

Opportunity Zone Prospectus

FOR THE GREATER PAGOSA SPRINGS AREA





Prepared by:

OPPORTUNITY ZONE COMMITTEE

Guidance From:

Town of Pagosa Springs
Archuleta County
Community Development Corporation
Region 9 of Southwest Colorado
Pagosa Housing Partners

Contact:

MARY JO COULEHAN

Pagosa Springs Chamber of Commerce Director

970-264-2360



TABLE OF CONTENTS

LOCATION	4
OPPORTUNITY ZONE	6
INCENTIVES	9
ABOUT THE PAGOSA SPRINGS AREA	14
ECONOMIC DEVELOPMENT STRATEGY	26
OPPORTUNITY ZONE DISTRICTS	30
INVESTMENT PROJECTS	44
ASK AND CONTACTS	45



REFRESHINGLY AUTHENTIC

WELCOME TO PAGOSA SPRINGS.

Our small town atmosphere and endless beauty allow you to feel the true meaning of mountain living. Refresh your spirit in a place away from the crowds. Restore your sense of fun while exploring over three million acres of wilderness and national forest. Reconnect with family and friends. Re-energize your business. Move to Pagosa Springs and enjoy simplicity on a grand scale with all the amenities you expect.

Located within the San Juan National Forest and nestled in the heart of the majestic San Juan Mountains, Pagosa Springs offers a rich geological

and cultural history to explore. Known for its world-famous hot springs, “Pagosah” is the Southwestern Ute word for “healing waters”. The soaring cliffs, rugged peaks, magical alpine pools, undisturbed wilderness, cascading rivers, and soothing hot springs reveal a dramatic history that invites locals of all ages, to venture into the backcountry and experience it for themselves.

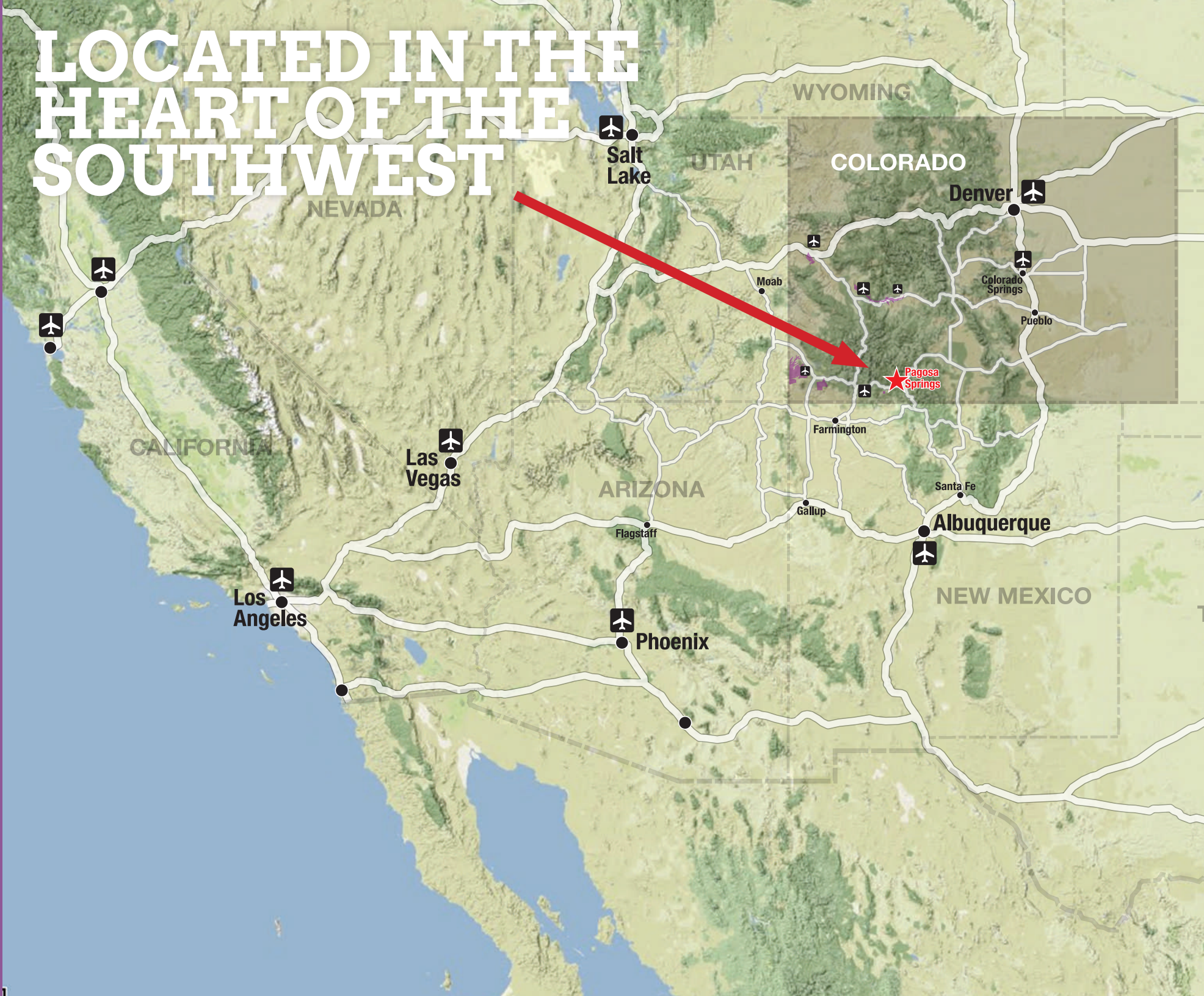
Pagosa Springs is located in the Colorado Sunbelt, just 35 miles north of the New Mexico border and along the Western slope of the Continental Divide.



Pagosa Springs lies in the San Juan River Basin, an area that makes up the eastern portion of the San Juan River Watershed. The San Juan River flows through the middle of downtown Pagosa on its way to eventually joining the Colorado River to the west in Utah.

This combination of a high-desert plateau and the Rocky Mountains to the North and East of town work together to create an unusually mild climate that is begging to be lived-in year-round. Make Pagosa Springs, Colorado your home today! Just Be Here.

LOCATED IN THE HEART OF THE SOUTHWEST





HOW IT WORKS

Opportunity Zones – Opportunity Zones (OZ) were enacted as part of the 2017 tax reform package (Tax Cuts and Jobs Act) to address uneven economic recovery and persistent lack of growth that have left many communities across the country behind.

In the broadest sense, the newly enacted federal Opportunity Zone (OZ) program provides a federal tax incentive for investors to invest in low-income urban and rural communities through favorable treatment of reinvested capital gains and forgiveness of tax on new capital gains. Opportunity Zones help address a number of challenges:

- Promoting economic vitality in parts of the state that have not shared in the general prosperity over the past few years
- Funding the development of workforce and affordable housing in areas with escalating prices and inventory shortages
- Funding new infrastructure to support population and economic growth
- Investing in startup businesses that have potential for rapid increases in scale and the ability to “export” outside the state of Colorado
- Upgrading the capability of existing underutilized assets through capital improvement investments

More details regarding the Opportunity Zone can be found at choosecolorado.com/opportunity-zones.

Investors can re-invest capital gains into Opportunity Funds. These funds then invest in projects located within the designated Opportunity Zone. Investors can then temporarily defer and reduce taxes on capital gains from their original investment, and eliminate taxes on future gains from the fund if held for 10 years.



Temporary Deferral

A deferral of inclusion in taxable income for capital gains invested in Opportunity Funds until December 31, 2026



Step-up Basis

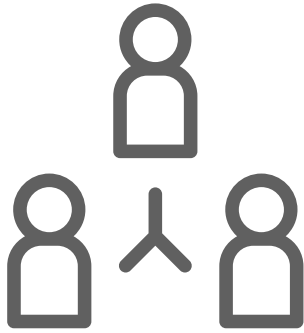
Reduction of tax owed on gains if held for 5 years (10%) or 7 years (15%)



Permanent Exclusion

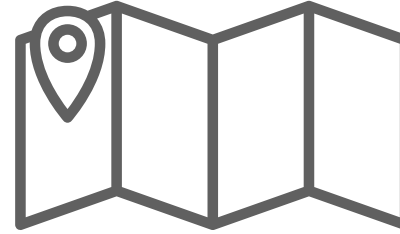
Any Growth in the value of the Opportunity Fund itself is tax free if held for 10+ years

CRITICAL COMPONENTS



TAXPAYER

With an unrealized capital gain to reinvest.



