

CHAPTER 2 ECONOMIC DEVELOPMENT



VISION

The purpose of the economic development plan element is to articulate a set of unified and focused strategies to expand livelihoods and to provide a path towards sustainable economic growth. As the only full service town within 70 miles in any direction, Limon is the rural regional center. Groceries, auto services, health care products and other supplies are offered by local merchants. Government and non-profit organizations located in Limon serve a large area with public services, schools, fire protection, ambulances, recreation, and infrastructure. Sustaining and growing Limon as a regional center is central to its long term sustainability and identity.

Limon is a long established outpost for travelers and the freight industry, with an estimated 80,000 visitor nights at Limon hotels in 2014. Limon is at the intersection of Interstate 70, and Highways 24, 40, 71, and 287, and is also located on two active rail lines through town. Limon is a two hour or less drive from the most populated areas on the Front Range. Entrepreneurs have recognized Limon as a transportation hub with opportunities for many decades. The travel services industry along U.S. interstates has evolved into a one-stop experience that is almost identical at any interchange. Leisure travelers crave more authentic experiences along the way and many want ‘getting there’ to be part of the vacation experience. Limon is a real town and even a small percentage of the estimated 80,000 visitor nights would liven up the downtown significantly. Coordinated and deliberate strategies and capital investments are needed to encourage overnight visitors to explore Downtown Limon and the recreation and historic attractions that Limon offers.

Limon’s location at the intersection of an interstate, four major highways and its proximity to the Front Range economy mean that Limon is also well positioned for international commerce. The town has been granted Foreign Trade Zone (FTZ) status, which offers deferral, reduction or elimination of customs tariffs on imported goods depending on whether the goods are sold to the U.S. market, combined with U.S. products or exported outside the U.S. after import. The town has also established a partnership with the Ports-to-Plains Alliance, which advocates for a four-lane alternative north to south commercial trade route from Mexico to Canada. Road expansion and improvements are underway in other states and Limon is in the center of this designated route. The transportation network centering on Limon is a core asset to be further built upon to broaden economic options for the community.

Limon has an outstanding group of community leaders who care deeply about the people who call Limon ‘home’ and good schools with high graduation rates. These less tangible qualities are also assets. Limon needs a brand to convey these more intangible assets and its advantageous location on the international trade and travel transportation network.



Growing the economy will require coordination and hard work among private businesses, non-profits, and local, state, and federal government. This plan element is centered around these goals:

Goal ED.1 - Expand Limon's role as regional center.

Goal ED.2 - Attract new primary industries to Limon.

Goal ED.3 - Entice interchange visitors and lodging guests to explore Limon.

Goal ED.4 - Promote community assets.

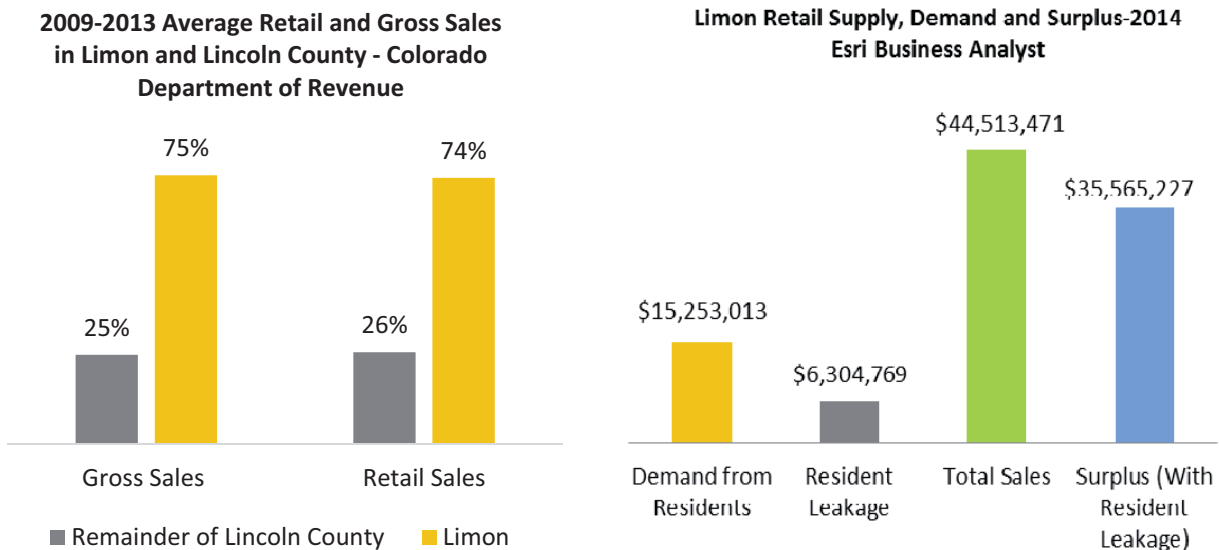
Goal ED.5 - Diversify and expand housing (See Chapter 4, Housing).



