A. Economic Overview

INTRODUCTION

Chapter Three – Economic Overview was originally prepared in 1996 as a component of the Estes Valley Comprehensive Plan. Chapter Three is part of a 2007 Update to the Estes Valley Comprehensive Plan, and updates the statistical information found in the 1996 Plan. The text of the 1996 Chapter Three is maintained, with the addition of updated statistical information (shown italicized) obtained from the following sources:

[1] Stamey and Associates, 2007, Longmont, CO 80504

[2] Estes Valley Housing Needs Assessment, 2008,
RRC Associates, Inc., Boulder, CO 80301
and Rees Consulting, Inc., Crested Butte, CO 81224

[3] Estes Park Summer Visitor Survey, 2006,
RRC Associates, Inc., Boulder, CO 80301

[4] Felsburg Holt & Ullevig, 2007, Centennial, CO 80111

We cannot know where we are going unless we first understand where we are and where we came from. This economic market analysis of the Town of Estes Park and the Estes Valley is an attempt to provide a baseline scenario of where the community will be in the year 2000 if no special action is taken to shape the direction of economic growth.

It is difficult to obtain consistent data series for an economic unit below the county level. Because Larimer County is so dominated by the City of Fort Collins, it does not provide a dependable guide to economic activity in Estes Park, which comprises only 2% of the County's population base. We have attempted to overcome this problem by combining what little data are available for the Town (primarily construction and retail sales data) with data from the decennial census, conversations with people who live and work in the community and the judgment acquired over almost 20 years of studying the Colorado economy.

This analysis is designed to provide the basis for exploring various options to strengthen and diversify the Estes Park economy over the next ten years. It provides a snapshot of where the community is in late 1994, as well as a measure of the momentum in place as a result of the trends of the last ten years.

Estes Park Area Economic Profile

POPULATION

Population data are available only once every ten years, when the decennial census is conducted by the Department of Commerce. In the intervening years, all population data are estimates.

There are two problems with the 1990 Census data. The first is that Census Tract 28 that comprises the Estes Valley was redefined, making data not strictly comparable. The second is that the Town of Estes Park believes there was a substantial undercount of the resident population, due to the way the Census questionnaires were distributed.

Note: *All tables supporting the Estes Park area economic profile will be found on Appendix One.*

The population of the Town of Estes Park and the Estes Park Valley has grown steadily since 1960 (See Figure A1.1 - 3 on Appendix One). The most rapid growth occurred during the 1970s, when the Town added 1,087 residents at an annual growth rate of 5.3%. The Valley grew even faster, adding 3,179 residents at an annual growth rate of 6.6%.

During the decade of the 1980s, population growth slowed. According to the Census, the Town added 481 people at an annual growth rate of 1.7%. According to estimates prepared by the Town of Estes Park, the Town added 969 residents at an annual growth rate of 3.1%. The Valley added 2,406 residents at an annual growth rate of 3.1%.

During the decade of the 1990s, population growth was significant. According to the Census, the Town added 2,229 people from 1990 to 2000 at an annual growth rate of 5.45%. Between 2000 and 2007, the growth rate tended to slow down. According to Colorado Department of Local Affairs data, the Town added 307 residents at an annual growth rate of 1.13%. The Estes Valley had a slight decrease in residents (250) from 1990 to 2000, due partially to annexations of portions of the Estes Valley into the Town of Estes Park. [1]

In 1996, there were 5,038 residents in the Town of Estes Park and 9,861 residents in the Estes Valley, according to estimates by the Town of Estes Park. *The Town of Estes Park future population estimates for 2010 indicate a population base of 8,013 residents in the Town of Estes Park and 11,500 residents in the Estes Valley (which includes the Town of Estes Park). [1]*

School enrollment data support continued rapid growth in the Estes Park area *in the 1990s, but moderating in the 2000s*, with young families as well as retirees coming into the community. During the 1993/94 school year, the Park School District had 1,273 students. In September of 1994, 1,388 students were enrolled, a 9% increase. In September of 1996, 1,349 students were enrolled. *In the 2006 - 2007 school year, 1,250 students were enrolled in the Park School District. [1]*

During the 1980s, the Town of Estes Park added 462 households (See Figure A1.4 Households on Appendix One), based on the Town of Estes Park population estimates (214 households based on Census data). The decline reported for the Estes Valley is probably due to the change in the boundaries of Census Tract 28. The Economic Market Analysis prepared by Browne, Bortz & Coddington (BBC) in April 1983 said the Valley had 5,400 residents and 2,300 households. The average household size in the Town remained fairly stable at 2.17 in 1990, after declining from 2.59 in 1970 to 2.2 in 1980. This was below the state average of 2.51 per household, reflecting the Town's older population.

The 2007 Estes Valley Housing Needs Assessment found that the majority of households in the Estes Valley are composed of families. Couples with or without children in the home comprise 76% of the households. Household composition varies by tenure where the majority of owner households in the Estes Valley are couples without children, while the largest percentage of renter households are adults living alone. Accordingly, the average household size for an owner household is slightly larger (2.1 persons per household) than for renter households (1.9 persons per household). [2]

During the 1990s, the Town of Estes Park added 1,017 households (See Figure A1.4 Households on Appendix One), based on Census data. The unincorporated portion of the Estes Valley added 274 households. [1]

During the last three decades, the population of the Estes Valley and the Town of Estes Park grew faster than the state. During the *1970s and 1980s,* the most rapid growth was in the *unincorporated portion of the Estes* Valley. *During the 1990s, the Town of Estes Park grew at a significantly higher rate than the unincorporated portions of the Estes Valley. [1]*

The 2007 Estes Valley Housing Needs Assessment estimated that the unincorporated area of the Estes Valley is home to about 52% of all households in the Valley, but this is projected to decrease to 46% by 2015. Based on building permit data, it is projected that the total number of housing units in the Town of Estes grew at a faster rate than in the unincorporated Estes Valley between 2000 and 2007. The 2007 Estes Valley Housing Needs Assessment estimated the Estes Valley will add 2,404 people and 1,021 households by 2015. [2]

Socioeconomic Characteristics

DEMOGRAPHICS

Estes Park residents were considerably older than those of Larimer County or the State of Colorado. In 1990, the average Estes Park resident was 42.6 years old, 10.1 years older than the average Coloradan. *In 2000, the average Estes Park resident was 45 years old, 10.7 years older than the average Coloradan. [1]* This confirms the perception that the Town has a high number of retirees. *The 2007 Estes Valley Housing Needs Assessment found that 61% of the Valley's population are older than fifty years, with fully 30% of the population falling within the age range of 51 years to 64 years old. [2]*

It is important to note that the percentage of units occupied by residents of the Estes Valley has been decreasing according to Department of Local Affairs estimates, from about 76% in 2000 to 70% in 2006. This indicates that the percentage of out-of-area owners increased between 2000 and 2006. [2]

PROPERTY

A relatively smaller percentage of Estes Park homes were owner occupied, 56.9% versus 62.3% for the state. The Town's vacancy rate was 6.3% for rentals, versus 5.0% for Larimer County and 11.4% for the state of Colorado. The vacancy rate for owner occupied housing was 2.5% for the Town versus 2.2% for the county and 3.3% for the state.