QUALIFIED ZONE

A Census Tract that has been designated as an Opportunity Zone



OPPORTUNITY FUND

An investment vehicle formed to deploy capital into Opportunity Zone projects

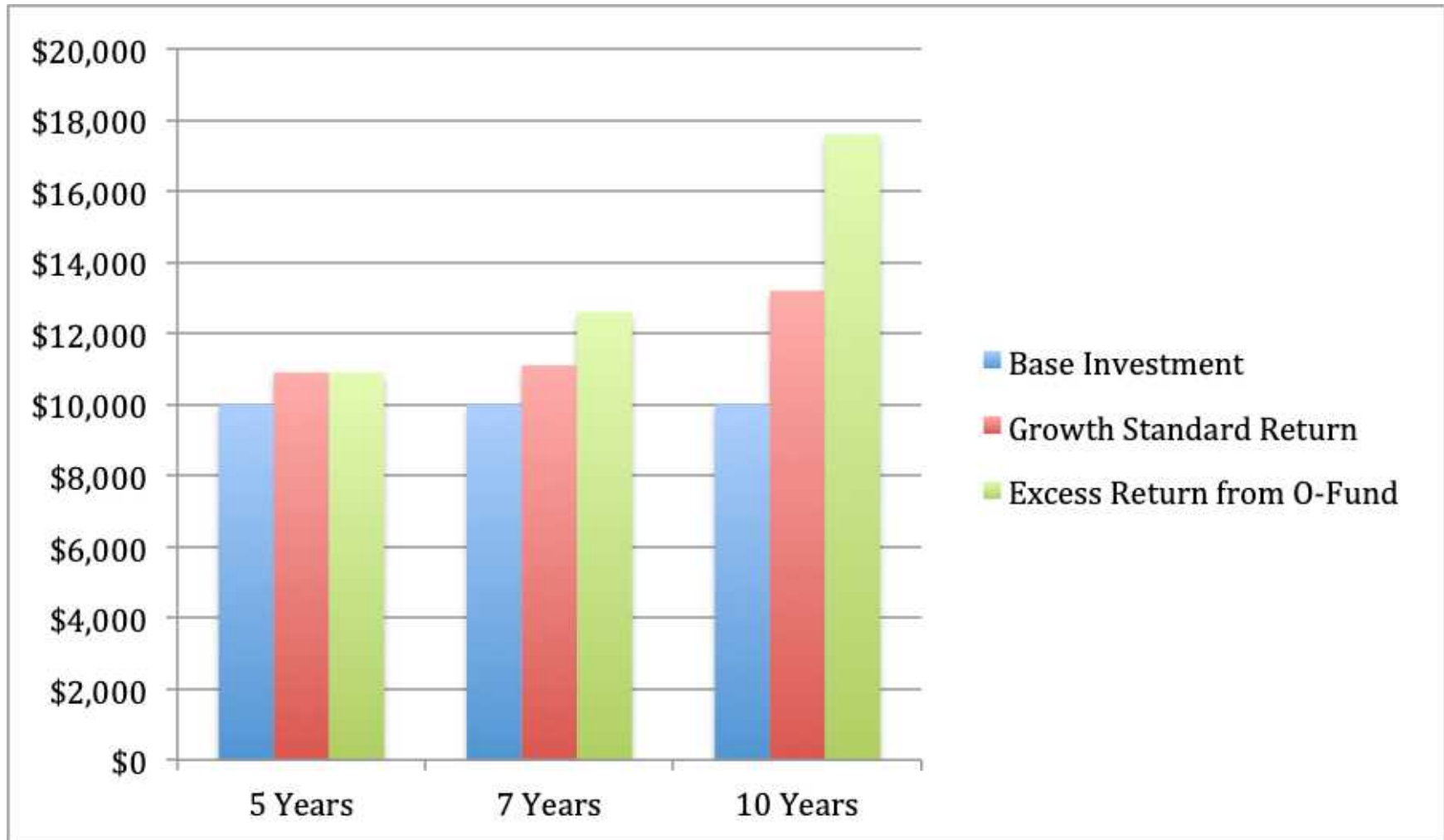


PROJECT

Investable real estate project or business located in the Opportunity Zone

BENEFITS OF OPPORTUNITY ZONE INVESTMENT

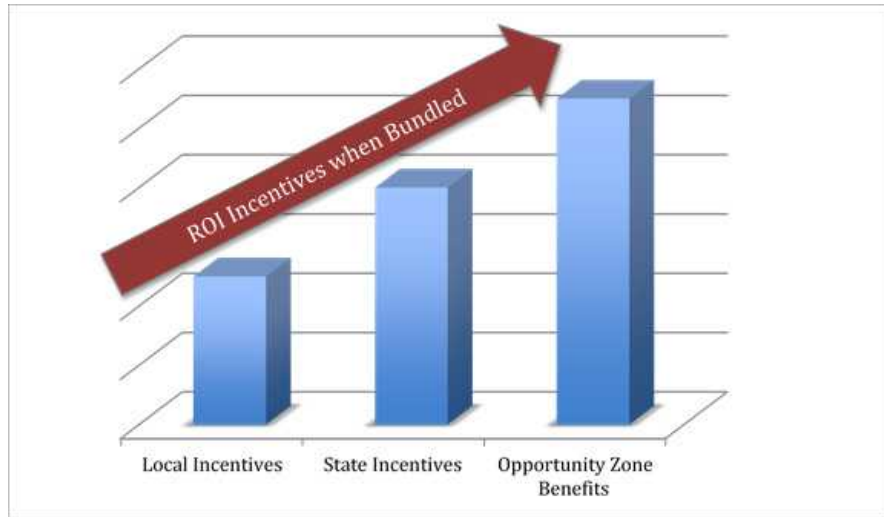
- Market-Oriented Incentive
- No income limits
- No cap on benefits
- For-Profits are eligible
- Most types of real estate projects or business are eligible
- Requires a 30% investment in the land or building to improve within the first 36 months



Hypothetical \$10,000 investment in an Opportunity Fund vs. a standard investment with the same baseline rate of return
 Assumes capital gains rate of 23.8%, no state income tax, 7% appreciation of investment

LOCAL INCENTIVES

Archuleta County and the Town of Pagosa Springs may leverage the Opportunity Zone investment with local incentives. Additionally, there are State incentives offered. When incentives are bundled the fund potential can be maximized.



Archuleta County and Town of Pagosa Springs ECONOMIC DEVELOPMENT INCENTIVES POLICY STATEMENT

PURPOSE

This Economic Development Incentives Policy Statement (“Policy”) is adopted to guide the use of incentives to encourage the creation and retention of jobs within Archuleta County and/or the Town of Pagosa Springs that pay at or above a livable wage, and to help attract and retain primary job employers within the Town and County. The goal is to stimulate the local economy by providing additional employment opportunities and expanding the tax base required to provide public services. This policy statement does not commit the County or Town to providing economic

incentives in any or every instance, nor does it restrict the governing bodies from providing additional incentives in unique circumstances. Economic development incentives may be provided in the sole discretion of the Town and/or the County, subject to the availability of funds. The Policy Statement contains specific criteria, guidelines and procedures necessary to effectively and fairly administer economic development incentives.

ELIGIBLE PROJECTS

Economic development incentives may be available to any new or expanding business that meets all of the following criteria:

- For development projects, incentives may be available for commercial development only.
- For mixed-use projects, the residential component shall be prorated based on the commercial value.

The Town of Pagosa Springs and Archuleta County will consider projects that also meet the following criteria:

- Capital investment parameters and value of the project in conjunction with the goals of the Town and County.

The Town of Pagosa Springs and Archuleta County will also consider the following incentives:

- Property tax reimbursements, sales tax reimbursements, fee reimbursements, and infrastructure improvements

Complete details of the project criteria can be found at www.pagosasprings.co.gov.

Archuleta County is also a Rural Jumpstart Community. Learn more at www.choosecolorado.com/rjs.





PAGOSA SPRINGS AREA

OPPORTUNITY ZONE DESIGNATION

FEDERAL TAX CREDITS

First approved zone in Archuleta County as part of US Census Tract 9744

The project is approved as an official Opportunity Zone by the US Department of the Treasury. This federally-approved designation allows for:

NO LONG TERM CAPITAL GAINS TAXES:

For an investment held for 10 years within the Zone. Investments include those made for operating businesses, equipment, and real property (both real estate or infrastructure).*

36% HIGHER RETURNS:

For investments within the zone, when compared to an alternative investment with an 8% annualized return.*

* Source: Economic Innovation Group | EIG.org

BUSINESS INCENTIVES FOR COMING TO PAGOSA SPRINGS

All incentives are subject to government approvals and successful applications.

OEDIT* CREDITS

*Colorado Office of Economic Development & International Trade

Up to \$10,000 Cash Job Incentive creation:

Cash payments per net new job created and maintained for one year. Up to \$5,000 from the Strategic Fund / up to \$5,000 from the Town of Pagosa Springs.

8 year exemption from BOTH Business and Employee State income taxes:

The Rural Jump-Start program provides tax relief for companies & their employees relocating or expanding.

Manufacturing Exemptions for Sales and Use Tax:

Exemption from State sales & use tax on purchases of manufacturing machinery, machine tools & parts

Colorado First Job Training Incentive - \$1,200 per Full-time Employee:

For companies that are relocating or expanding in Colorado & provide funds only to net new hires.

Job Growth Incentive - Tax Credit:

Provides state income tax credit to businesses involved in job creation projects.

STATE TAX CREDITS

New Enhanced Rural Areas Job Tax Credit - \$2,000 per job:

Additional credit per new job located in Archuleta County's Enhanced Rural Enterprise Zone.

New Employer Health Insurance Tax Credit - \$1,000 per Covered Employee:

2 years for each employee insured under a qualified employer-sponsored health insurance program.

Job Training Tax Credit - 12% of Eligible Training Costs:

Employers who carry out a qualified job training program for their enterprise zone employees.

Investment Tax Credit of Equipment Purchases - 3% of Equipment Purchases Cost:

Excess credits may be carried back 3 years & forward 12 years.

Commercial Vehicle Investment Tax Credit - 1.5% of Qualifying Vehicle Purchases

REGIONAL & LOCAL INCENTIVES

Property Tax Reimbursements

Sales Tax Reimbursements

Fee Reimbursements

Infrastructure Improvements

Fast Track County and Town Services

Job Creation Grant

For complete incentive details see page 10.

