

Salida Business

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History

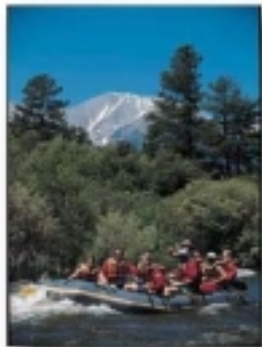
In the 1860s and '70s, the valley's economy centered on agriculture. Then, later, came strikes of precious metals and miners, followed by the railroads, the Denver & Rio Grand Western, the Denver, South Park & Pacific and the Colorado Midland. For the next 100 years, through much of the 20th century, the valley's economy centered on the staples of farming and ranching, mining and railroading, and especially the latter two industries.

By the mid-1960's, the railroads were on the wane, with the D&RG pulling out its line over Marshall Pass to Gunnison and moving its division point and hundreds of jobs farther north. Although mining surged at about the same time, the energy bust of the 1980's claimed this industry, too, from molybdenum to uranium, and with it the jobs of some 3,500 miners. In 1987, the valley, from Cotopaxi to Leadville, including Salida, Poncha Springs and Buena Vista reeled. The 1980s were the end of the valley's 100-year mining and railroad era.

The year 1987, when the Climax Molybdenum Mine foundered to close one last time, marked the beginning of region's new economy. Now, in the last years of the 20th Century, and looking into the new millennium, it is clear: the valley is building a new economy. Where once just two or three industries dominated, the valley's new economy is much more diverse. Agriculture is the lone carry-over from the region's historic economy. But farming and ranching too, have changed, with only a handful of outfits still making a living off the land. Many more today are part-time or hobby operations. Tourism/recreation has taken over as the single, largest industry, led by rafting on the Arkansas in summer and skiing at Monarch in winter. But visitor business extends to a plethora of activities, from mountain biking to snowmobiling, from hiking to hot springs.

While tourism might be the new, dominant force, other key elements add to a newfound economic diversity. These include retailing, the hospital and related health businesses, small manufacturing firms, the Buena Vista prison, retirees, lone eagles and a growing arts community. Real Estate is a mini market unto itself, including new construction, resales and second homes.

This now is the valley's new economy.



Economic Trends

The strength of the county's tourism-based economy is readily reflected in county and municipal retail sales tax revenue collections as well as lodging tax collections. All have been growing steadily since 1990. The three incorporated municipalities are enjoying strong retail sales tax revenue growth. The summer tourist season is still very much the linchpin to local economy. 42% of all retail sales and tax revenues generated in Chaffee County from 1990 to 1996 occurred in 4 months June through September. Winter ski season is the next most important. Shoulder seasons, particularly the months of May and October have been showing steady improvement.

Recent trends in visitor behavior show that most visitors are originating from "drive markets" including Front Range Colorado, Texas and Kansas as well as California and Illinois. The rafting and Arkansas River related recreational businesses are enjoying record-breaking success, due to the creation of the state recreation area. The total numbers for high-use season (April-September) increased by nearly 60% from 1991 to 1998. 1998/99 figures show over 680,000 visitors to the river area. Rafting outfitters alone reported nearly 300,000 customers amounting to approximately \$20,000,000 of direct local expenditure, which translates into nearly \$110,000,000 of total local economic impact. Monarch Ski & Snowboard Area has held steady the past several years at an average level of about 146,000 skiers per year. The 1998/99 ski season show a decline in numbers of 5% due to a significant drop in ski days for the entire state of Colorado. Other ski resorts' numbers fell much more. In November of 1999 Monarch divested itself from the ownership of the Monarch Lodge and has focused primarily on continuing its capital investments in the resort with the addition of a new Quad Ski Lift and advancements in ticketing technologies.