GOAL ED.1 - EXPAND LIMON’S ROLE AS REGIONAL CENTER.

BACKGROUND INFORMATION

Limon acts as the primary regional center for residents of Limon, residents of nearby municipalities and rural residents in Lincoln County and neighboring counties. Sales tax collection data from the Colorado Department of Revenue and a retail leakage analysis show that sales in Limon are proportionally larger than the demand generated by the population in Limon. Limon’s population only accounts for a third of the population in Lincoln County, but 75% of gross sales and 74% of state-tracked retail sales occur in Limon. The demand for retail sales, including food/beverage, originating from residents of Limon is \$15.2 million per year. Local residents still travel outside the county to purchase some goods. Over \$6 million (more than a third of local demand) in local spending is spent outside the community. Another way to state this is that \$6 million annually “leaks” out of the local economy. Yet the town generates over \$44.5 million in annual sales: a retail surplus of over \$29.2 million in annual sales coming from regional residents and travel.



A 2012 Colorado State University (CSU) retail study and survey found that 46% of residents shop in the Denver Metro Area and 36% shop in Colorado Springs at least once a month. The survey found that residents would spend more money locally with more local options for clothing, household goods and other necessities, like those found in mid or large format department stores. The CSU retail survey found that only 10% of survey respondents were happy with current shopping opportunities in Limon. Most recently, the grocery store on Main Street has been purchased and renovated by a new owner and locals are grateful for the positive change. This recent success shows how one store that meets a local need can make a big difference and signals an approach to help existing businesses succeed.

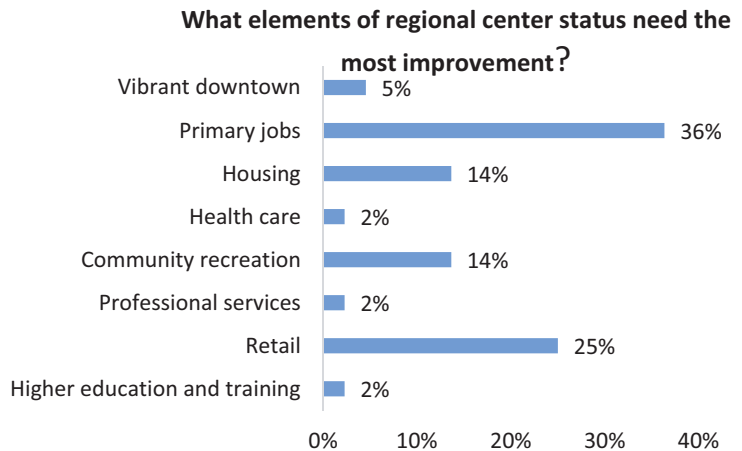


Leakage signals an opportunity for development and strengthening the local retail base in Limon. Currently, Limon acts as a regional retail center for vehicles, food/beverage, and groceries. However, residents are traveling or using the internet to purchase clothing, personal care goods, general merchandise, and electronics. These are a retail market that could work locally.

Sectors Providing Regional Retail (Surplus Sectors)	Opportunities for Expanded Service (Leakage Sectors)
Auto Dealers	Clothing/Accessories
Food Services (Restaurants)	Direct Selling
Miscellaneous Retailers	Health and Personal Care
Vehicle Parts	Electronics
Grocery	General Merchandise
Auto Accessories	Non-store Retailers
Used Merchandise	Sports/Hobby/Music/Books

Community Insights

Primary jobs, community recreation, housing and retail development were identified at the Vision Event as the elements most in need of improvement. Only 6% of respondents chose healthcare, professional services or higher education as high priority areas for development.



STRATEGIES

Strategy A - Identify regional center market opportunities using market research companies and other methods such as regional consumer surveys.

Strategy B - Market the retail opportunities to owners of vacant or underutilized commercial buildings and to retail, entertainment and restaurant entrepreneurs who have been successful in the region, and to national retail companies to facilitate the occupancy of vacant retail space in Limon.

Strategy C - Create an inventory and structural assessment of vacant retail spaces in Limon.



Strategy D - Consider zoning code changes that allow mixed commercial and residential use in downtown commercial buildings and on downtown lots.

Strategy E - Ensure that low impact home occupations are allowed and are compatible with residential neighborhoods.