To learn more about Business Incentives in Pagosa Springs, contact:
Mary Jo Coulehan, 970-264-2360



ABOUT THE PAGOSA SPRINGS AREA



The **Pagosa Springs** area is a treasure trove of discovery, so it's no wonder that Pagosa is quickly being discovered as a great place

to live, work and play. The San Juan River flows from the northeastern edge of the county through the town of Pagosa Springs into the Navajo Reservoir on the Southern Ute Indian Reservation, located in the southwest part of the county. Just twenty-five miles to the Continental Divide, means prime skiing at Wolf Creek Ski Area. The topography of the Pagosa Springs area is very diverse and includes high mountain peaks and valleys, towering mesas, deep canyons, high desert, and flowing rivers. The natural hot springs attract more than 500,000 visitors per year. Outdoor recreation makes Pagosa Springs ideal for attracting new adventurers, as well as retirees looking to settle into an up-and-coming town.



Near Pagosa Springs is the **Southern Ute Indian Reservation**, whose tribe makes up some of the oldest residents of Colorado. The

tribe is composed of two bands: the Mouche and the Caputa. This reservation in southwestern Colorado sits on 1,064 square miles and has approximately 1,400 tribal members. The tribal headquarters is located in the town of Ignacio, CO, approximately 58 miles from Pagosa Springs. Along with a popular casino and other community amenities, they manage Lake Capote, known for its fishing abundance.



Navajo State Park is on the north shore of Navajo Lake. Touted as Colorado's answer to Lake Powell, this reservoir on the San Juan River begins in Colorado's San Juan

Mountains and extends 20 miles into New Mexico. The 2,100-acre park offers boating, fishing, trails, wildlife viewing, and camping and accommodates over 300,000 visitors a year. Located only 40 miles from Pagosa Springs, Navajo Lake is a weekend respite for many Pagosa residents.



Chimney Rock National Monument, having been abandoned over 1,000 years ago, is devoted to exploring the culture of the Ancestral Puebloans

of Chaco Canyon. Located only 20 miles from Pagosa Springs, this treasure will tantalize any inquisitive mind with the variety of educational and hands-on programs offered. From walking the ruins to exploring the night skies, Chimney Rock National Monument continues to gain notoriety for its dedication to authenticity and the major Lunar Standstill, occurring only every 18 ½ years. The designation of the Chimney Rock Archaeological Area as a National Monument in 2012 has increased the number of visitors to the area.

WHY INVEST IN ARCHULETA COUNTY?

1 STRONG TOURISM AND HIGH GROWTH

- 107% increase in Town lodging tax collections and 165% increase in County lodging tax collections over the last 10 years.

Voted #9 in 2015 Best Towns to Live in the U.S. by *Outside Online*

“Pagosa Springs is a microcosm of authentic Colorado... Jobs are concentrated in tourism attracting 500,000 annual visitors...Recreation opportunities are unparalleled.”



2 LIVE, WORK, PLAY ATMOSPHERE

- 27 Hole Golf Course
- 2 Disc Golf Courses
- Wolf Creek Ski Area

- Multiple Park and Trail Systems
- Access to Public BLM Lands
- Navajo Lake State Park
- Live Theater
- Numerous Community Events
- San Juan River
- County Airport
- Biking, hiking, horseback riding, cross country ski and snowmobile trails
- Fly fishing, camping, hunting



3 GREEN ENERGY: GEOTHERMAL, BIOMASS & SOLAR

- Forest Health Timber Products (Bio Char Project)
- Pagosa Verde (Geothermal)
- Geothermal Greenhouse Partnership (geothermally fed growing domes)
- Dobson Solar
- Downtown Geothermal Heating District



4 ENTREPRENEURIAL ENVIRONMENT THREE COLORADO COMPANIES TO WATCH

- Voormi
- Growing Spaces
- Visionary Communications

5 ABILITY TO BUNDLE INCENTIVES

6 GROWTH COMPANY ATTRACTION

- Walmart
- Natural Grocers
- City Market

7 PRIME MARKET FOR HOUSING, RETAIL AND MANUFACTURING

Voted as one of the best ski towns in the United States by National Geographic 2014

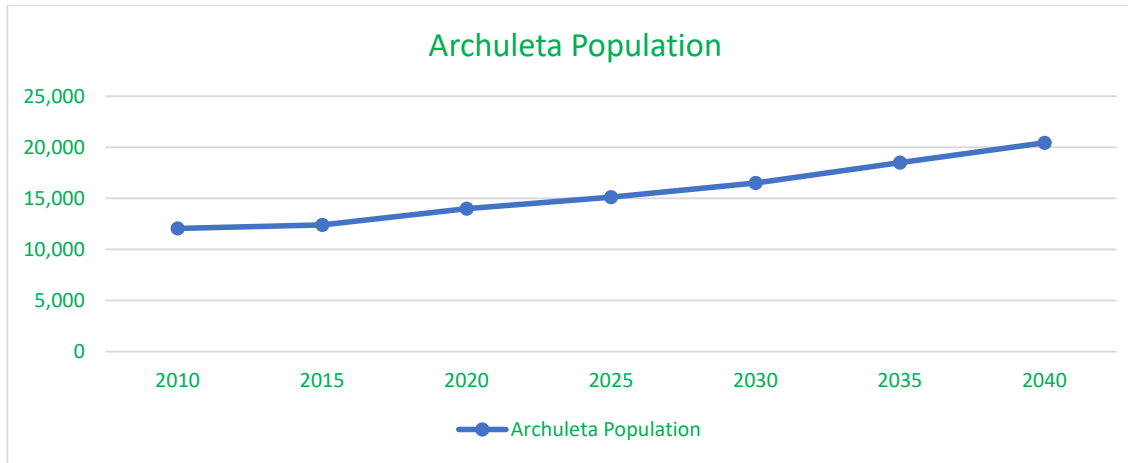
“One of Colorado’s most unheralded outdoor hotspots...long renowned among the powder cognoscenti for having the best snow in the state.”



DEMOGRAPHICS

POPULATION

These population figures reflect permanent residents. Seasonal visitors and second homeowners are not included.



Colorado State Demography Office 2018

WORKFORCE AND INCOME

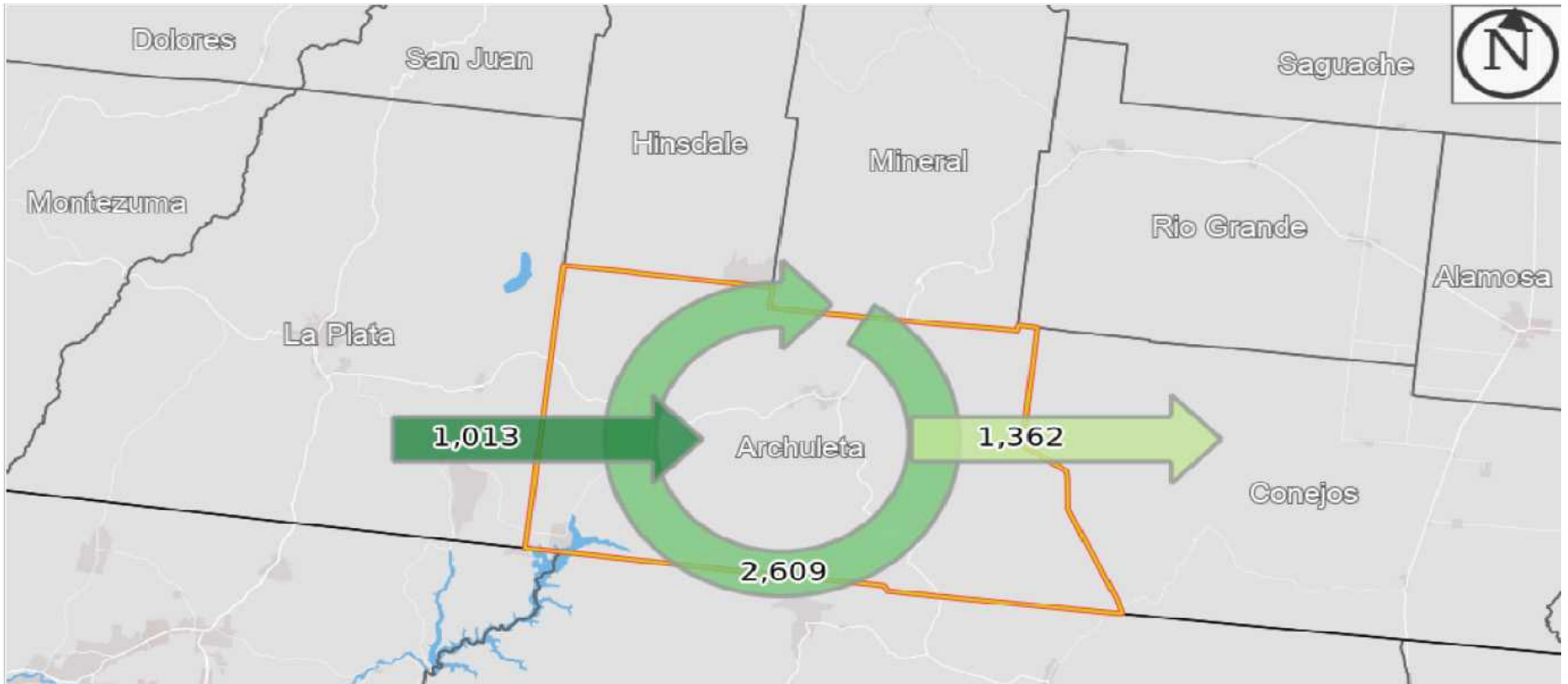
In 2018, county unemployment rates (3.4%) were higher than the state (2.8%), and lower than the nation (3.9%).