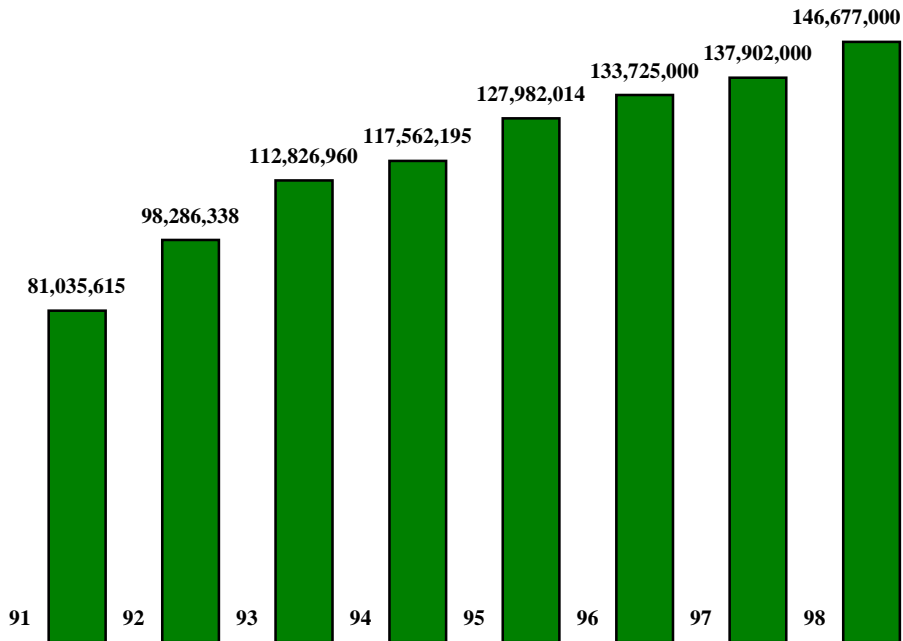
An interesting trend in the area is that while ranchers own a significant amount of the private land in the county, their importance to the local economy in terms of jobs and income is very modest. As the total acres of land in farms/ranches has decreased over the past ten years in the county, the value of agricultural sales, mainly cattle and crops, has dropped. According to federal figures, the total acres of farmland decreased by 20% or 21,100 acres in just five years between 1987 and 1992. The value of agricultural sales dropped during this period. In 1992, agribusiness, which includes actual production plus agricultural inputs plus processing and marketing, accounted for only 1.1% of Chaffee County's total labor and proprietor income (compared to 18% in Saguache, 5.6% in Alamosa and 2% in Gunnison Counties). Most of the large ranches in Chaffee County are family owned and operated and do not generate much outside employment.

Heart of the Rockies Chamber of Commerce ~ 406 W. Highway 50, Salida, Colorado

Profile

Economic Indicators

Salida Gross Sales



1998 Cost of Living	
Teller	1.290
Eagle	1.260
Summit	1.222
Denver	1.130
Chaffee	1.101
Gunnison	1.081
Arapahoe	1.036
Alamosa	0.931
Montrose	0.917
Pueblo	0.888
Baca	0.734

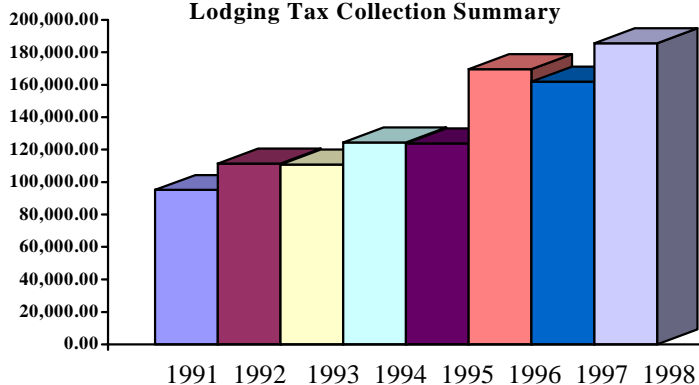
Chaffee County Retail Sales	
Year	Sales (x 1000)
1994	193,705
1995	211,120
1996	233,442
1997	240,235
1998	261,709

Tax Collected for Fiscal Year 1999 X 1000			
County/City	Gross Sales	Retail Sales	Net Tax Collections
Chaffee County	300,825	274,334	4,759
Buena Vista	66,722	61,708	1,134
Poncha Springs	15,181	12,368	226
Salida	152,225	141,579	2,431
Remainder of	66,697	58,679	968