In 2007, the Estes Valley Housing Needs Assessment found that the majority of the residential units in the Estes Valley house local residents but a sizable percentage do not, and the percentage of second/vacation homes is increasing. According to DOLA, approximately 42% of the units in the Estes Valley are vacant, up from 33% in 2000. Of these, most are second homes and vacation accommodations occupied only for

seasonal or occasional use. The 58% of the residential units that are actually lived in are part of the housing supply, however the other units are not. Residential units that are used as vacation accommodations (second/third homes and short-term rentals) generate demand for workforce housing through purchases of goods and services by their occupants. Homes occupied by retirees serve as housing for a segment of the local population but also generate demand for workforce housing. The percentage of units that are used as vacation accommodations is on the increase with a nine-point gain since 2000. Growth in the housing supply has been slow to moderate; the number of housing units grew by only 9.6% between 2000 and 2007. [2]

In 1990, the median housing value in the Town of $103,300 was 125% of the state median. The median rent was $353, only 84% of the state and Valley median and below the median for the County. *By 2000, the median housing value in the Town of $233,900 was 140% of the state median. The median rent was $572, 85% of the state. [1]*

The 2007 Estes Valley Housing Needs Assessment found that the 2006 median price for residential units sold in the Estes Valley approached $300,000 for the first time. This figure includes single-family homes, condominiums, townhomes, and modular units on fee simple lots. The average price was even higher at over $350,000, an indication of some very high prices at the upper end of the market. Local residents own approximately 58% of residential units in the Estes Valley. Other Front Range residents own 18%, while out-of-state residents own 23%. Of units owned by locals, 74% are single-family. Out-of-area owners are slightly more likely to own a condo than local residents (38% vs. 25%). [2]

Average and Median Sales Prices, 2003 – 2007

	Mean	Median	Change in Median
2003	$270,746	$249,700	N/A
2004	$320,570	$269,500	7.93%
2005	$298,552	$265,000	-1.67%
2006	$350,836	$297,000	12.08%
2007	$350,179	$297,500	0.2%
Increase	$79,433	$47,800	19.1%

Source: MLS; Rees/RRC calculations

Results from the 2007 Housing survey show that the median market rent in the Estes Valley is $650/month (average $720/month), which is an increase of about 31% since 2000 (median $549/month). Rents vary by type of unit, where overall condominium/townhouse/duplex units have the highest median rent and apartments are the most affordable. Per bedroom, two- and three-bedroom single-family homes rent at similar rates to condo/townhouse/duplex units. [2]

EMPLOYMENT

The only employment data available below the county level are those from the 1990 Census (See Figure A1.6 Employment Base on Appendix One). They are subject to distortions if the undercount was significant, but are all that are available.

The 1990 Census reported that there were 1,612 people at work or looking for work in Estes Park, for a labor force participation rate* of 63.3%. In the Valley, there were 3,129 in the labor force for a labor force participation rate of 62.3%. *In 2000, the Census reported that there were 2,798 people at work or looking for work in Estes Park, for a labor force participation rate of 64.0%. In the Valley, there were 4,555 in the labor force for a labor force participation rate of 61.7%. These labor force participation rates were significantly below Larimer County's 71.9% and Colorado's 70.3%. [1]*

In Estes Park, in 2000, 51.6% of the population was either working or looking for work, according to Census data (43.9% using Town population estimates), while in the Valley, 51.2% of the population was either working or looking for work. In Larimer County, 54.4% of the population was working or looking for work. [1]

The average commuting time of 11.1 minutes for Estes Park workers in 1990 increased to 15.9 minutes in 2000. This indicates that local residents still work close to home. For Larimer County as a whole, the average commuting time in 2000 was 35% higher at 21.4 minutes. [1]

The 2007 Estes Valley Housing Needs Assessment found employers estimate that about 11% of their employees in the Estes Valley live somewhere outside of the valley. This is down slightly from 13% in 1998. This indicates that a larger percent of local workers have been able to find housing in the region, rather than having to commute long distances to find housing they can afford. One reason for this could be due to progress made by the Housing Authority in providing both income-restricted rentals and deed-restricted ownership opportunities for workers in the valley. [2]

An examination of where Estes Park residents work (See Figure A1.8 Distribution of Employment Base on Appendix One) shows the skewed distribution of jobs relative to Larimer County as a whole. Manufacturing provides 14.8% of the county's employment, versus 4.5% for the Town and 5.7% for the Valley. Manufacturing is one of the highest paid sectors of the Larimer County economy, with an average annual wage of $61,935 in 2005. [1]

Retail trade is a low-wage sector of the economy, with an average annual wage of only $12,678 in 1990. *At that time, retail trade provided 23.6% of the jobs in Estes Park and 21.8% of the jobs in the Valley, but only 17.6% of the jobs in the county. By 2000, percentage of retail trade jobs declined to 13.7% for Estes Park, 16.2% for the Valley, and 12.8% for Larimer County. In 2000, the average annual wage for retail trade was $22,994. [1]*

The service sector pays an average wage of $19,107, but this average spans a wide range. At the low end is amusement and recreational services, paying $8,534, and at the high end is health services, paying $27,898. Estes Park service employment is heavily concentrated in recreation services (7.1%) and personal services (11.8%), which pay very low wages. Together these sectors comprise 18.9% of the Town's jobs, 16.4% of the Valley's jobs and only 4.6% of the county's jobs.

* *The labor force is defined as people working or actively looking for work. The labor force participation rate is the percentage of people 16-65 either working or actively seeking employment.*

In 2000, the Census groupings for the service sector were slightly modified, and included arts, entertainment, recreation, accommodation, food service, and other services. Estes Park and Estes Valley employment is highly concentrated in these areas. These sectors comprise 34.4% of the Town's jobs, 31.7% of the Valley's jobs, and only 13.5% of the County's jobs. The average annual wage is $12,451 for the arts, entertainment, recreation, accommodation and food-service sector, and, $25,385 for other services. [1]

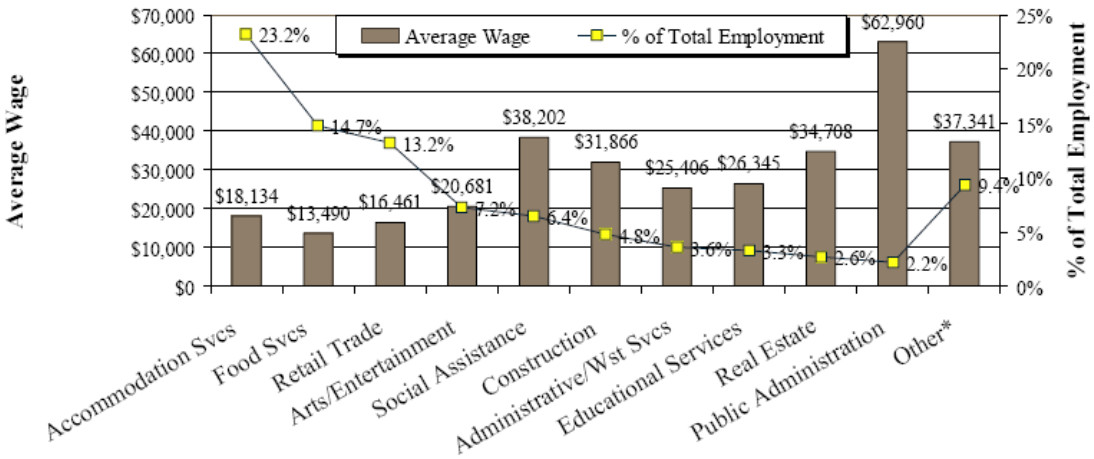
On the positive side, Estes Park holds its own in medical service jobs, with an average wage of $27,898*, and construction, with an average wage of $39,015. It is only slightly underrepresented in communications and public utilities, with an average wage of $30,753, and the federal government, with an average wage of $63,065. [1]*