Unemployment Rates 2015-1018				
Location	2015	2016	2017	2018
Colorado	3.2%	3.3%	2.8%	2.8%
Archuleta	4.0%	3.3%	3.0%	3.4%
USA	5.3%	6.7%	4.4%	3.9%

Colorado Labor Market CDLE-LMI

COMMUTING

People commute to where the jobs are, but take their paychecks home. This influences how we evaluate employment, whether by place of work or by residence. In 2015, most of the workers commuting out of the county for jobs were going to La Plata County (9.6%). Most of the workers commuting into Archuleta County for jobs are also from La Plata County (7.5%).



Who works in Archuleta County?			Where do Archuleta Residents work?		
In Commuters	Count	Share	Out Commuters	Count	Share
Total All Jobs	3,218	100%	Total All Jobs	3,732	100%
Archuleta County	2,273	71%	Archuleta County	2,273	61%
La Plata County	218	7%	La Plata County	448	12%
Alamosa County	56	2%	San Juan County, NM	115	3%
All Other Counties	261	20%	All Other Counties	896	24%

LOCAL ECONOMIC DRIVERS

Archuleta County 2017 Total Employment	# of Jobs	% of Jobs	* Avg. ann. wage
Agriculture	357	5%	\$42,929
Mining	43	1%	\$42,112
Utilities	27	0%	\$79,007
Construction	739	11%	\$37,703
Manufacturing	152	2%	\$26,154
Wholesale Trade	50	1%	\$55,981
Retail Trade	904	14%	\$27,543
Transportation & Warehousing	59	1%	\$56,524
Information	59	1%	\$48,917
Finance Activities	128	2%	\$55,755
Real Estate	457	7%	\$38,801
Professional & Business Services	367	6%	\$65,322
Management of Companies and Enterprises	6	0.1%	\$100,551
Administration and Waste Management	263	4%	\$25,494
Private Education	62	1%	\$8,772
Health Services	454	7%	\$28,329
Arts, Entertainment, and Recreation	139	2%	\$18,762
Accommodation and Food	847	13%	\$18,732
Other Services, except Public Administration	636	10%	\$29,143
Government	883	13%	\$50,900
Total	6,632	100%	\$33,944

*Quarterly Census of Employment & Wages (QCEW). Source: Colorado State Demography Office

This table includes wage earners as well as proprietors (owners). Approximately 67% of total employment is by wage earners, while 33% is through proprietors. The service sector (highlighted) employs about 50% of workers in the county. The service sector is composed of many types of jobs, and very different wage scales. Many of the service jobs in Archuleta County are in accommodation and food services. Retail trade (14%) and Government (13%) were strong employment sectors in 2017.

BASE ANALYSIS

Archuleta County Base Industries (2017)	Number of Jobs	Percent of Jobs
Agribusiness	473	9%
Mining	35	1%
Manufacturing	58	1%
Government	126	2%
Regional Services	520	10%
Tourism	1,544	30%
Households	1,628	32%
Indirect Unassigned	761	15%
Total	5,145	100%

Base analysis distinguishes which industries are responsible for overall growth and change. These activities bring in outside dollars to circulate within the local economy. In Archuleta County, the largest base employment industries are tourism and households that spend money earned elsewhere (i.e. retirees). More information on base industries in Archuleta is available at www.scan.org/uploads/Base_Analysis.pdf

ANCHOR EMPLOYERS

Top Employers - Archuleta County 2018	# of Jobs
Pagosa Springs Medical Center	280
Archuleta County School Dist. 50 JT	275
Walmart	190
Visiting Angels of the Southwest	151
Archuleta County	150
City Market	132
Springs Resort LTD	100
Wyndham Pagosa	75
Pine Ridge Extended Care Center LLC	50
Town of Pagosa Springs	42

Top employers – Employers are ranked based on the numbers of people employed. These numbers were collected from each employer if available, estimated based on information collected from past years, or provided by state agencies. Employers include local governments as well as private employers

TOTAL PERSONAL INCOME (TPI) is the sum of all income paid to residents of Archuleta County from various sources. Retirees (60+) brought in \$87 million (16%) of TPI through transfer payments, up from 15% in 2015.

2017 Total Personal Income (\$000)		% of Total
Employment Earnings	\$249,539	47%
Residency Adjustment	\$3,607	1%
Dividends, Interest & Rent	\$159,477	30%
Transfer Payments	\$122,842	23%
Estimated TPI	\$535,465	100%

PER CAPITA INCOME (PCI) of Archuleta County is 77% of the National PCI and 73% of Colorado's PCI. Per Capita Income measures the average income per person. It is calculated by dividing the areas total income by total population. These figures do not include second homeowners.

2017 Per Capita Income	PCI 2017	% of USA
USA	\$51,640	100%
Colorado	\$54,646	106%
Archuleta	\$39,944	77%

MEDIAN INCOME (MI) is where half of the homes in the area earn more and half earn less. It's used instead of the average or mean household income because it can give a more accurate picture of an area's actual economic status.

5 Year Median Household Income (2013-2017)	
Archuleta County	Colorado
\$48,016	\$65,458
Margin of Error: ± \$5,197	Margin of Error: ± \$317

LIVABLE WAGES

A minimum of \$25,572 annually provided a livable wage in Archuleta County, for a single person renting a one-bedroom apartment. A full report on Livable Wages is available https://scan.org/uploads/Livable_Wages_in_Southwest_Colorado_2019-2.pdf

COST OF RENTAL HOUSING IN ARCHULETA COUNTY

It is determined that rental and utilities should not exceed 30% of income. Figures below are based on this assumption.

Archuleta County			Fair Market	
Units	Rent	Income Required	Rent	Income Required
1 Bedroom	\$850	\$34,000	\$708	\$28,000
2 Bedroom	\$1,250	\$50,000	\$913	\$37,000
3 Bedroom	\$1,375	\$55,000	\$1,242	\$49,500

The median home price in Archuleta County is \$361,700 requiring an income of \$100,000. More detailed information regarding Archuleta County is available at www.scan.org under regional data.

LOCAL HOME MARKET IN ARCHULETA COUNTY

Archuleta County	June			Year to Date		
Single Family Home	2018	2019	%Change	2018	2019	%Change
Median Sale Price	\$354,500	\$379,000	+6.9%	\$350,000	\$365,000	+4.3%
Average Sale Price	\$407,546	\$531,783	+30.5%	\$410,343	\$448,514	+9.3%
Towhuse/Condo	2018	2019	%Change	2018	2019	%Change
Median Sale Price	\$210,000	\$170,750	-18.7%	\$166,500	\$197,500	+18.6%
Average Sale Price	\$205,162	\$207,050	+0.9%	\$233,382	\$215,331	-7.7%

Commercial Properties are averaging \$167/square foot over the last 24 months.

INFRASTRUCTURE



Electric - The entire county is served by La Plata Electric Association.



Natural Gas -The area is served by Black Hills and various propane distributors.



Water - Most of the area is served by the Pagosa Area Water and Sanitation District (PAWSD) or Town of Pagosa Sanitation (TOPS); others are served by rural water districts or have their own wells.



Wastewater - Most of the area is served by the Pagosa Area Water and Sanitation District (PAWSD) or the Town of Pagosa Sanitation (TOPS); others are served by rural water districts or have their own septic system.



Solid Waste – Residential and commercial solid waste collection is provided by At Your Disposal, Waste Management, and Elite. Recycling services are provided by Elite, At Your Disposal, and the Archuleta County Recycling and Transfer Station. The community’s main landfill is located in the county



Telecommunications – The area is served by CenturyLink, Zito Media, Visionary Communications, BacaTec, and Hughes Net.

SERVICES

Police & Fire Departments - Pagosa Springs is served by a municipal police department and County Sheriff's Office. Most of the County fire protection is provided by the Pagosa Fire Protection District that has seven rural fire stations. The Sheriff's Office has the statutory designated responsibility for wildland fires.



Medical Facilities - The Pagosa Springs Medical Center is a rural hospital with 24/7 emergency services as well as a health clinic, surgical center, and infusion and cancer treatment. Axis Health System has a local office and provides integrated health services including mental health, counseling, and diagnostics. Pagosa Medical Group offers acute medical services. Pine Ridge Extended Care Facility has 60 beds providing complete medical support to the elderly.

Archuleta County Airport - The Archuleta County Airport, located at Stevens Field, is touted as one of the most beautiful airports in America. The longest runway at Stevens Field is 8100x100 feet. The FBO run by AVjet offers excellent facilities including private meeting rooms, shower facilities and catering. The airport also offers 24/7 fuel availability.

Educational Facilities - Opportunities include: Archuleta County Education Center. Archuleta County District 50 JT; K – 12, Pagosa Peak Open School (K-5), Goal Academy, Our Savior Lutheran School (K-5), as well as an active homeschool community. “Build Pagosa” is a program dedicated to teaching high school students trade skills for the construction industry. Preschool education includes: Seeds of Learning with national NAEYC accreditation and the newly built Wings Preschool scheduled to open in fall of 2019.

Child Care Availability - In the summer months, the Town of Pagosa Springs offers “Kick’n It Kids Camp” for ages 5 to 12 featuring classes, crafts and outdoor activities. There is a variety of other summer camps including sports, theater, crafts, and religious.