Strategy F - Identify vacant land near the east and west I-70 interchanges that is suitable for medium and large format retail establishments that can be cost effectively served with water and sewer infrastructure and which possess safe and convenient street or highway access.

Strategy G - Make investments, adjust existing incentives, explore new incentives and take a leadership role in expanding business opportunities in Limon (see Chapter 5 Infrastructure and Core Services for more details).

Strategy H - Improve and expand high speed internet service and cellular phone service (see Chapter 5 Infrastructure and Core Services for more details).

GOAL ED.2 - ATTRACT NEW PRIMARY INDUSTRIES TO LIMON.

Background Information

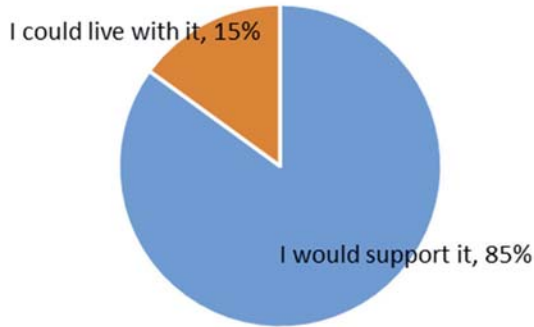
A primary job is employment that results from sale of goods and services to customers outside of the local area which brings outside money into a local economy. Primary jobs are important because as money flows around and out of the local economy, primary jobs replenish the local pool of money. Businesses such as restaurants, banks, service companies, doctors, and lawyers, as well as government services, are often consumptive and rely on a flow of outside money while providing services within the local economy. Primary industries such as agriculture, manufacturing and energy sell goods and services outside of local boundaries, injecting money into the local economy ensuring that non-primary economic activity like retail can occur.

Interstate stops and overnight visitation also act as a primary industry by making sales to customers outside of the region. The hospitality industry is an important component of Limon's economy and has growth potential. However, this industry is competitive and price sensitive. The managerial/ownership positions in hotels and restaurants pay good salaries but many of the positions at hotels and restaurants are hourly and on the lower end of local wages.

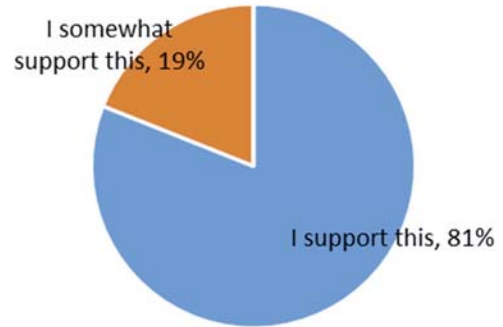
All participants at the vision workshop supported development of new industry in Limon and industrial expansion on the periphery of town. 19% of respondents indicated some support for new base industry development while 81% strongly supported base industry development in the town. 15% could live with industrial development on the outskirts of town while 85% support increased industrial activity on the edges of town.



Would it be okay to have industrial development in Limon's periphery?

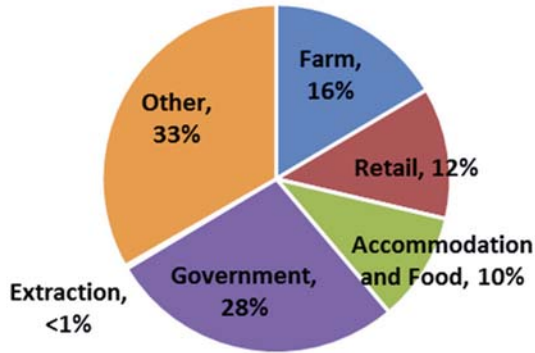


Do you support the efforts to create new industry in Limon?

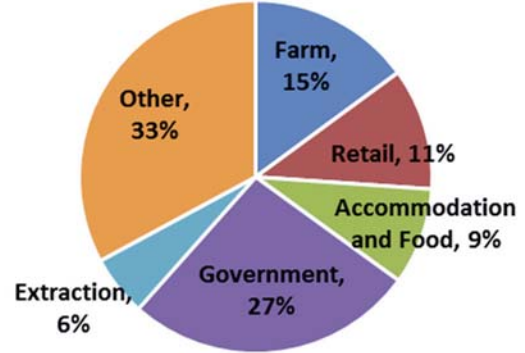


Participants at the vision workshop thought that supporting existing businesses and diversifying the base economy were the best options for improving the local economy.