In 2000, Estes Park employment was comparable to Larimer County in the construction, finance, and professional sectors. [1]

Wholesale trade is a small but high-paying sector, with an average wage of $43,438. It provides 1.4% of the Town's employment base versus 2.6% of the County's. The Town has a larger proportion of jobs in finance, insurance, and real estate compared to the County, at 7.4%. The average wage of $38,319 is slightly higher than the average wage for all sectors. [1]

The 2007 Estes Valley Housing Needs Assessment found that the Estes Valley's average wages during 2006 were substantially below the average monthly wages paid in Larimer County ($2,391 vs. $3,084), in large part because much of its jobs are in comparatively lower-paid tourism sectors, in contrast to substantial numbers of jobs in high-wage sectors such as business services in nearby cities. In comparison to other tourism-oriented counties, the Estes Valley's wages are on par with Grand County and are generally below wages in the state's other ski-resort counties. [2]

Average Wage by Industry vs. % Employment by Industry 2006 3QTR



Source: Quarterly Census of Employment and Wages (QCEW); Sorted in descending order of % of Estes Valley Workforce.

*Other includes: Finance and Insurance, Prof and Tech Svcs, Mgt of Cos and Enterprises, Transportation and Wharehousing, Manufacturing, Information, Utilities, Wholeslae Trade, Mining and Agriculture and Forestry

INCOME

Personal income data are available annually at the county level with a two-year lag. Unfortunately, Larimer County data are so dominated by the City of Fort Collins that they provide little useful information about the Town of Estes Park.

The only income data available at the Town of Estes Park level are from the decennial census (See Figure A1.10 Per Capita Income on Appendix One). During the decade of the 1980s, household income rose at an annual rate of 7.1% to $29,387, while family income rose at a 7.5% annual rate to $37,565. *During the 1990s, household income rose at a 3.9% annual rate to $43,262, while family income rose at a 4.0% annual rate to $55,667. [1]*

This ten-year period encompasses several years of rapid inflation, which reached double-digit levels in 1979-81. Using the consumer price index for the Denver-Boulder metropolitan area (the only inflation index calculated for the state of Colorado), we find that after adjustment for inflation, household income in Estes Park rose at a 1.9% annual rate during the 1980s, while family income rose at a 2.2% annual rate. This was well above the County growth rates of 0.4% and 0.7% respectively, confirming that the in-migrants to Estes Park were relatively wealthy.

During the ten-year period of the 1990s, after adjustment for inflation, household income in Estes Park rose at a 0.20% annual rate, while family income rose at a 0.30% annual rate. In the 1990s, this income growth was below both the income growth for Larimer County and the state. [1]

Per capita income (Figure A1.10 on Appendix One) experienced a similar pattern of growth. Over the ten-year period ending in 1989, per capita income in the Town of Estes Park grew at an annual rate of 7.3% to $17,010 in 1989. Per capita income in Larimer County grew at an annual rate of 6.5% to $13,821. Per capita income in the Town was 115% of the state average. Income in the Valley was slightly higher.

Over the ten-year period ending in 1999, per capita income in the Town of Estes Park grew at an annual rate of 6.1% to $30,499 in 1999. Per capita income in Larimer County grew at an annual rate of 5.4% to $23,689. Per capita income in the Town was 126% of the state average. Per capita income in the Estes Valley continued to be slightly higher than the Town. [1]

After adjustment for inflation, per capita income in the Town still showed solid gain, up at a 2.1% annual rate. This was well above the county growth rate of 1.3%. Both the per capita income level and the rate of growth confirm the relatively high income level of the people who moved to Estes Park during the 1980s.

After adjustment for inflation, per capita income gains followed the trend of the 1980s at a 2.2% annual rate. Again, this was above the county growth rate of 1.7%. The per capita income level and income growth continue to confirm the relatively high income of people moving to Estes Park. [1]

The 2007 Estes Valley Housing Needs Assessment found that the median household income in the Estes Valley is $60,000 ($74,386 average). This indicates a 50% increase since the 1998 survey. The median household income for owners is almost double that of renters. The largest percent of renter households make below $20,000, while the largest percent of owner households make between $100,000 and $124,000 and over $150,000. [2]

RETAIL SALES

Retail sales in Estes Park grew at an annual rate of 7.9% during the 1980s (See Figure A1.12 Estes Park Retail Sales on Appendix One). After adjustment for inflation, sales growth averaged 3.3% annually. During the 1990s, retail sales growth unadjusted for inflation averaged 7.3%, while inflation adjusted retail sales growth averaged 2.4%. Growth rates usually decline as the base from which they are calculated increases.

From 2000 to 2006, retail sales tax receipts grew at an annual rate of 2.04%. After adjustment for inflation, sales tax growth has been relatively flat, with an annual average of 0.035%. [1]

The highly seasonal nature of retail sales can be seen from the monthly sales tax data (See Figure A1.13 Sales Tax Revenues on Appendix One). In 1993, 57.3% of sales came during the summer tourist months of June, July, August and September. Over the last eight years, this proportion has fluctuated between 57% and 60%.

From 1998 through 2006, the June, July, August, and September sales trends have continued. Over that nine-year period, this proportion of total sales fluctuated between 52.9% and 55.9%. [1]

Two things stand out in these data. First, sales tax revenues have grown steadily. Second, tourism has declined only slightly in its relative importance to the economic base of Estes Park, despite rapid population growth and an increasing number of retirees.

In interviews conducted during July of 1993, a recurring theme was the leakage of business out of the Town of Estes Park into surrounding towns (e.g., Loveland, Longmont, Boulder, Fort Collins) that offer a wider selection of merchandise. Merchants believe that residents go to other communities to obtain goods and services that cannot be purchased in Estes Park and while there buy a number of items they could have purchased in Estes Park (e.g., groceries, lunch or dinner, household staples).

The business owners interviewed were almost unanimous in their belief that the Town needs a Wal-Mart or similar retailer. They recognized that the big box retailer would take some of their business, but believed it would be less than they are currently losing to surrounding communities.

The sales leakage hypothesis is difficult to test without conducting extensive, expensive surveys of Estes Park residents shopping outside the Town. Retail sales data for the first quarter of the year, when tourist visits to Estes Park are at a minimum, show

that per capita retail sales are high relative to the state as a whole (See Figure A1.14 Per Capita Retail Sales on Appendix One). They have also increased about twice as fast as they have statewide over the last three years. This could be because winter tourism has grown in importance or because local residents are spending a higher percentage of their incomes in Estes Park.

An examination of October retail sales over the last decade shows a similar pattern (See Figure A1.15 October Retail Sales on Appendix One). Real per capita retail sales more than doubled between 1982 and 1993, supporting the local perception that more tourists are visiting Estes Park during the shoulder season. There was a 106% increase in retail sales, which swamped the 25.4% increase in real per capita income over the same period.