Senior Living - Beehive Homes, Casa De Los Arcos, Socorro, and Archuleta Housing Inc. provide apartments and rooms ranging from independent living to rooms in a communal setting for the elderly. Some housing options are based on a sliding income scale. Visiting Angels provides home care assistance services.



AMENITIES

WORLD'S DEEPEST HOT SPRINGS, WOLF CREEK SKI AREA, LIVE THEATER, DANCE, AND CONCERTS

Recreation Facilities: Pagosa Springs and Archuleta Parks and Recreation Departments have a myriad of facilities serving all age ranges in the community including: 2 lighted baseball fields, 4 soccer fields, 2 fishing ponds, seasonal skating rink, 2 disc golf courses, and an array of cross country ski tracks and snowmobile trails, as well as a 160 acre Mountain Park, in the heart of downtown, used for hiking, biking and a summer concert venues.

- 3 Public hot springs facilities
- 3 Miles of walkable town trails and 6 public parks downtown
- 2 Miles of accessible river to enjoy rafting, tubing, river play, and fly fishing
- Two work-out centers
- Indoor climbing wall
- Community center that supports recreational activities for all ages
- Senior center
- 27-Hole Golf Course
- Wolf Creek Ski Area

“Archuleta County will promote community values and quality of life for our residents. We will retain, grow and support our local businesses, and encourage a diverse economic base. Our mission is to enhance the quality of life for the citizens of Pagosa Springs and Archuleta County by creating jobs; encouraging new capital investment; and creating a business friendly community. In addition, the Pagosa Springs Community Development Corporation (PSCDC) will work closely with existing businesses in order to maximize their profitability and sustainability.”

– Economic vision and mission from the Pagosa Springs Community Development Corporation.

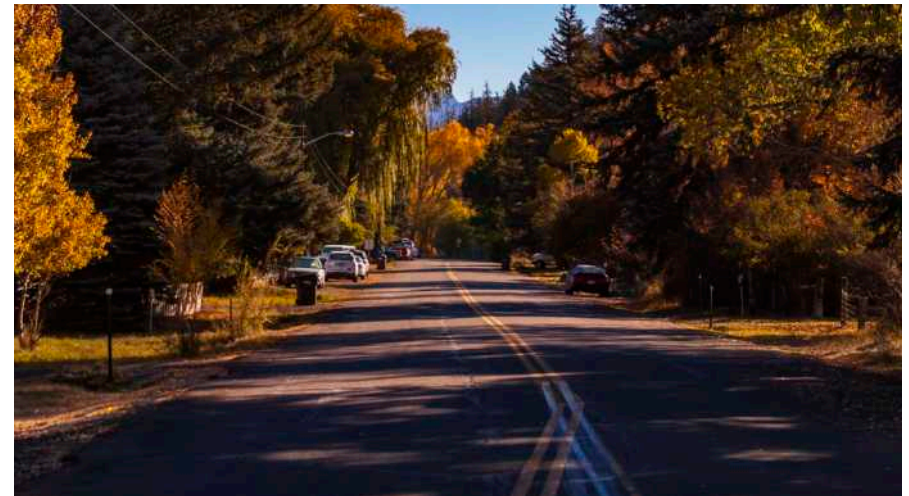
Archuleta County and the Town of Pagosa Springs have identified a number of strategic priorities. These include:

- Expansion of broadband capacity
- Early childcare and education facilities and programs
- Availability of affordable housing
- Increasing the vitality of the downtown Pagosa Springs area, and
- Diversification of the economic base.

STRATEGIC CHALLENGES

Due to terrain and distance challenges, the expansion of broadband is crucial for furthering Archuleta County’s economic and educational growth. Archuleta County participated in the 2010 Southwest Colorado Access Network (SCAN) Project in which some of its anchor institutions were connected to a fiber backbone. A new regional broadband planning project was just completed by the Pagosa Springs CDC with a business plan to start implementing connections to under-served areas and the business core.

The demand for childcare outweighs the supply with only 223 licensed child care slots available for the 0-5 age range, with an estimated 553 children in that age range in 2016. There are also only three preschool facilities serving the entire community, those are filled to capacity with long waiting lists. Data supports that early childhood education in a child’s most formative years will increase high school graduation rates, improve performance on standardized tests, and reduce both grade repetition and the number of children placed in special education. Early childhood education also preemptively closes the educational achievement gap between low and high-income students before formal schooling begins. Childcare also allows for parents to reenter the workforce and help stabilize their family economically. Efforts to work on this issue are underway with the addition of the new Wings Preschool scheduled to open in fall of 2019 creating an additional 40 slots.



The lack of workforce housing stymies economic growth and diversity when businesses cannot recruit employees because there is no place for them and their families to live. Rising rents, simultaneous increases in vacation rentals by owners and decreases

in long-term rentals, a lack of low price housing stock, and low wages have been identified as factors contributing to a housing crisis. Housing experts agree that ideally a family should not spend more than one-third of their income on housing costs. Wages and employment are highly dependent on generally lower paying service sector jobs. Many of the jobs in Archuleta County are in accommodation and food services. The County invested in a LIHTC project currently in the works and the Town invested in the development of the “Roadmap to Affordable Housing” plan.

Improving the Pagosa Springs downtown infrastructure, streetscape, and mix of businesses will revive and reinvigorate the downtown core and supporting businesses. Maximizing the San Juan Riverwalk area, and associated parks, as a recreation area and hub of events for both tourists and locals will increase the desirability of downtown as a tourist and shopping destination.

Diversification of the economic base is an overarching goal in Archuleta County. The extraction of natural resources (such as ranching, mineral production, lumber and recreational attractions), supported Archuleta county up to the mid - to - late 1970s. In 1970, manufacturing (primarily wood products) provided 30% of the county’s total work income and generated \$7.4 million in earnings. Over the next 20 years manufacturing jobs decreased, due primarily to the decline of the timber industry. In 2015 manufacturing jobs accounted for 2% of total employment. More recently, wildfire risks have presented opportunities for use of biomass as an alternative energy source and biochar by-product manufacturing.

The increase in tourism has driven the growth of our river/ski town, attracting young outdoor adventurers

as well as middle –income, aging visitors wanting to ultimately retire here. Additionally, the lower land costs compared with large metropolitan cities relatively nearby, have created a large increase in second homeowners and individuals wanting to invest in homes used for vacation rentals. The overall age of Archuleta County is 10 years older than the state of Colorado, thus requiring additional planning for health and extended living services.

As tourism welcomes new visitors to the area, the influx creates the need for many lower-income, service level industry jobs. However, providing longer-term, non-seasonal jobs, with higher wages and job skills are challenges for the overall strength of our community.

SMART GROWTH AMERICA NEXT STEPS

- Focus on downtown OZ site that recognizes downtown as the heart of the community
- Create a walkable mixed-use development on Springs Partners site (non-OZ) in downtown
- Invest in broadband access
- Look for opportunities to increase affordable housing within and connected to downtown
- Work to coordinate Town and County services wherever possible

PAGOSA SPRINGS FORWARD

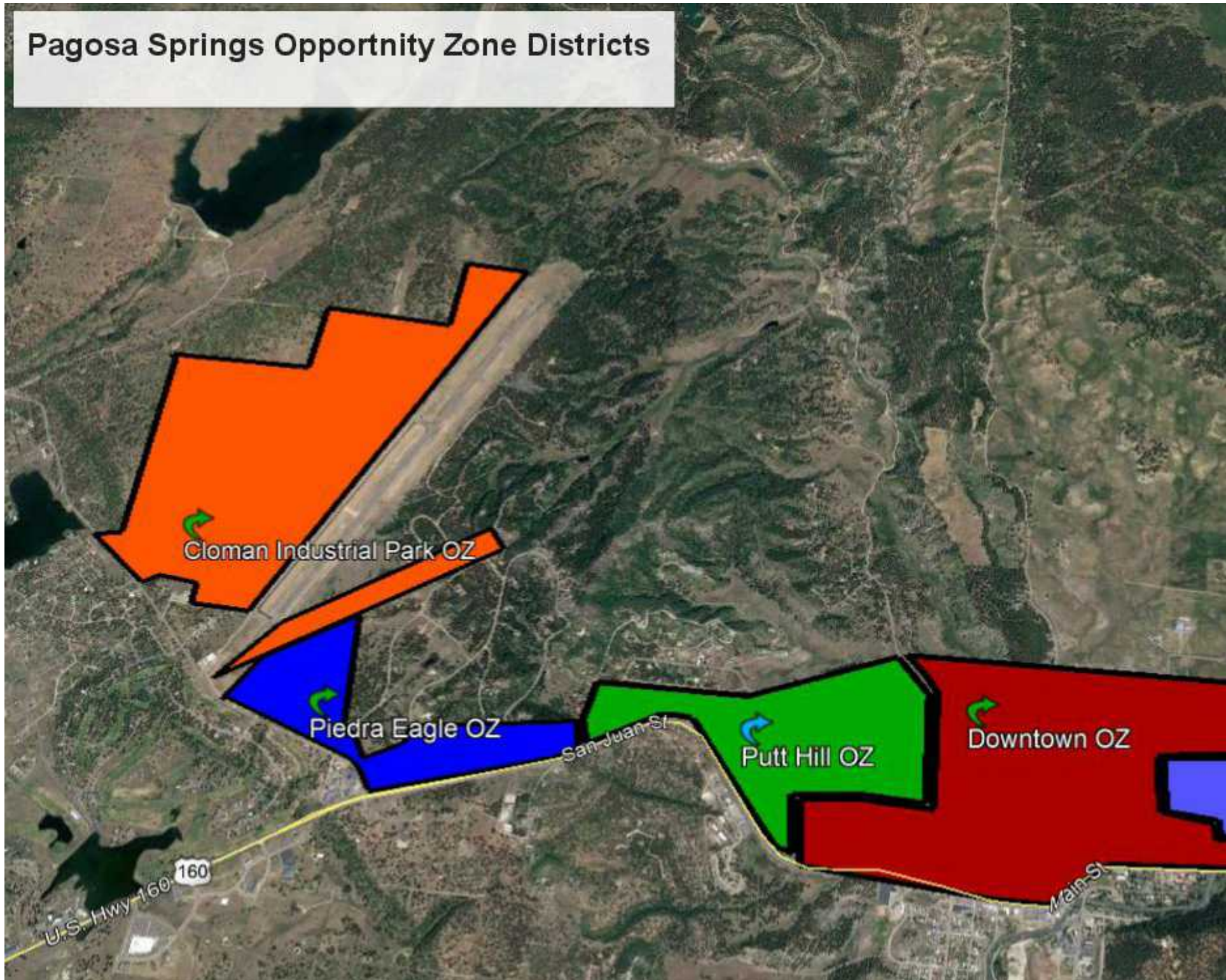
ARCHULETA COUNTY & PAGOSA SPRINGS PLANS FOR THE FUTURE