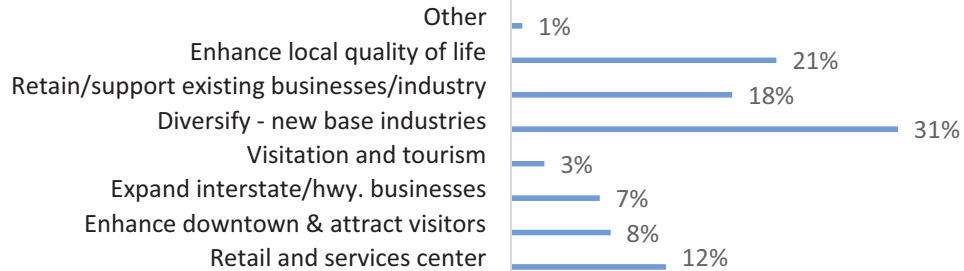
2003 Lincoln County Employment by Industry - Bureau of Economic Analysis



2013 Lincoln County Employment by Industry - Bureau of Economic Analysis



Which of the following are the best options for improving the local economy?



TRANSPORTATION AND THE PORTS-TO-PLAINS ALLIANCE

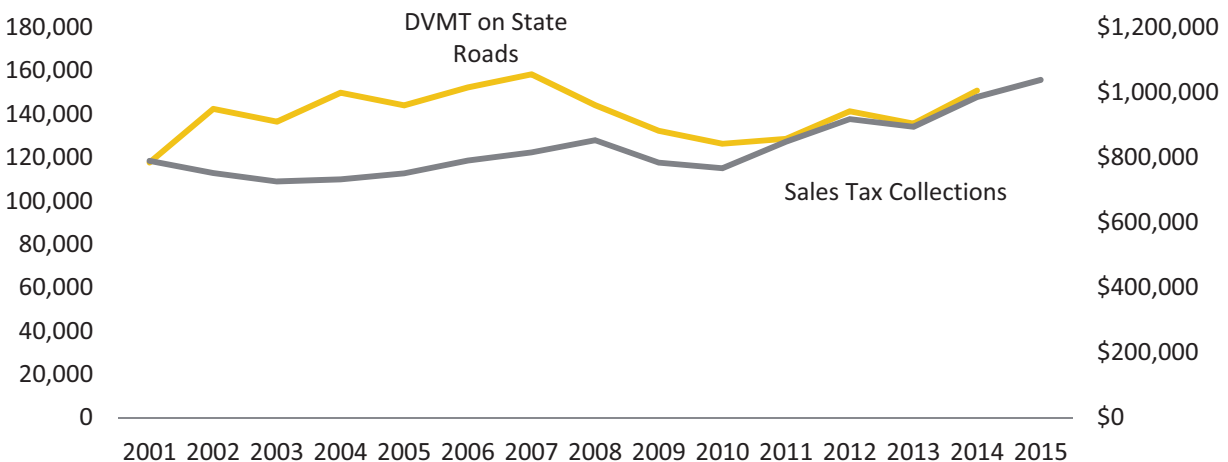
The Ports-to-Plains Alliance advocates for four lane divided highways along a growing trade corridor stretching from Canada to Mexico. This international infrastructure investment effort will greatly benefit Limon because of its ‘hub’ position on the international north-south trade route. Significant investment has already occurred in Texas and New Mexico but much work remains through Oklahoma, Colorado and to the north in order to complete this important transportation corridor. At present, 50% of roadways in the Ports-to-Plains corridor are four lane or better.

The Ports-to-Plains corridor region includes:

- Seven of the top ten oil producing states
- Five of the top eight natural gas producing states
- 48.9% of total wind generation in the U.S.
- 24.78% of total U.S. Trade and 14.9% of the U.S. GDP
- 28.22% of total U.S. agricultural products

Sales tax collections in Lincoln County and the traffic on major highways appear to be directly related and tend to rise and fall together. If increased highway traffic occurs as a result of Ports-to-Plains efforts, it is likely that sales tax collections in Lincoln County will increase as well.