The tax revenues generated by retail sales are extremely important to the Town of Estes Park. In 1994, 62% of the General Fund Budget was derived from sales tax receipts. The General Fund Budget provided 43% of the Town's total revenue stream.
In 2007, 71% of the General Fund Budget was derived from sales tax receipts. The General Fund Budget provided 37% of the Town's total revenue stream. [1]

THE RETIRED POPULATION

Estes Park has a growing retired population, as shown by the 19% increase in the median age of the population between the 1980 and 1990 censuses. National consumer surveys show that older consumers exhibit significantly different spending patterns from younger consumers.

It is no surprise to find that retirees devote a higher proportion of their expenditures to health care: 10.3% for young retirees (65-74) and 14% for older retirees (75 and older) versus only 4.1% for those under 65. The mix of health care expenditures is also different. Insurance premiums consume 39% of the health care dollars of those under 65, but 46.9% of retirees' health care spending.

Older residents are also more generous in their charitable giving than younger residents. Philanthropy accounts for 4.6% of young retirees expenditures and older retirees donate 7.6%, versus 2.6% for those under 65.

Retirees designate a larger proportion of their expenditures to food: 17.9% versus 15.7%. However, both retirees and those under 65 spend about 4.4% of expenditures on food away from home. Shelter consumes a smaller percentage of retirees' expenditures, especially the non-utilities segment, as do apparel and transportation.

These statistics are based on national surveys and must be applied to the Estes Park population with some caution. However, they are suggestive of changing spending patterns in the community that are likely to accompany a growing retired population.

One question that comes to mind is whether lack of availability of medical services causes retirees to go to communities outside of Estes Park to obtain medical care. This leakage of health care dollars might be compounded by people purchasing goods and

services that could be obtained in Estes Park while they are in other communities obtaining health care.

The sketchy data that are available on health care in the 1990 Census (See Figure A1.17 Health Care Workers on Appendix One) suggest there is a higher than average number of health care workers in Estes Park. In 1990, 12.9% of the labor force worked in the health services industry, providing one health care worker for each 14.8 Estes Park residents. For Larimer County, there was one health care worker for each 28.7 residents and health services employed 6.5% of the labor force. *There was a significant shift in this sector as reported in the 2000 Census, as 6.2% of the labor force worked in health care services, providing one health care worker for each 30.5 residents. For Larimer County, there was one health care worker for each 20.6 residents and health services employed 8.5% of the labor force. [1]*

These data are merely suggestive. Some of the health care workers living in Estes Park may have commuted to work outside of the Town. There is no information about the type of health care services provided. Estes Park required more health care workers per capita than Larimer County, since a much higher percentage of the Estes Park population was age 65 and over - 23% - than in Larimer County - 9.6%. When the ratio of health care workers per resident age 65 or over is calculated, there was one worker for each 3.5 elderly residents in Estes Park versus one for each 2.8 in Larimer County. This supports the hypothesis that people are leaving the Town for health care, taking service and retail sales dollars out of the community. *In 2000, the Estes Park population age 65 and over was 20.7%, compared to Larimer County at 9.6%. [1]*

CONSTRUCTION ACTIVITY

Housing construction declined in Estes Park during the 1980s (See Figure A1.18 Residential Construction Building Permits on Appendix One), as it did throughout the state. Single family construction peaked in 1984, a year later than statewide, was down by 50% or more through 1989, then began to climb in 1990 as it did statewide. 1993 was the second best year in the 23 years of available data, only three units below 1983. In 1994, a new residential construction record of 117 dwelling units was set.

Construction of new residential units has been occurring at a slow to moderate pace since 2000. Permits have been issued for an average of 127 units per year from the start of 2000 through September 2007. The peak year was 2005 when construction commenced on nearly 200 residential units. Construction activity dropped, however, the following year to the lowest level this decade. Based on permits issued through September 2007, construction is continuing at a modest, below-average pace. The number of housing units grew by only 9.6% between 2000 and 2007. [2]

From 2000 through 2006, building permits were issued for 918 dwelling units, for an average of 131 units per year. A little over 60% of the units were single-family dwellings. [1]

Housing Units by Type

	2000	New Construction 2000 - 2006 Town of Estes Park	Unincorp. Estes Valley	Total thru 2006	Percent of Total
Single-family	5,971	428	145	6,544	76.1%
Two Units	769	126	45	940	10.9%
Three and Four Units	330	86	0	416	4.8%
Five or More Units	557	74	0	631	7.3%
Mobile Homes, RV, Van	56	0	14	70	0.8%
Total	7,683	714	204	8,601	100%
% of Total thru 2006	89.3%	8.3%	2.4%	100%	

Sources: US Census Bureau, County Building Permits and Larimer County Assessor

In 1994, the median selling price for an Estes Park home was $141,183. There were 155 home sales, with a median time on the market of 148 days. (Note: These data are multilist data for 1994, while the data in Figure A1.5 Socioeconomic Characteristics-See Appendix One are for 1990 and are from the 1990 Census.) In 1993, apartment rental rates averaged $600 per month for a three bedroom unit and $500 per month for a two bedroom unit. There were 72 units of senior housing and 44 units of rent adjusted housing.

In 2006, the average selling price for an Estes Park single-family home was $399,996. The average time on the market was 110 days. The average sales price for townhomes and condominiums was $274,911, with an average time on the market of 140 days. In 2006, the average rental price for a two-bedroom house/condo was $840 and $1,125 for a three-bedroom house/condo. In addition, there were 208 units of senior housing and 155 units of rent-adjusted housing, plus a Section 8 Rental Assistance Program available in the community. [1]

The value of commercial construction is available beginning with 1983 (See Figure A1.19 Commercial Construction on Appendix One). It is very volatile, peaking at $3.6 million in 1985 and dropping to as low as $253,000 in 1988. The data in later years appear stronger than they actually are relative to the early part of the decade, because of the inflation factor. In 1993, the value of commercial construction contracts increased after a two year decline.

Since 1994, with the exception of 1999 and 2000, the value of commercial construction has shown consistent increases, peaking in 2005 with a value of $10.9 million. [1]

UTILITY SERVICE

The Town of Estes Park provides electrical (See Figure A1.20 Electric Utility Service on Appendix One) and water (See Figure A1.21 Water Meters on Appendix One) service to a larger area than the Town itself. The number of residential and commercial customers has grown steadily over the last decade, in line with the expanding population base.