Gross Sales Tax

	1991	1992	1993	1994	1995	1996	1997	1998	1999
County	159,330,538	188,337,869	204,731,369	224,641,760	244,365,573	263,643,000	274,326,000	293,908,000	286,503,003
Buena Vista	32,429,153	36,981,722	38,419,943	42,633,087	46,834,120	52,902,000	56,768,000	65,274,000	1,1134,00
Poncha Springs	6,308,464	5,134,711	6,269,639	6,723,283	6,070,894	10,076,000	11,040,000	13,584,000	226,000,00
Salida	81,035,615	98,286,338	112,826,960	117,562,195	127,982,014	133,725,000	137,902,000	146,677,000	2,431,000

Lodging Tax Collection Summary



Lodging & Restaurants in Salida

As of January 2000, the Salida area has numerous Motels & Bed & Breakfasts:

700 rooms with a total of 1300 beds & 32 restaurants from Fast-Food to the BEST in dining

Economic Indicators

Chaffee County Lodging Tax Revenues					
Quarters	1 st	2 nd	3 rd	4 th	Total
1992	11,461.00	27,134.73	51,802.33	20,929.17	111,327.23
1993	18,031.78	22,644.99	52,384.00	17,745.78	110,806.78
1994	23,699.56	27,963.58	56,439.62	16,381.69	124,484.45
1995	24,619.33	23,393.92	52,984.08	22,869.76	123,867.08
1996	37,117.37	33,954.21	79,539.47	18,916.56	169,526.00
1997	31,127.37	35,091.14	77,119.95	18,543.70	161,882.16
1998	35,299.12	35,699.23	83,022.36	31,562.21	185,583.42
1999	33,118.48	35,895.07	87,275.72	28,566.27	184,855.54

Chaffee County Visitor Bureau

This bureau is under the auspices of the Chaffee County Government, it is composed of seven board of directors and a paid staff administrator, Ira Curry. The Bureau is funded by a 1.9% countywide lodging tax. These funds are for the express purpose of marketing the Chaffee County area. Questions should be directed to the CCVB Administrator, Ira Curry by calling (719) 539-2459.

Part of the Visitor Bureau's task is to respond to all inquiries into the area by sending the interested party promotional material about the area. In doing so the Bureau keeps record of who, what, when and from where the inquiries are originating. The Bureau also tracks lodging tax income. This information proves to be an adequate indicator of the area's growth in tourism over the past several years.

Rafting

The rafting and kayak industry is the number one recreational industry in the area and is the single most important variable in economic statistics during the summer season. The statistics of numbers of rafters is provided by the Arkansas Headwaters Recreation Area who manage Arkansas River activities.

Origination of Inquiries by State

Rank	State	Inquiries
1	Colorado	1284
2	Texas	770
3	Kansas	453
4	Missouri	443
5	Ohio	375
6	Illinois	367
7	Oklahoma	308
8	California	283
9	Iowa	249
10	Wisconsin	238
11	Florida	232
12	Minnesota	221
13	Indiana	188
14	Nebraska	158
15	Pennsylvania	147
16	Michigan	135
17	Kentucky	132
18	Arizona	112
19	New Mexico	110
20	Arkansas	101

Arkansas Headwaters Recreation Area

Activity	90/91	94/95	95/96	96/97	97/98	98/99
Sightseeing	95,457	181,729	186,203	198,469	211,263	194,248
Shore Fishing	16,107	23,956	25,580	30,034	39,535	37,800
Picnic-Family	10,631	20,225	25,603	22,109	24,381	29,259
Boat Fishing	888	2,582	1,953	3,484	5,126	6,062
Outfitters	192,826	244,533	257,096	258,684	286,234	294,300
Private	20,830	22,702	28,396	22,524	30,253	25,381
Interp. Program	654	976		4,008	2,399	8,388
Volunteers		677	933	562	650	485
Camp-Family	5,624	11,079	11,420	12,283	13,770	25,360
Other	5,209				25,623	34,939
Totals	356,334	536,035	567,361	585,913	652,695	656,222

County & City - Building, Sanitation & Zoning

Building Permits:

The City of Salida uses the Chaffee County Building Department for building code reviews, including electrical, plumbing, and mechanical. In order to obtain a permit you must fully complete an application. This must include accurate addresses, owner and applicant signatures, site plan, structural details, intended use, intended utility service. Site plans must show entire property and all existing and proposed structures with setback distances shown between individual structures and structures from property lines.