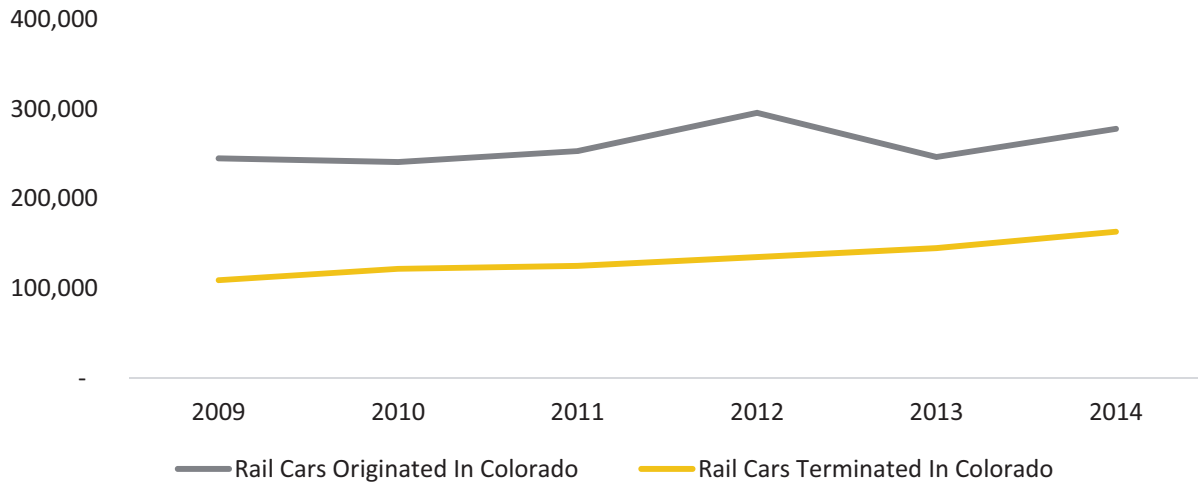
Lincoln County DVMT and Sales Tax Collections - Colorado Department of Transportation and Revenue



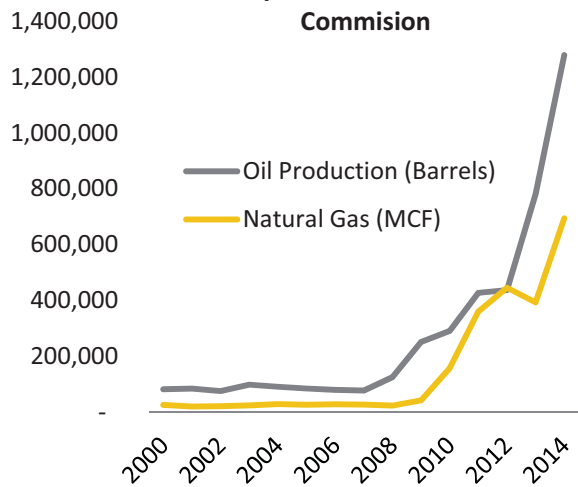
Rail car traffic data from Union Pacific shows a general upward trend in both cars originating in Colorado (i.e. exports), and cars terminated in Colorado (i.e. imports). As the state’s economy recovers and continues to grow, it is likely that the distribution of goods by rail will continue to be an important aspect of economic activity in the state. It should be noted that the regulatory environment surrounding the coal industry could result in a decrease in rail shipments, which account for a significant proportion of rail cargo in the state.



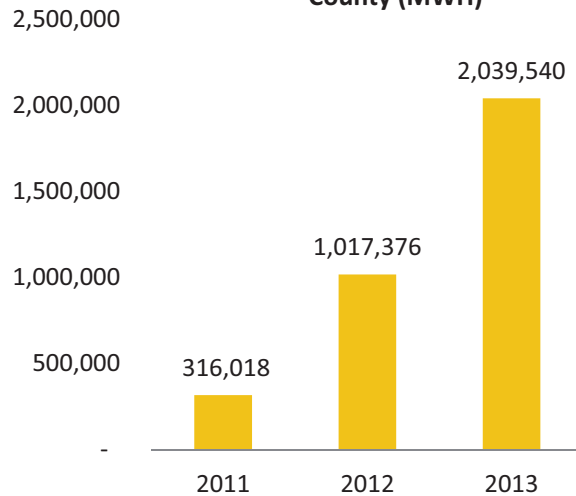
Union Pacific Rail Car Traffic In Colorado



Oil & Natural Gas Production in Lincoln County - Colorado Oil and Gas Commission



Net Generation Wind Power Lincoln County (MWH)



ENERGY INDUSTRY

Currently, there is a multi-source energy boom occurring in Lincoln County. Recent development in the energy industry in the county has led to a diversification in the employment base. Since 2008, oil production in Lincoln County increased from 76,000 barrels to over 1.2 million annually, while natural gas production increased from 25,000 MCF to nearly 700,000 MCF annually. Additionally, significant development of wind turbines has increased electric generation to over 2 million MWH annually. While oil and gas development is prone to fluctuation, it is likely that the benefits and growth associated with wind generation will remain. Employment spikes occur while windfarms are



developed, but once they are running, the operations crews are relatively small. At the county scale, wind energy brings ongoing revenues to windfarm property owners and to the county government. All Lincoln County residents stand to benefit from sustaining and expanding wind energy in the long term.