From 2000 through May 2007, the number of residential electric utility service accounts grew from 7,205 to 8,145, and the number of commercial accounts grew from 1,470 to 1,727. Similarly, from 2000 to May 2007, the number of residential water meters (urban) grew from 2,136 to 2,682, and the number of rural residential meters grew from 1,243 to 1,301. The number of urban commercial water meters grew from 613 to 777, while the number of rural commercial water meters was stable for the period. [1]

BANK DEPOSITS

The number of commercial banks in the Town of Estes Park increased from three to four in 1986. Bank deposits (See Figure A1.22 Bank Deposits on Appendix One) have grown steadily over the last 15 years. It is clear that the growing population base prefers the convenience of local services, when they are available. *The number of banks in Estes Park in 2007 remains at four. From 1999 through 2004, bank deposits continued to show a steady increase. [1]*

PARK VISITATION

The number of visitors to Rocky Mountain National Park has fluctuated between 2.5 million and 3 million for the last 20 years (See Figure A1.23 RMNP Visitation on Appendix One). However, these figures are somewhat distorted by a change in 1984 in the estimated number of visitors per automobile. Since the change, the number of visitors has grown fairly steadily from 2.2 million to 3.2 million. *From 1996 through 2006, visitation to Rocky Mountain National Park has consistently remained at 2.9 million to 3.1 million visitors. [1]*

The increased importance of the non-summer tourist season can be seen from the declining percentage of visitors coming during the June through September period. In 1982 and 1983 it was over 78%, but fell fairly steadily to 73.7% in 1992. In 1993, it rose to 75.8%. *The June through September visitation ranged from 73.7% in 1996 to 77.5% in 2006, and remained consistent through that period. [1]*

The capacity of Rocky Mountain National Park to accommodate 3.7 million visitors annually in 2000 is open to debate. During the month of August 1994, the Park had over 730,000 visitors. If this pace were sustained over a 12-month period, the Park would accommodate almost 9 million visitors. If an additional 700,000 visitors come outside the peak months of July and August, they can be handled without too much strain. If they attempt to crowd into the Park in mid-summer, serious congestion problems will result. If measured against a yardstick of the crowds that throng to Yosemite, many more visitors can spend part of their summer vacation in Rocky Mountain. But increasing crowds will dampen some of the Park's unique attraction and at some point the congestion will discourage people from coming.

Visits to Rocky Mountain National Park rose 6.8% in 1994, after increasing only 0.2% in 1993. Across the United States, national parks, monuments and recreation areas reported a 0.3% decline in recreational visits in 1993 and a 1.6% decline in of 1994.

Information provided by Rocky Mountain National Park, Branch of Planning and Compliance, indicates that park visitation is expected to remain stable, except visitation may grow in relation to the population growth of the Front Range. The Park may initiate programs such as providing real-time information to distribute visitor use. [1]

In 2006, Rocky Mountain National Park initiated a hiker shuttle system connecting the Park and the Town. In 2006, the shuttle carried 9,323 passengers, growing to 12,023 passengers in 2007. The Park also operates an internal shuttle system for the Bear Lake loop and Moraine Park loop, initiated in 1987. In 1987, the Bear Lake loop shuttle carried 121,461 passengers and the Moraine Park loop carried 3,477 passengers. In 2007, the passenger levels had grown to 278,657 and 35,881 passengers for the Bear Lake and Moraine Park loops, respectively. [1]

In 2006, the Town began a three-year program to provide free public transportation to residents and guests during the busiest times of the summer season. The Town was able to provide a cost-effective service by joining Rocky Mountain National Park's contract with McDonald Transit. McDonald Transit provides transportation to RMNP and uses the surplus bus inventory to provide transportation to the Town. [1]

The Town currently runs two shopper shuttle routes and a campground route. The shopper shuttle routes run either west of the visitor's center to downtown, or east of the visitor's center to Highway 34. The campground route was added in 2007 and is designed to pick up visitors who may not have a vehicle at the outlying campgrounds. The shuttles run primarily in July and August, with September weekends added in 2007. [1]

In 2006, the two shopper shuttles ran 1,803 hours, moved 18,764 passengers at a cost of $99,710. In 2007, the shopper shuttles and campground route ran 3,180 hours, moved 32,253 passengers, and cost $169,560. [1]

CONFERENCE CENTER

A 22,000-square-foot conference center capable of handling up to 1,000 delegates opened in August of 1991. *Usage grew steadily from 1991 through 1999, but has leveled off from 2000 through 2006 (See Figure A1.25 Conferences on Appendix One). The Town estimates that in 1994 each delegate spent about $295.50 in Estes Park on items such as food, shopping, and lodging. In 2006, the estimated expenditure per delegate was $447.68. [1]*

B. Trend Projections Through 2010

The trend projections look at past rates of growth in Estes Park and projected growth rates prepared by the Bureau of Economic Analysis for Larimer County. They provide a baseline forecast of what the Town can expect under a "business as usual" scenario.

Population growth will average just under 3%. Employment growth will average 2.4% through 1995, then 2.7% thereafter. The employed population will continue to decline as a proportion of the total population, as Estes Park continues to attract a growing number of retirees. Personal income after adjustment for inflation will grow more rapidly than population, indicating a modest increase in the standard of living. This is consistent with the increase in relatively affluent retirees.

In the 2000s, population growth has averaged 1.13% per year, based on population information from the Colorado Department of Local Affairs (DOLA). The 2005 DOLA population estimate for the Town of Estes Park is 5,720. The Town of Estes Park's population estimate is 8,013 for the year 2010, which reflects a higher rate of growth than data prepared by DOLA. [1]

From 2000 through June 2007, the Town added 718 dwelling units. During the next two-and-a-half years, it is anticipated that an additional 200 dwelling units will be constructed. For the last 20 years, the Town of Estes Park has built about the same number of multi-family as single-family units. This trend is expected to continue. [1]

During the 1970s, Estes Park gained 605 households and 419 housing units, for an average of 0.7 units per household. The Town was absorbing vacant space.

During the 1980s, the Town gained 462 households and 516 housing units or 1.1 units per new household. New housing was being built to absorb the immigrants and replace substandard housing, as well as provide vacation homes for nonresidents.

From 1990-1993, Estes Park added 155 households and 237 housing units. This equates to 1.5 housing units per new household. This ratio is probably unsustainable for an entire decade.

From 1990 to 2000, the Town added 2,229 persons, 1,097 households, and 869 housing units. This equates to 0.79 housing units per new household, which reflects market absorption. [1]

Park visitation has stabilized over the last 10 years between 2.9 million and 3.1 million visitors. This number is not expected to significantly change. [1]

ANALYSIS AND PROPOSED ECONOMIC DEVELOPMENT STRATEGIES

In order to identify the correct economic development strategies for the Estes Park Valley; a fairly straight forward process should be followed:

1. Identify where you are.
2. Decide where you want to go.
3. Identify strategies for/obstacles to getting there.
4. Consider constraints and costs to implementing strategies.
5. Check desired state for internal inconsistencies
6. Modify vision.
7. Develop action plan (economic development strategies).
8. Monitor and modify plan as it is implemented.
9. Make mid-course corrections, if needed.

There are no right or wrong answers to the question, "How should Estes Park plan for future growth and development?" The only requirements for a good plan are that it be internally consistent and meet the objectives of the planners, in this case the citizens of the Estes Park community.

Internal consistency can be an elusive goal. For example, a community that wants to attract young families but refuses to provide funding for schools has an internally inconsistent plan. The same is true for a community that wants to attract retirees but is unwilling to provide good medical services.

Implicit in any plan are the consequences that flow from it. In order to meet these objectives, consequences must be made explicit and accepted by the community either as desirable or as the price that must be paid to achieve other goals.

In the most global sense, there are two possible economic development strategies for the Town of Estes Park. Either it can strive to become a self-contained economic unit -- a balanced community where people live, work and play -- or it can choose to be a sub-unit of a larger economic entity.

Growth trends in a community are not equivalent to destiny. Certainly, the easiest economic development strategy is to encourage the trends already underway. The residents of Estes Park are generally positive about the current trends. It is unrealistic for a community to think it can make a 180 degree turn and go off in a new direction. But it is possible to nudge the economy in new directions, to make incremental changes that will have a large impact several years into the future.