Archuleta County and Pagosa Springs have each addressed the current economic development challenges by creating guidelines that seek to enhance the community’s stability, vibrancy and way of life for its residents and businesses. In 2017 Pagosa Springs received a Smart Growth America grant which also gave suggested next steps and reinforced the positive direction the Town of Pagosa Springs has embarked on.

PLANNING DOCUMENT	DOCUMENT GOALS & RECOMMENDATIONS
<p>TOWN COMPREHENSIVE PLAN (Adopted 2018)</p>	<ul style="list-style-type: none"> • Addresses topics including community identity, housing, land use, education, infrastructure, transportation, alternative energy • Create a development environment that facilitates housing through identifying appropriate locations, create public/private partnerships, evaluate zoning regulations • Layer tools and incentives • Explore TIF development • Develop downtown area through infrastructure improvement, River Walk and trails expansion
<p>ARCHULETA COUNTY COMMUNITY ACTION PLAN (CDAP adopted 2018)</p>	<ul style="list-style-type: none"> • Identify “High Priority” projects related to OZ development: Biomass utilization, Broadband, Early Childcare expansion, Vocational training, Housing • Expand outdoor recreation availability • Identify projects to improve “quality of life” for Archuleta County residents including sustaining economic development organization (CDC), school safety, improve healthcare facility, improve town to lakes trail
<p>ROADMAP TO AFFORDABLE HOUSING PLAN</p>	<ul style="list-style-type: none"> • Focused on housing programs and targeted areas. Adopted in 2019
<p>EARLY CHILDHOOD CARE & EDUCATION PLAN</p>	<ul style="list-style-type: none"> • Assessed Early Childcare and education community needs. Adopted in 2017



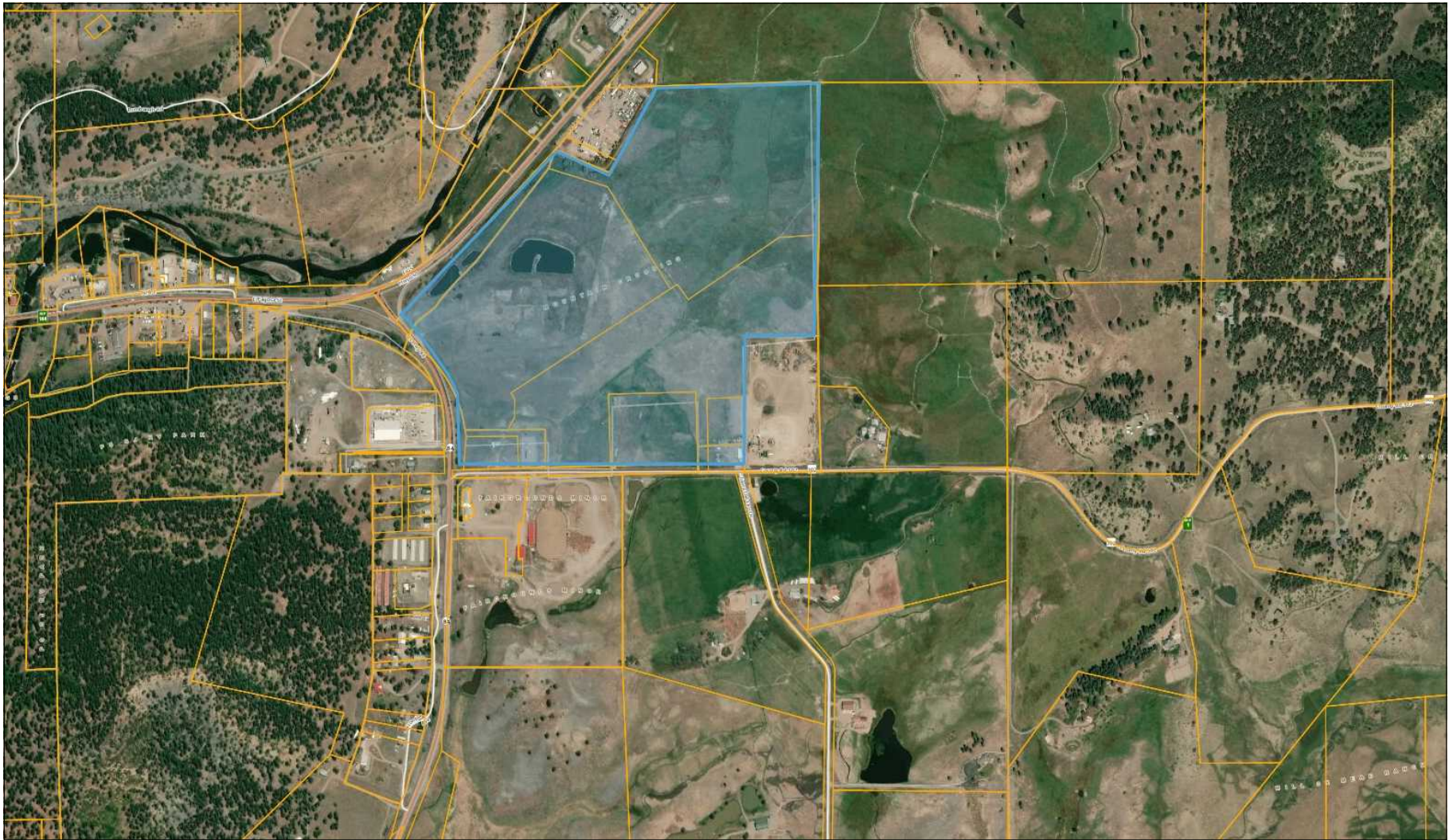
Pagosa Springs Opportunity Zone Districts



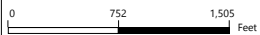


- 1. MOUNTAIN CROSSING**
- 2. RIVER'S GATE**
- 3. DOWNTOWN**
- 4. PUTT HILL**
- 5. PIEDRA EAGLE**
- 6. CLOMAN INDUSTRIAL PARK**

MOUNTAIN CROSSING



Mountain Crossings OZ District-Pagosa Springs, Co.
Web Print: 08/01/2019



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.



© 2019 Sidwell. All rights reserved.

DISTRICT 1: MOUNTAIN CROSSING

Located at the intersection of two major highways, Mountain Crossing offers the developer a wide range of options. Parcel size 110 acres

OPPORTUNITIES:

- Large-scale projects housing, retail and grow opportunities
- Expand light manufacturing and/or with existing Colorado Watch company
- Create great live/work space with green space
- Existing public transportation service could easily be extended
- Central transportation center between Wolf Creek Ski Area and highway intersection

PROXIMITY ADVANTAGES:

Existing Restaurants, shopping, and 1 mile from downtown Pagosa Springs

Outdoor amenities including river walk, San Juan River, Wolf Creek Ski Area, and rodeo grounds