The increased energy activity has led to the diversification of the local economic base. Since 2003 employment from farm, retail, government and accommodation have experienced proportional decreases as a percentage of total employment, while energy jobs have increased from below 1% to 6%.

STRATEGIES

Strategy A – Establish web based and print media that market Limon’s Foreign Trade Zone designation and advertise this unique opportunity to target businesses. Target businesses include: light manufacturing, training centers, transportation/shipping, warehousing and logistics.

Strategy B – Create and map a full inventory of town-owned land. Identify land that could be developed for economic development purposes, prioritize the best sites and master plan these sites. Partner with state and federal economic development agencies to develop infrastructure, building shells, and other assets that would attract business and investment. The town-owned airport property, the Tamarack Golf Club and the Big Sandy parcel are a few examples of town properties that could be utilized for economic development.

Strategy C – Complete and implement the Airport Master Plan and build from the aviation infrastructure to establish low water use businesses on the town-owned airport property.

Strategy D – Continue to partner with the Ports-to-Plains Alliance to procure funding and implement a four lane highway along the growing trade corridor stretching from Canada to Mexico and connecting through Limon.

Strategy E – Work with the Colorado Department of Transportation to encourage participation and statewide implementation of the Ports-to-Plains Corridor and to plan for local improvements that will facilitate the upgrade of this important trade route.

Strategy F – Work with economic development partners and regional colleges to establish education and training programs that align with opportunities for primary job industries:

- Transportation
- Commercial truck driving
- Wind energy
- Oil and gas
- Agriculture
- Food processing and distribution

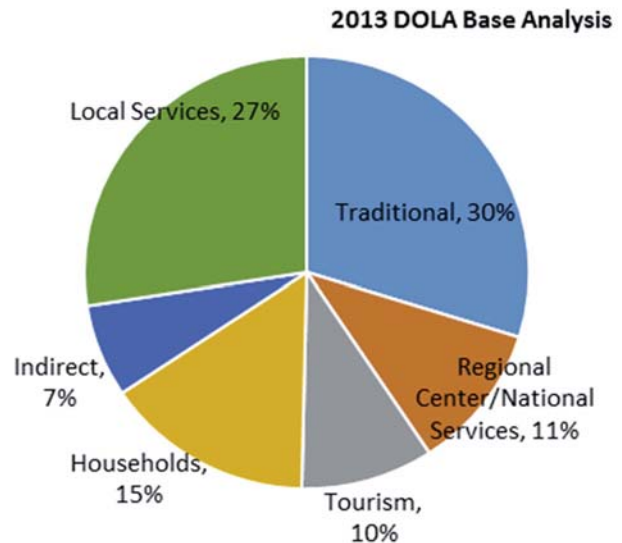
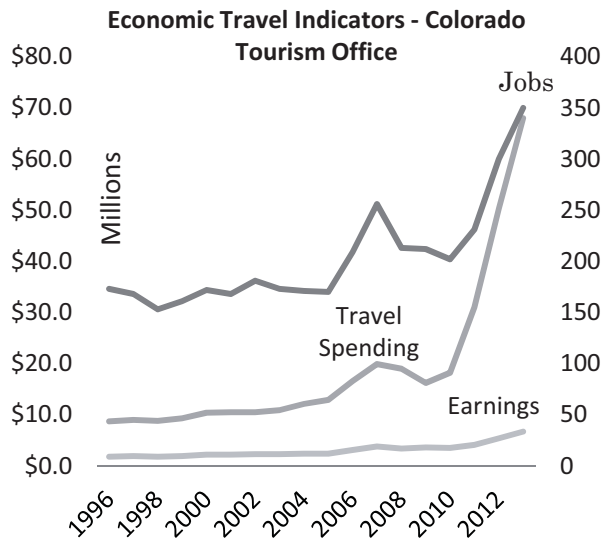
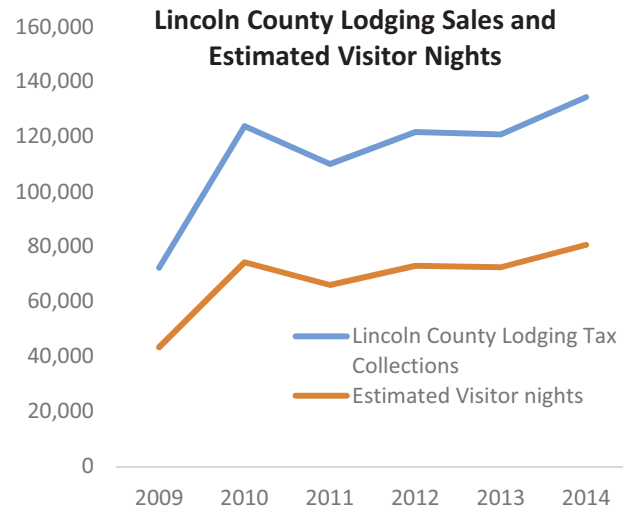


GOAL ED.3 ENTICE INTERCHANGE VISITORS AND LODGING GUESTS TO EXPLORE LIMON.