It is also important for the community to plan for a sustainable economy. The Future Land Use Plan that the residents have developed provides for substantial growth, from about 9,000 residents in the Estes Valley today to a *maximum of 22,115 (2007 build-out estimate) in the 21st century. [4]*

IMPLICATIONS OF PROPOSED LAND USE PLAN

Over the past 2.5 years, the Estes Park Comprehensive Plan has been broadened and modified. It now presents a more balanced plan for growth in the Estes Park Valley.

The current plan continues to recognize that the Town of Estes Park is not a stand alone economic unit. It will continue to be a part of a larger economic entity encompassing southeastern Larimer County and parts of metropolitan Denver. Some residents will shop and work outside the Estes Valley and the sales tax base will be important tot he provision of services and amenities for a growing and relatively affluent citizenry.

The current plan wisely calls for joint planning that includes a combined Planning Commission with representatives from the Town and from the Estes Park Valley. Planning also involves the Urban Renewal District and Rocky Mountain National Park.

While the Town of Estes Park will never be a stand alone economic unit, the current plan takes several steps to provide jobs and housing for people of various ages and income levels. Steps taken to broaden the economic base of the Town include expanding the job base, revenue base and housing base.

Economic activity in the Town of Estes Park is centered on two basic industries (industries that bring new dollars into the community). These industries are tourism and retirees. Any attempt to broaden the job base must be sensitive to the impact on these industries.

The current plan increases the area zoned industrial from 15 acres to 48 acres. An I-1 Light Industrial District, with performance standards, will be developed. The performance standards are an important component, since environmental and scenic quality are critical to both the tourism and retiree base. Broadening the job base to include more industrial jobs, which usually pay more than the retail and service jobs supporting the tourist and retirement communities, will offer families more job opportunities and the potential for higher household income. It will also provide balance to the seasonality of tourism-related jobs.

Broadening the revenue base to keep pace with population growth and its accompanying demand for services is one of the major challenges facing the Town of Estes Park. The Town is heavily reliant on sales tax revenues, which in 1994 (most current data available) provided 62% of the General Fund budget. The General Fund budget provided 43% of the Town's total revenue stream.

A study by Zax and Hester (August 1996) confirmed that sales tax revenues over the past decade have grown less quickly than the effective residential population. They concluded that residents are meeting increasing proportions of their consumption needs outside of the Town. Local business people interviewed two years ago expressed similar concerns.

Attractive, interesting shopping opportunties are also important to Estes Park's tourist visitors. An intercept study by Blackhurst, Zax and Hart (November 1996) indicated that shoppins is an important vacation component. Ninety-one percent of study participants had shopped or planned to shop (sightseeing was in secodn place, at 87%). It was the favorite activiity of day visitors (29%) and ranked sixth for overnight visitors. The fact that the survey was conducted on Elkhorn Avenue, in the heart of the shopping district, skewed the data in favor of shopping. However, it is clearly an activiity that attracts people into the Town.

The current plan addresses the need for increased sales tax revenues by classifying 360 acres for commerical activity, including retail and banks. Acreage formerly classified as commercial that is actually used for activities other than retail (e.g., accomodations, golf courses, multifamily residential, office) was reclassified. A new land use policy will require that lands zoned commercial or industrial be developed with this as the principal use, rather than being converted to residential, as currently happens. Infill development as well as space for a mall anchored by a big box retailer will potentially increase the sales tax base.

Within the current downtown district, there are 615,706 feet of developed commercial space, with the potential for development of an additional 558,000 square feet, with potential expansion of 386,000 square feet. The combined space, which encompasses the Estes Park Urban Renewal District, totals 763,972 square feet of total space (office, bank and retail), which generated $2,621,787 in sales tax receipts in 1995. The Town estimates that 77% of this space, or 588,258 square feet is retail. Of this, about 92% or 541,197 square feet, is gross leasable area (GLA). This equates to sales of $121.14 per square foot of GLA and sales tax revenues of $4.85 per square foot. With the potential to develop an additional 944,000 square feet of space, including 726,880 of retail (668,703 GLA), sales tax revenues could more than double, adding an additional $3.24 million in sales tax revenues (in 1995 dollars), if existing ratios are maintained.

A community shopping area center composed of in-line retail in a small town/ nonmetropolitan area generates median sales per square foot of GLA in the following range:

Discount department store (62,200 square feet) - $140.51
Smaller general merchandise - $81.18 - $95.82
Restaurants - $152.66 - $234.11
Clothing and accessories - $131.15 - $190.00
Gifts and cards - $106.25
Jewelry - $377.06

The Estes Park sales per square foot of $121.14 is in line with this and is an appropriate estimate to use for future developement.

If the Stanley Village area is developed for an additional 20,000 S. F. retail, additional retail sales could reach $2.4 annually, generating $97,000 annually in additional sales tax revenues.* If the mall were anchored by a big box retailer such as WalMart or Kmart, with average annual sales of $140,51 per square foot, a 62,200 square foot store could generate $8.7 million in sales annually, with sales tax revenues of $348,000.

[Note: Currently, sales tax revenues average approximately 4% of total retail sales, which is the figure used for these calculations.]

A best-case scenario under the current plan has annual sales tax receipts increasing to $6.3 million in 1995 dollars. This will support a population of 22,500 in the Estes Park Valley, based on the 1995 ratio of approximately $280 of sales tax reventues per capita. Of course, zoning land for retail does not ensure that development will occur or that sales will reach the natioal average. However, the zoning in conjunction with policies and incentives to encourage such development increase the probability that the sales tax base will support the projected population growth.

The Town of Estes Park faces a problem common to all resort communities, the lack of affordable housing forlow-paid retail and service industry employees. With a finite amount of land available for housing and an increasing population, rising land costs will continue to preclude a large amount of affordable housing.

The current plan takes several steps to mitigate this problem. Provision is made for higher density residential zoning including the creation of a small lot (1.4 acre) single family category. The town will grant enhanced residential density bonuses for the provision of affordable housing. Fifty-seven units of affordable housing are currently under construction. Infill development, such as accessory structures and second floor housing over retail establishments, will provide opportuntieis for less expensive lodging for lower paid workers. Caution should be exercised in mandating that businesses provide employee housing, since it may drive needed jobs out of the community rather tahn providing new jobs accompanied by affordable housing.

The Town must constantly analyze its strategies to be sure that is does not inadvertently have unintended results. For example, suggestions to relieve traffic congestion by providing a by-pass to route people around Estes Park rather than through it might have serious implications for consumer spending in the Town itself. When the Town of Frisco realized in the early 1980's that the highway to Breckenridge was being rerouted to avoid Main Street, it spent millions of dollars to attract tourists back into the downtown area. A better solution to the congestion problem might be to relocate basic services for the residents of Estes Park away from the downtown area and the main tourist routes.

*revised 1-20-98

The current plan is realistic in its approach to the future. The problems and challenges identified two years ago will not disappear even if the best policies are put on apper and then adopted. The plan recognizes that tourism and retirees will be the Town's primary economic base for the foreseeable future. It recognizes the importance of environemntal qualtiy, convenient parking, residential zoning and a reasonable tax base to ensure a viable community. It is realistic about the competition from surrounding communities for its residents' sales tax dollars, recognizing that it will not become a stand alone economic unit. However, it provides for a broader economic base with jobs and housing for various ages and income levels. It also focuses on the need to enlarge the sales tax base to provide services for a growing population. It proposes reasonable policies to mitigate the problems that accompany economic growth, while achnowledging that they will not be completely eliminated.

