015.

[38] "Boulder Economic Council: Cost of Living," http://bouldereconomiccouncil.org/living-boulder/cost-living/, accessed November 2015.

Resort Towns in Colorado

In a resort community (i.e. a community which often offer a specific service, and which have tourism as a main component of their economy), type two strategies are most prevalent though the area will usually have a combination of the three. The resort communities that we see in Colorado implementing these types of strategies are the major ski towns such as Vail, Loveland, and Copper Mountain. Type two strategies shift the focus towards retaining and expanding existing firms in the community. In a resort area, there is typically a focus on guest experience because tourists are most of the town's revenue. Because of the focus on guest experience, type two strategies are most common, and tourist attractions are even more common. In a resort community, there is typically an on-season and an off-season. The on-season is filled with tourist and workers, while the off-season is populated by a small amount of year-round locals. By having an on and off-season, resort towns usually have a harder town obtaining a sustainable workforce because workers are usually only available for the on-season. Cost of living and property values are typically much higher in resort towns because they are filled with wealthy retirees and people wishing to purchase vacation homes. Sometimes, resort towns become boomtowns, communities that undergo rapid population and economic growth, due to the quick development of retirement and vacation based residents. Also, most of the employment in resort towns is low paying and it can be difficult for workers to live in these expensive areas they are employed in. This can lead to the development of bedroom communities where the majority of the workforce can live. Bedroom communities are home to most of the workforce and usually cater towards the serving the residents. Resort towns also typically suffer from problems regarding sustainable growth, due to the seasonal nature of the economy, dependence on a single industry, and retaining a stable workforce. Resort towns still must refer to type one and type three strategies to prosper. Referring to these strategies, the areas will continue to bring in business and housing opportunities to continually develop the area.

Most resort areas offer very different experiences from each other. For example, one resort may attempt to cater towards all guests while another may only catering to the wealthy and providing the best experience for them. Some areas only focus on the Ski Mountain or hill, while others will put most of the focus in the livelihood management of the town or nightlife. During tourist season, excess demand for housing leads to an increase in the price of land, causing a simultaneous increase in rent for local residents whose income is habitually lower than foreign residents. This leads to a predominance of foreigners in the land market and a deterioration of economic opportunities for the locals in these areas. The economic dependence on one industry is the biggest challenge for resort areas. By only depending on tourism and lacking a diverse economy, resort area locals must face job insecurity, difficulties in obtaining training, medical-benefits, and housing. To combat this lack of diversification, many towns are beginning to cater towards the non-tourist side of the economy to obtain ways of sustainable growth. “Such resort communities may have started as a ski or golf resort, but they can certainly be transformed into something far less ephemeral. These places would remain amenity-based, but not in the same sense that a golf community uses the golf course as a sales and marketing pawn”.[39] They could evolve much like company towns of the industry era, but without one industry being the center of attention.

Resort towns must focus on tourism to continue to prosper, but this doesn’t allow for any form of sustainable growth. They focus mostly on type two strategies which revolve around

[39] Howard Kozloff, "Resort Towns Becoming Neo-Company Towns," Resort Towns Becoming Neo-Company Towns, August 11, 2010, accessed November 15, 2015, http://www.newgeography.com/content/001703-resort-towns-becoming-neo-company-towns.

tourism, but they also provide some growth in other areas. Resort towns don't typically cater towards the locals because of the type of economy they have established. Most resort areas have a large dependence on cheap labor, and this is the leading cause of the lack of economic stability.

Conclusion

Perhaps the most important conclusion to draw from the presented analysis is that there are many different community types and each type has different development needs. There is much to consider in the middle ground between “urban” and “rural”, and beyond this, there exist specialized community types (such as resort communities and college towns) that all have unique goals and strategies for how to achieve them. It also is important to consider the changes a type of community will go through over time as well as when location is altered. The development strategies that are being presently used in communities across Colorado are not the same ones that were utilized years ago, nor are they the exact same as communities in another state (or strategies that are generalized as being used across the country). In the following table, we summarize our key findings from the research done on this topic:

Community Type	Key Challenges	Key Strategies
Urban	Need to create jobs, some lacking in the area of business	Types one and three: improving access to capital, providing relevant education for business owners, connecting businesses to helpful networks
Inner Suburb	Lack of space for expansion, negative impacts of urban sprawl	Type two: Primary job development, supporting existing businesses
Outer Suburb	Bringing in residents and getting them to stay, recovering from nationwide recession	Type one: Bringing in large box retailers, utilizing programs to draw in businesses
Rural	Finding a sustainable workforce, physical characteristics of the area	Type one: Business growth (more retail, manufacturing, and other services), economic diversification
College Town	Housing prices, incentivizing people to remain in the towns after	Type one: Developing more businesses (both those involved with higher-level tech industries and small, local businesses)

	completing their college education	
Resort Town	Cost of living for residents, finding ways to make growth sustainable	Type two: Largest focus is on tourism/tourist attractions, bringing in more housing and business opportunities

By analyzing local economic development at the community level, more can be learned, and perhaps predicted, about what is needed on a larger scale as well.