Background Information

Travel activity has significantly increased over the past 10 years and travel/tourism now accounts for 10% of the employment base in Lincoln County. By attracting a larger portion of highway traffic towards downtown, Limon could capture more spending and activity downtown and at attractions such as the railroad museum.

Lodging tax revenue in Lincoln County has increased from \$72,000 in 2009 to over \$134,000 in 2014. Assuming 1.5 people per hotel room and a \$125 per night hotel cost, Lincoln County had over 80,000 overnight visitors in 2014.

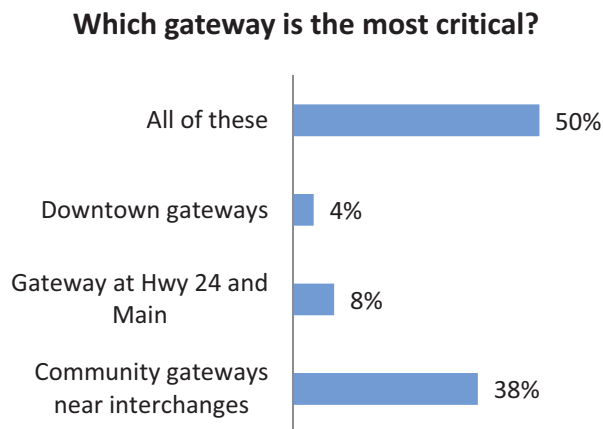
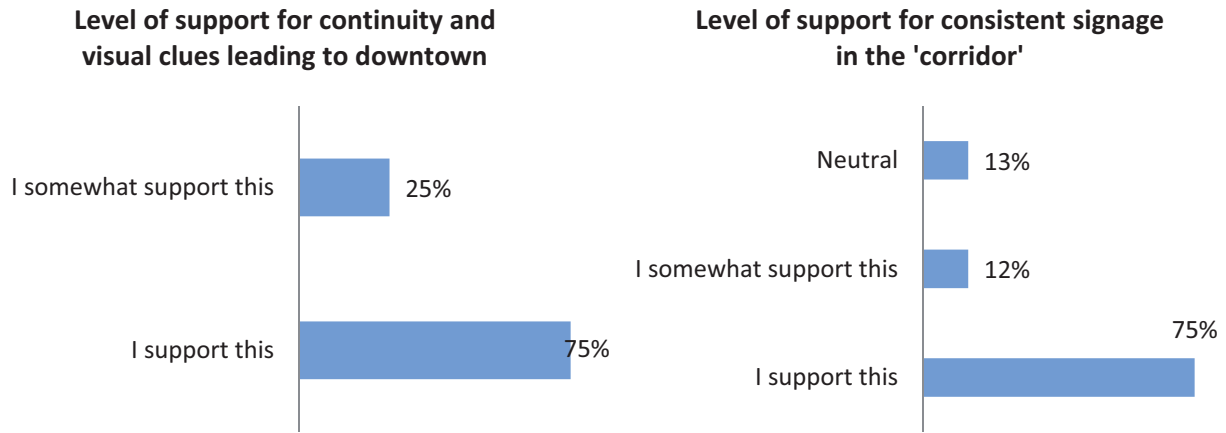


If the town encourages interstate based visitors to travel downtown for food or entertainment even a fraction of these visitors could substantially increase economic activity in Limon’s non-interstate commercial areas.

At the Growth Summit Workshop, participants were asked three questions about connecting the highway to commercial development within the rest of the town. Overall, participants strongly favored linking the interstate corridor with other commercial development in the town through the use of signage and visual continuity, and sidewalks



and pedestrian trails. Participants thought that all gateways were important but the community gateways related to interstate interchanges were the most critical.



STRATEGIES

Strategy A - Establish a consistent streetscape with visual clues that encourage motorists to leave the interstate and lead motorists and pedestrians from the west and east I-70 interchange commercial areas to downtown including: consistent plantings and pedestrian walkways/pathways, consistent lighting, banners, directional signage and other visual clues to direct and entice more people to Limon’s town core.

Strategy B - Improve gateway signage at the west and east interchanges and develop tourist-oriented and way-finding directional signage towards downtown Limon, historic sites, parks, recreation facilities, open space and cultural resources.