C. Potential Economic Development Strategies

The Town of Estes Park has completed the first two steps of the nine step economic development strategy described above. It has identified where the Town is and decided where it wants to go. It is now ready to develop the strategies and action plans to accomplish the goals of the Comprehensive Plan.

As the Town of Estes Park develops an economic development strategy to support its Comprehensive Plan, there are a number of things it should take into consideration. First and foremost, it needs to make a fundamental change in the way it thinks about its two major industries, tourism and retirees.

The debate over which is more important is nonproductive at best and destructive at worst. The two industries complement each other and in aggregate add more to the economy than each would individually. It is truly a case where the whole is greater than the sum of the parts. As American Demographics (November 1994, p. 30) noted:

> *"It is no coincidence that the most popular retirement concentrations are overwhelmingly in or near places that attract tourists and vacationers. Retirees often "check out" potential new home sites while on vacation trips. Fond memories of childhood summer camps and family vacations can also have a powerful influence on choices in retirement living."*

Retirees are attracted to Estes Park because they came here first on vacation, some 50 or more years ago. The amenities that support the tourist industry - excellent restaurants and shops, for example - make the Town more attractive than a similar Town with no summer visitors. The natural beauty that attracts tourists also appeals to retirees. Thanks to sales taxes paid by tourists, the tax burden on retirees is lessened.

Just as the tourist industry benefits retirees, so retirees benefit the tourist industry. Retirees keep Estes Park from being a one or two season economy. Restaurants and shops are able to remain open year round, thanks to retiree spending during the off season. Retirees broaden the tax base, adding to the revenue stream.

1. **The Town must work within the realm of the possible.**
   *What are the strengths of Estes Park***?**
   . Physical environment
   . Clean industry base (tourism and retirees)
   . Community spirit
   . Lack of crime
   . Good health care
   . Good schools
   . Arts community

   What are the weaknesses of Estes Park?
   . Lack of affordable housing
   . Congestion
   . Conflicting needs of young, less affluent renters versus older, wealthier homeowners
   . Possible conflict between creating jobs and preserving environment
   . Lack of year-round economy

2. **What are the trends in the US and in Colorado that will affect Estes Park?**
   - Shortage of cheap labor (baby bust in entry-level market)
   - Aging of the population (baby boom approaching 50)
   - Communications technology increases choice in workplace location
   - People may have more leisure time in the future
   - Growing importance of international marketplace
   - Increasing pressure on open space and environment
   - Opening of Denver International Airport

3. **How important a role should tourism play in future growth in Estes Park?**
   - Role of the Park and implications of overcrowding there.
   - How can the needs of a growing tourist base be balanced with the needs of the local, resident population?

4. **How can the Town work in partnership with the Valley and the County to provide new job opportunities without harming the tourist and retirement industries?**

It is critical to focus on attracting basic industry, industry that brings new dollars into the community. This doesn't mean industries that produce goods - agriculture, manufacturing and mining. In fact, the Town's current basic industries, tourism and retirees, are both in the service sector. The secondary jobs, those that recirculate the new dollars, will follow. However, there are certain infrastructure jobs that do not qualify as basic industry but are critical to attracting basic industry—business services, for example—that are an appropriate focus of economic development activities. Schools and health care are other examples.

Expanded job opportunities fall into two categories: Those that build on the important tourism/retiree base and those that are in very different areas, but don't negatively impact tourism or retirees.

Tourism

1. **Eco-tourism:** This is the current buzzword in the travel industry. The Audubon Society defines eco-tourism as "*purposeful travel to natural areas to understand the cultural and natural history of the environment while maintaining the integrity of the ecosystem, making the conservation of natural resources financially beneficial to the inhabitants of the host region.*" The adventure traveler, or ecotourist, has traditionally been young and poor, but the demographics have changed. Nature-based tourism is enjoyed by older, more affluent travelers who want a good, outdoor nature experience but want a comfortable bed and a flush toilet at night. What are the possible niches for Estes Park in this, the most rapidly growing segment of the tourist industry?

   - Possible niche: Nature-based tourism for people who can't afford, don't chose to "ecotour" in the Peruvian rainforest, Antarctica, New Zealand, etc.
   - The largest segment of the Estes Park tourist market is between the ages of 35 and 44, family- oriented with children living at home, relatively affluent and highly educated. These are likely two income families who feel guilty about the amount of time their children spend in day care.
     - family-inclusive outdoor activities
     - drop-in day care with a strong environmental education component for the days when parents and children need time apart
   - Programs for older travelers who want to enjoy the out-of-doors but may be bothered by the altitude.
   - Appeal to the mountain bike-roller blade market, as well as be on the lookout for similar popular, growing outdoor activities.

   What are the pros and cons?
   - Builds on existing strengths.
   - Increases the sales tax base to support future population growth.
   - Continues to introduce people to the Town, attracting some to relocate/ move businesses there.
   - More low paying jobs. Exacerbates current problems.

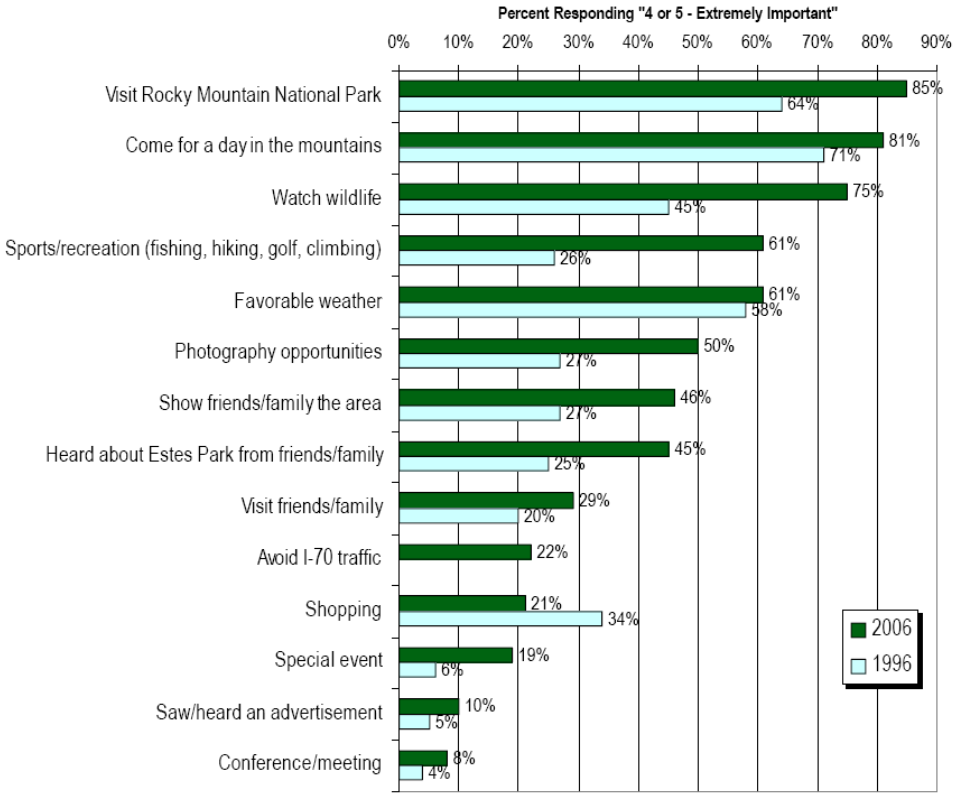
2. **Expand existing tourism industry.**
   - Alternative winter vacation site for people who don't want glitz/expense of Vail and Aspen, prefer a lower key escape.
   - Destination site for people waiting to visit Park and for small conventions.
     - offer vacation packages
     - Central Reservation service (such as Winter Park's)
     - what kind of activities will these people want?