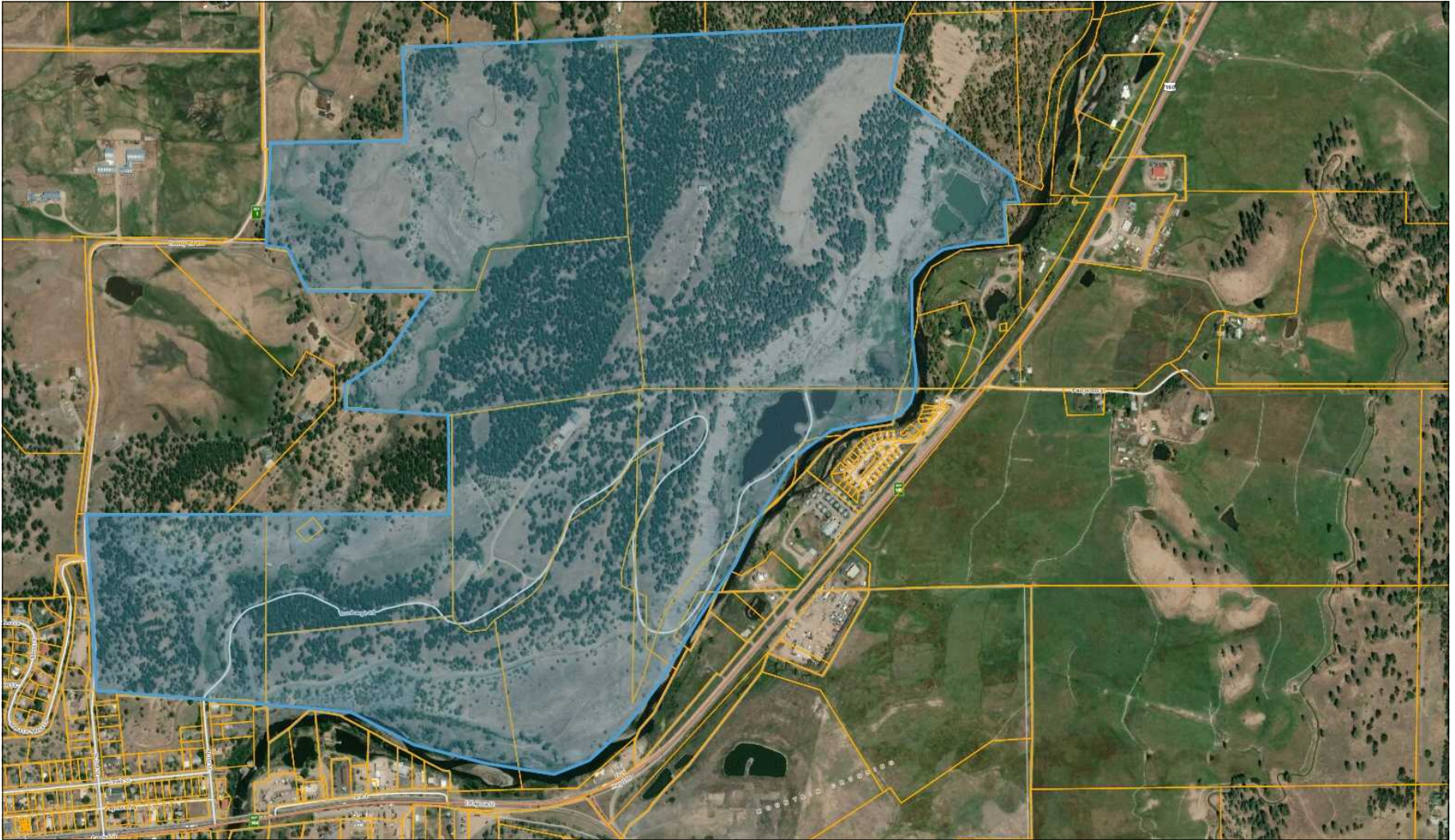
INFRASTRUCTURE:

- Intersection of Hwy 160 (east/west) and Hwy 84 (south)
- Water rights
- 3-phase electric
- PAWSD water and sanitation
- Natural gas
- 1 gig broadband services to the intersection
- Subdivision approval has been granted
- Road improvement in 2019

POSSIBLE DEVELOPMENT OPTIONS:

- Lodging
- Housing
- Retail
- Light Manufacturing with re-zoning approval (Similar industry nearby)
- Regional Transportation Center

RIVER'S GATE



River's Gate OZ District
Web Print: 07/29/2019
0 752 1,505 Feet

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.



©2019 Sidwell. All rights reserved.

DISTRICT 2: RIVER'S GATE

River's Gate is a previously proposed residential community with some commercial opportunities along the northern banks of the San Juan River. The District is located on the eastern flank of the Downtown District, which is ideal for a residential development with its proximity to all that Downtown has to offer: shopping, dining, services, San Juan River, parks and recreation facilities and more.

The development had previously been granted 10-year vested rights (VR) for the Planned Unit Development, however, being approved in 2010 during the economic downturn the project never broke ground. The VR agreement includes an extension provision.

A total of 484 residential units were proposed with a variety of types including: small cottages, single family, townhomes, condominiums and mixed-use units. There is also a potential commercial development opportunity along the northern banks of the San Juan River.

The hub of the community, downtown Pagosa Springs is slated to see many growth opportunities in the upcoming years. With the potential expansion and improvements of The Springs Resort and the continued growth of visitors downtown, the parcels in the downtown area are poised to reap the rewards.

The area is approximately 412 acres and sits north of the intersection of U.S. Hwy 160 and U.S. Hwy 84. Most properties would have incredible mountain views.

OPPORTUNITIES:

- Close to amenities: restaurants, retail, lodging, river walk, hot springs, Reservoir Hill Recreation Park.

PROXIMITY ADVANTAGES:

- Located on the east flank of the Downtown District
- Multiple parcels located in this OZ district to create a variety of development options

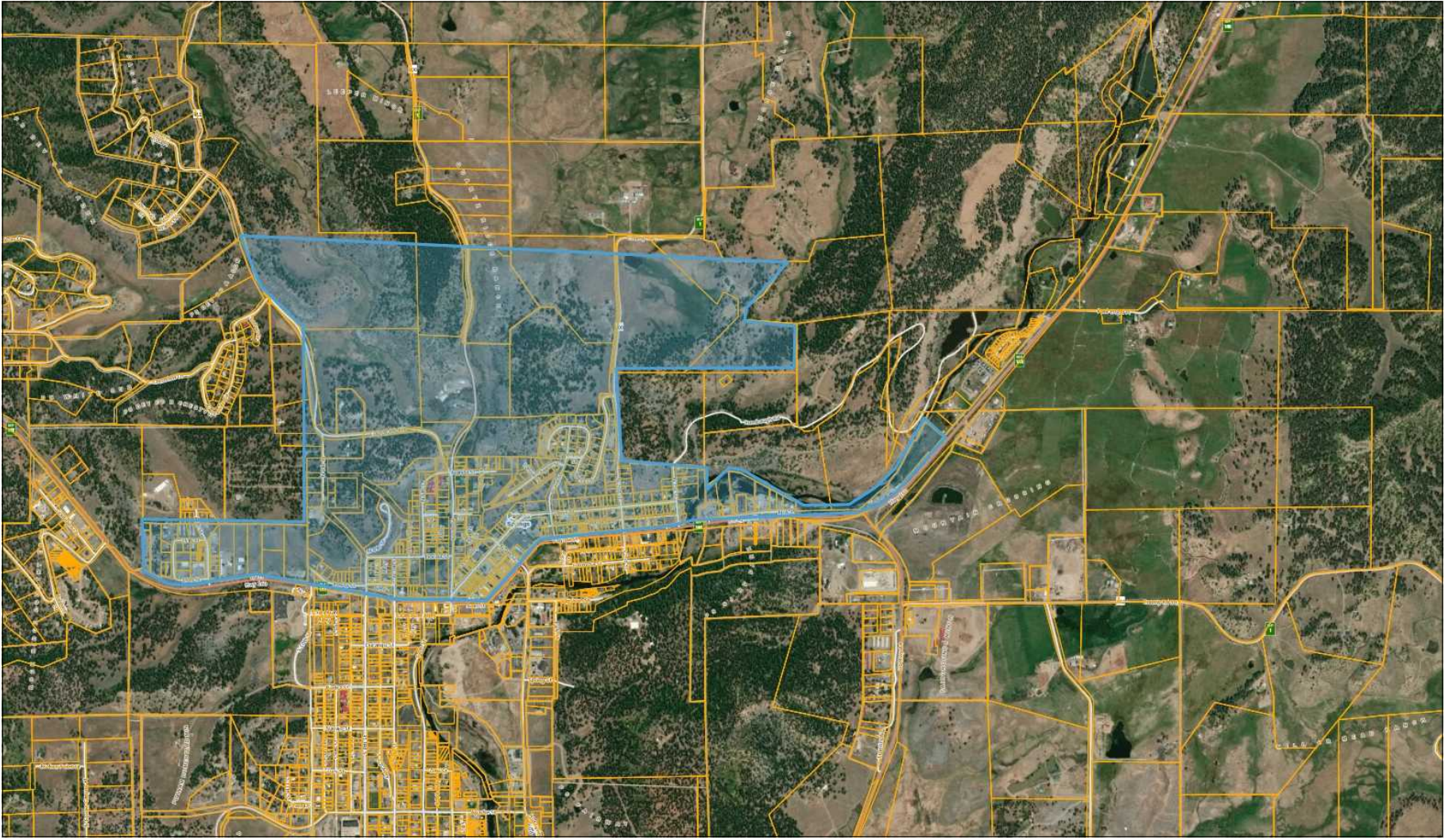
INFRASTRUCTURE:

- Within the Pagosa Area Water District with some water lines entering district boundaries.
- Inclusion into the Pagosa Springs Sanitation General Improvement District (PSSGID) needed
- Natural Gas in near vicinity
- Electric in near vicinity
- Internet service availability
- Property has a Vested Rights Agreement with the county

POSSIBLE DEVELOPMENT OPTIONS:

- Residential – previously proposed at 482 dwelling units
- Mixed-Use Commercial along San Juan River
 - Lodging
 - Retail
 - Restaurant


DOWNTOWN PAGOSA/TOWN CENTER



Downtown OZ District-Pagosa Springs, Co.
Web Print: 08/01/2019

0 1,505 3,009 Feet

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.



©2019 Sidwell. All rights reserved.