Strategy C - Work with the Chamber of Commerce, and other local organizations, to organize materials and talking points for lodging front desk managers and restaurant clerks to inform visitors about Downtown Limon and the historic sites, parks and recreation facilities, open space and cultural resources offered in Limon.



Strategy D – Work with local economic development organizations to create a targeted tourism marketing plan to entice visitors staying at interchange area hotels to explore Downtown Limon and its historic sites, parks and recreation facilities, open space, trail connections and cultural resources.

GOAL ED.4 - PROMOTE COMMUNITY ASSETS.

Background Information

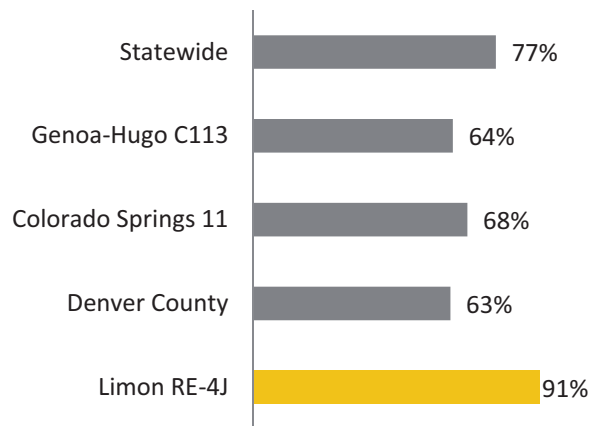
Limon has a number of marketable qualities making it an ideal place to locate or expand a business.

In 2015 the Limon school district built a new \$22.5 million dollar K-12 school that can accommodate up to 600 students. The high school graduation rate is 91%, which is 14% higher than the state average and between 40% and 23% higher than neighboring school districts.

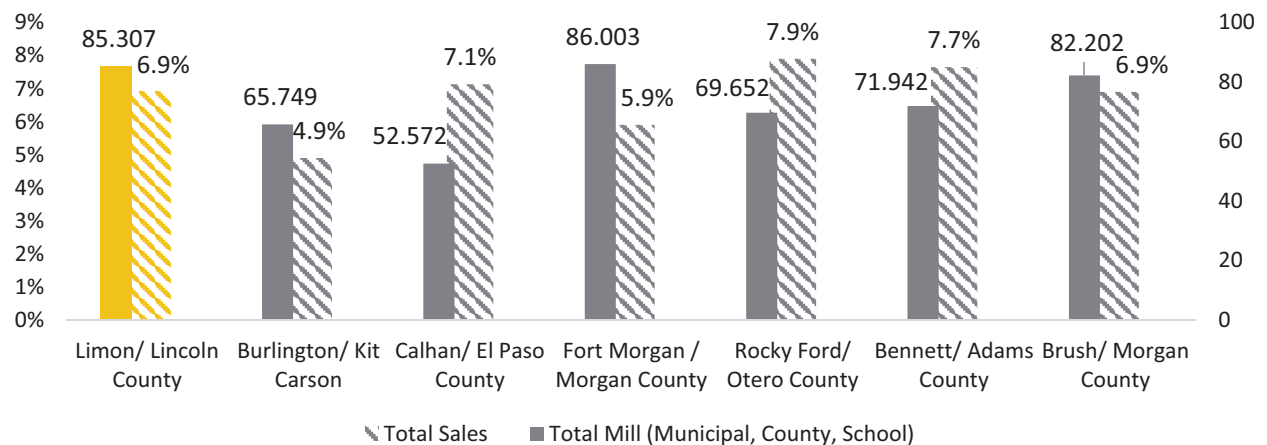
These impressive school statistics reflect caring leadership and a long established sense of community ethics and responsibility to move the community forward and expand livelihoods.

The town also boasts competitive tax rates that are in line with or lower than neighboring counties and municipalities, ensuring that taxes are not a disincentive.

2014 High School Graduation Rates - Colorado Department of Education



Combined Municipal and County Property Tax (January 1, 2015) and Sales Tax Rates 2015



STRATEGY

Strategy A - Create a slogan, messages, logos, designs and imagery to articulate Limon's brand, to solidify its identity and attract the interest of prospective businesses and residents. The Limon brand needs to play to its strengths:

- Family-oriented community with strong schools
- Small-town lifestyle, positive and helpful community
- Center of events and celebrations
- Business friendly (land, buildings, infrastructure, incentives)
- Regional rural center; Limon is the full service town within 70 miles
- Affordable property/cost of living/moderate taxes
- Transportation infrastructure and location
- Short drive to Front Range/Denver and Colorado Springs
- Health care in town