The 2006 Estes Park Summer Visitor Survey found that the profile of the visitor to Estes Park can be described as skewing towards families and emptynesters (older couples whose children do not live at home). Visitors report "moderate" incomes (ranging from $50-$100,000), and are well-educated (one-third have college and/or graduate degrees). The average age is 47, with 32 percent over 55 years old. Over the past decade, the visitor profile has shifted towards a slightly younger, more affluent, and better educated visitor than was the case when the 1996 intercept survey was conducted in Estes Park. The research also suggests a higher percentage of households without children, a pattern that parallels the national demographic "aging baby boomer" trend. In terms of visitor origin, 30 percent of visitors are from Colorado. The primary out-of-state markets are Texas and the Midwestern states of Illinois, Missouri, Nebraska, Kansas, and Iowa. Compared to 1996, the out-of-state market has grown as a whole, increasing from 64 to 70 percent over the past ten years. Note that this growth is not attributable to any single state but is a reflection of minor one- to two-point gains in secondary markets such as Texas, Wisconsin, etc. Estes Park attracts a high percentage of first-time visitors (32 percent), which is not surprising given the town's proximity to a major national attraction—Rocky Mountain National Park. For Estes Park, conversion of "first-timers" to repeat visitors is obviously an important goal for several key reasons. In terms of marketing yields, repeat visitors generate significant revenues relative to the dollars spent to market to them as a group. In other words, there is a high rate of return on marketing expenditures due to the fact that these visitors already know and clearly enjoy the Estes Park experience, and thus do not need to be persuaded to visit to the same degree as those who have never visited Estes before. The research shows that repeat visitors tend to generate more revenues to the Town due to their longer stays in Estes Park. Repeat visitors stay an average of 7.3 nights in Estes Park compared to 3.9 for first-time visitors. Obviously, these longer stays translate into higher revenues to the Town, not to mention the benefits of "word of mouth" marketing to others on the part of past visitors. Efforts to target the first-time market by enhancing their experience of Estes Park, as well as creating incentives for them to return in the future, could be an effective element of the broader marketing plan for the community. [3]

The 2006 Estes Park Summer Visitor Survey asked visitors the reasons behind their decision to visit Estes Park for the day or an overnight stay. Respondents to the follow-up survey were asked to rate the importance of various factors in terms of how influential those factors were in the overall trip decision. As shown in the figure below, the more important factors overall were to visit Rocky Mountain National Park, to "come for a day in the mountains," and to watch wildlife, all of which potentially overlap to a certain degree and point to the fact that the surrounding natural environment of the Park/scenery/wildlife are the primary drivers for visiting Estes Park. Moderately important to visitors are the influences of the weather, recreational activities, photography, word of mouth, and showing the area to family and friends. Less important to the overall audience are shopping, visiting friends/family, avoiding traffic on I-70, a special event, advertising, or a conference/meeting. [3]

Comparing results concerning "importance factors" to 1996 provides some insights into changing motivations. In general, the data suggest an increasingly active visitor base, with visiting Rocky Mountain National Park, watching wildlife, sports/recreation, and photography all up significantly. The importance of weather is unchanged, while shopping was less identified as important in 2006 compared to 1996. [3]

FIGURE 3
HOW IMPORTANT WERE THE FOLLOWING FACTORS IN YOUR DECISION TO VISIT ESTES PARK?



BUILDING ON EXISTING STRENGTHS

Retirees

Between 1985 and 1990, 4.5% of Americans 65 and older moved to a new state. Retirement migration is important in most states and in a community like Estes Park, it is a major industry. Retirees provide a rich monthly infusion of money from pensions, investments and Social Security checks, no different from dollars flowing in from the sale of agricultural or manufactured goods or tourism services.

Although 24% of all retirees moving to a new state go to Florida and 56% move to only ten states (Colorado is not one of these), migration patterns are changing. This is good news for areas that want to attract retirees. There is growing evidence that age segregated retirement developments may carry the seeds of their own destruction and that communities like Estes Park that maintain a balance of young and old people are the retirement communities of the future.

There are several questions Estes Park needs to consider as it develops strategies to build on its existing retirement base. What does Estes Park offer retirees? What will happen when today's younger, physically active retirees become older and frailer? Will they leave? What can Estes Park offer baby boomers when they begin to retire ten years from now that will set it apart from other retirement communities? What can Estes Park do to prevent becoming too crowded or too old, thus making it less desirable as a retirement destination?

According to a 1992 survey by the American Association of Retired Persons, what retirees want most is access to basic services. Living near a grocery store was listed as important by 62% of older adults. About the same number wanted to be near a pharmacy or hospital. Getting away from crime and congestion was a priority, with 37% indicating a preference for small Town life.

Studies of retirees in resort communities show that over 50% knew someone in the area before they moved there. This is referred to as network recruitment. Selective recruitment or marketing is also important. Studies find that about 20% of retiree migrants were first approached by a developer or Realtor.

Potential strategies to attract retirees might include:

1. Target marketing to states with the largest share of older migrants.
2. Official relocation and retirement guide, such as is produced by the State of South Carolina. This could include a survey asking readers for their demographics and lifestyle preferences.
3. Center providing healthy living; spa, health care.
4. Congregate care facilities.

Pros and cons?

- Compatible with preserving environment
- Potential clashes with needs of tourist population
- Will retirees be willing to help pay for schools, recreation services for younger residents?

OTHER NEW DIRECTIONS

1. Education center

- Some experience with the Eagle Rock School.
- There is a lot of interest among universities in developing residential training programs for business and government officials from developing nations. Estes Park could provide an ideal site for CU, CSU.
- Training programs for people entering lodging/recreation industry

Pros and cons

- Compatible with/builds on tourist industry.
- Provide higher paying jobs.
- Might not add much to the tax base.

2. **Encourage lone eagle/telecommuters.** With the advent of computers, fax machines, overnight mail and other communications technology, many people can work virtually anywhere. The Center for the New West describes telecommuting as the most significant thing that has happened in the work force since the two-wage-earner family. They report that the average telecommuter brings work orders into the community ranging from $50,000 to $150,000.

   Pros and cons:
   - Quality of life in Estes Park meets requirements of these people.
   - Does/when will the Town have the fiber optic and digital switching capabilities this requires?
   - Proximity to Denver International Airport. Near enough?
   - Are the requisite business services available?
   - How about building a video conferencing center to support these people?
   - Would there be enough potential business to cover the start-up costs? Have a chicken/egg situation? Should it be in conjunction with the convention center?

[1] Stamey and Associates, 2007, Longmont, CO 80504

[2] Estes Valley Housing Needs Assessment, 2008,
RRC Associates, Inc., Boulder, CO 80301
and Rees Consulting, Inc., Crested Butte, CO 81224

[3] Estes Park Summer Visitor Survey, 2006,
RRC Associates, Inc., Boulder, CO 80301

[4] Felsburg Holt & Ullevig, 2007, Centennial, CO 80111