DISTRICT 3: DOWNTOWN PAGOSA SPRINGS/TOWN CENTER

The hub of the community, downtown Pagosa Springs is slated to see many growth opportunities in the upcoming years. With the potential improvements of The Springs Resort and adjacent property, the parcels in the downtown area are poised to reap the rewards. While parcels are smaller, they can be combined with other available pieces of land. While not all parcels are in the Opportunity Zone, they are in the Enterprise Zone and can still be combined with attractive local incentives. The main parcel is .78 acres and sits at the intersection of Hwy 160 and Lewis

OPPORTUNITIES:

- Downtown retail development
- Office space
- Housing /Lodging
- Art work space

PROXIMITY ADVANTAGES:

- Heart of downtown
- Restaurants, shopping, river walk, hot springs
- Tourism

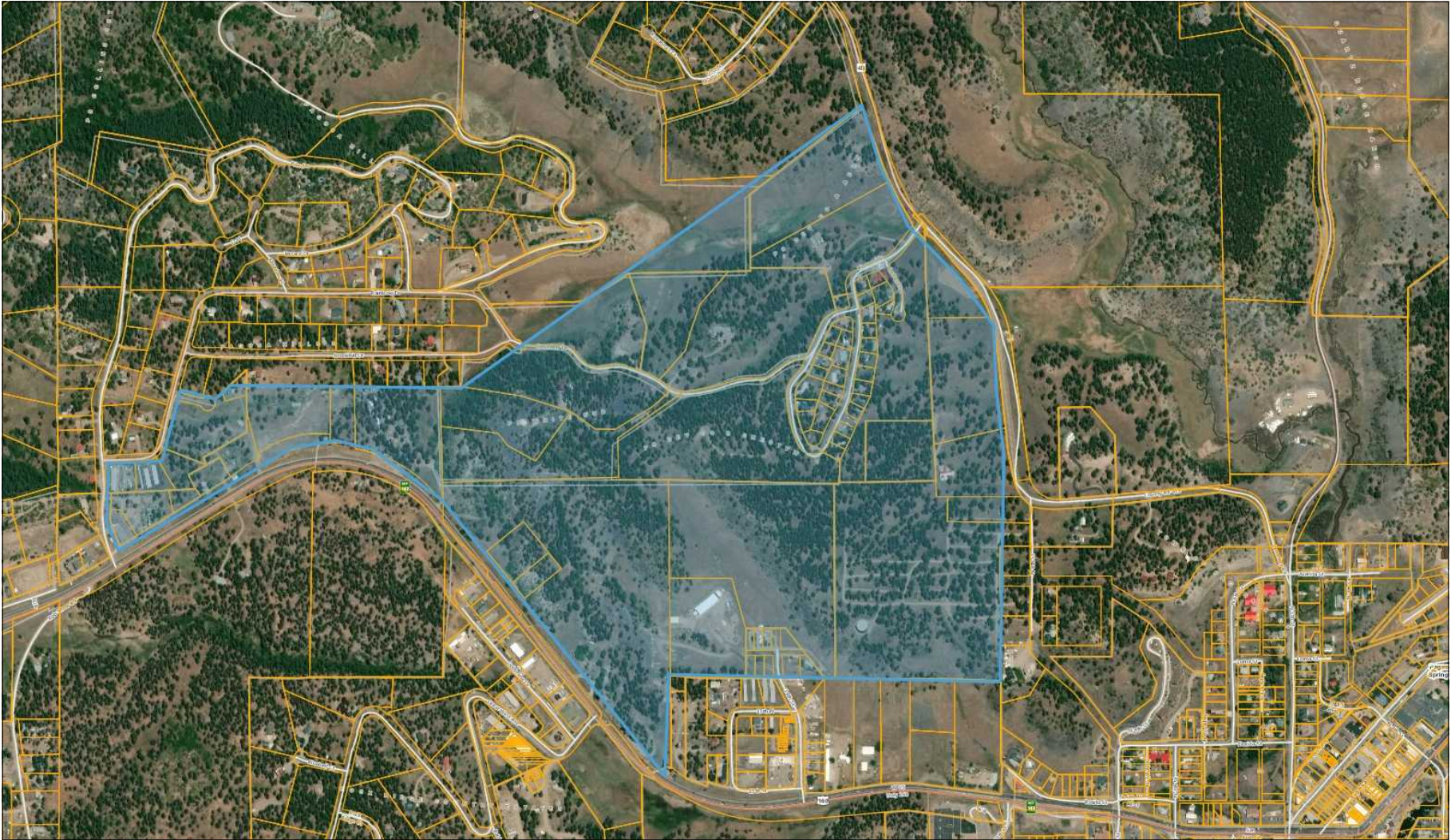
INFRASTRUCTURE:

- Pagosa Water and Sanitation System
- Geothermal Access
- 1 gig Broadband Service
- Natural Gas
- 3-phase Electric
- Existing Public Transportation Route

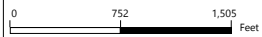
POSSIBLE DEVELOPMENT OPTIONS:

- Retail
- Lodging/condos
- Apartment Housing
- Restaurant
- Hot Springs Facility
- Work/ Office Space

PUTT HILL



Putt Hill OZ District
Web Print: 07/29/2019



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.



© 2019 Sidwell. All rights reserved.

DISTRICT 4: PUTT HILL

This area of Pagosa Springs is well designed for multiple smaller housing projects. Perfect for townhomes, multiplexes, and smaller square footage units.

OPPORTUNITIES:

- Housing
- Retail

PROXIMITY ADVANTAGES:

- Multiple parcels available
- Close to downtown
- Stunning views of the east range
- Close to downtown

INFRASTRUCTURE:

- PAWSD water and sanitation
- Natural Gas
- Broadband
- On Existing Public Transportation Route

POSSIBLE DEVELOPMENT OPTIONS:

- Mixed Use
- Live/Work Space
- Housing

PIEDRA EAGLE



Enter Map Title...
Web Print: 07/29/2019
0 752 1,505
Feet

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.



©2019 Sidwell. All rights reserved.

DISTRICT 5: PIEDRA EAGLE

Located midway between downtown and the west end of the Opportunity Zone census tract, this area is centrally located and is a great section of the town to locate a business or continue the development of the Arts culture. Along with several galleries, the live “Broadway in the Mountains” Pagosa Springs Center for the Arts is an attractive draw. It is also a short drive to numerous restaurants and breweries. Multiple parcels located in this OZ district create a variety of development options.

OPPORTUNITIES:

- Create a mix of attractive public facilities
- Retail
- Live/Work Arts

PROXIMITY ADVANTAGES:

- Located in Art District
- Multiple Neighboring Businesses
- Restaurants

INFRASTRUCTURE:

- 3- Phase Electric
- Natural Gas
- Broadband
- PAWSD Water and Sanitation System

POSSIBLE DEVELOPMENT OPTIONS:

- Retail
- Lodging
- Gallery/Theater/Studios
- Restaurant
- Live/Work Space

CLOMAN PARK



Cloman Industrial Park OZ District

Web Print: 07/29/2019



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.



©2019 Sidwell. All rights reserved.

DISTRICT 6: CLOMAN PARK

Cloman Park is the only industrially zoned area in Pagosa Springs. It is a stone's throw from the Archuleta County Airport and has several large parcels of land that are ready for development. One parcel is just shy of 30 acres and is already divided into 29 buildable lots. Another prime parcel is 114 acres and can be developed in part or in whole. Companies looking to provide a great work environment for employees will enjoy the myriad year-round outdoor opportunities located in and near Cloman Park including biking, hiking, cross country skiing, disc golf and a dog park. Another Opportunity Zone project is also located in Cloman Park, Forest Health Biochar Project.

OPPORTUNITIES:

- Accommodate large or mid-size manufacturing
- Biochar project – a clean energy, marketable product.

PROXIMITY ADVANTAGES:

- Location to Outdoor Activities
- Close to Public Transportation
- Most Industrial Infrastructure Within the Park

INFRASTRUCTURE:

- 3-Phase Electric
- Water and Sanitation
- Wireless Broadband available with fiber build-out planned

POSSIBLE DEVELOPMENT OPTIONS:

- Multiple industrial sites
- Ability to develop larger parcels or divide into smaller parcels
- Data or Call Center
- Airport Hangers
- Manufacturing
- Additional Infrastructure Build Out
- Road Improvement

HOUSING

- Mountain Crossing (P 32): larger scale development for affordable or attainable housing, live/work space
- Downtown (P 36): smaller projects for condos or small cluster housing
- Putt Hill (P38): smaller parcels to accommodate smaller multi-housing units, condos, live/work space
- Piedra Eagle (P40): live/work space, multi-housing units

LODGING/RETAIL

- Mountain Crossing (P 32): hotel/motel, strip center, franchised stores
- Downtown (P36): shops, boutique hotel, live/work space, hot springs facility
- Piedra Eagle (P40): shops, galleries, art center, live/work space

MANUFACTURING

- Mountain Crossing (P 32): Light manufacturing, greenhouses, light industrial, regional transportation center
- Cloman Park (P42): Light or heavy manufacturing, call centers





The Pagosa Springs area is prime for Opportunity Zone Investment. Our livable community makes Pagosa Springs a great place to start a business, raise a family or retire. The strong tourism economy provides expanded population and job growth.

With the 6 key districts located within the zone, we are well-positioned with investable and profitable Opportunity Zone real estate and business projects. Pagosa Springs and Archuleta County are committed to attracting and supporting high-impact investments that will benefit and grow our community.

CONTACT:

MARY JO COULEHAN

Pagosa Springs Chamber of Commerce Director
970-264-2360