Your application will be reviewed for compliance with zoning codes, floodplain issues, adequate utility services, fire codes, plumbing, electrical and building codes. Presently, the only fee charge is for the County's review.

When ready to apply you may obtain the application at the County Building Department. Submit the completed application to the Salida City Administrator's Office. The first review will be for zoning, floodplain, utility and fire reviews by City Staff. If approved, the City will contact you in case you need to pay any applicable utility services fees. The application will then be forwarded to the Chaffee County Building Department for their review. If approved, you will be contacted to then pay for and pick up your application.

If not approved, you will be notified of the reason for the disapproval. If denied for a lack of zoning compliance, you may apply to the Board of Adjustment for a variance or appeal of the zoning decision. If denied for a lack of building code compliance you may apply to see the Board of Appeals for a variance or appeal of the building code decision. The Salida City Clerk schedules both of these appeal boards. In either case you will be required to pay a small fee, post the property, pay to advertise the hearing, and then present your case to the Board. This process can take one to two months.

1999 Breakdown of Issued Permits				
	County	Salida	Buena Vista	Poncha Springs
Building	403	106	79	30
Electrical	442	129	82	29
Plumbing	238	116	54	14
Mechanical	259	91	56	13
Totals	1342	442	271	86

Total Building Permits Chaffee County	
Year	#
1994	460
1995	577
1996	609
1997	511
1998	548
1999	618

Permit Fee Schedule	
Board of Adjustment (Variance)	90.00
Board of Adjustment (Appeal)	90.00
Boundary Line Adjustment	20.00
Boundary Line Elimination	0
Sketch Plan*	200.00
Preliminary Plan*	200.00
Final Preliminary Plan*	200.00
Final Plat*	200.00
Re-Plat*	200.00
Improvements Agreement	100.00
Vacate Public Land (Road Vacation)	120.00
Rezoning*	300.00
Special Land Use Permit (Commercial/	125.00
Special Land Use Permit (Mobile	75.00
Preliminary Planned Unit Development	300.00
Final Planned Unit Development Plan*	300.00
Site Selection and Construction of Major	Base
Site Selection and Construction of Sew-	Base
* \$200.00/\$300.00 Base Fee plus \$25.00 per lot or dwelling unit.	
** Plus any fees incurred for publication, notification of adjoining property owners, filing fees to the Clerk & Recorder, County Engineer fees, County Attorney fees, consulting fees, additional County Planner costs and fees imposed by Referral Agen-	

Planning & Zoning Commission Reviews:

There are two types of applications that come before the Planning Commission: Subdivision and Zoning. A subdivision is defined as any time you wish to change or create property lines for the purpose, immediate or future, of sales and ownership delineation. In general, when you want one property to become two separate properties a subdivision occurs and must have prior approval from the Planning Commission in order to be lawful.

A zoning request is considered when the applicant or the Commissioners believe that the City would be better served by a change in zoning within an area of the city. Often, applicants will request a zoning change to allow a use not presently allowed by the property's current zone district. Any zoning change must result in a set of land uses compatible with neighboring uses and/or historical use of property.

In all applications before the Planning and Zoning Commission, all application material must be submitted to City staff and not submitted directly to the Commission, whether at a meeting or at other times. City staff will then identify all steps necessary to review your proposal. It is unlikely that adequate time exists between when you submit an application and the next meeting for you to comply with all notice and posting requirements by law. Therefore, by law the application process requires more than one meeting. In general, a zoning application can be processed in 3- to 60 days. In general, subdivision applications can be processed in 2 to 12 months, depending on the complexity and compliance of each application.

(Continued on page 5)

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Building Codes:

Salida and Poncha Springs Building Codes are the same as Chaffee County Building Codes. Building permits and inspections are handled by the Chaffee County Building Department. Chaffee County has its own self-contained building department. All new construction and building renovations require a building permit. The appropriate permits are also required for plumbing, mechanical and electrical installations and renovations. Permit applications and fee schedules can be obtained from the building department offices which are located in the Chaffee County Courthouse in Salida. A minimum of 2-3 weeks should be planned for processing zoning and building permit approval. Chaffee County has adopted the following national codes: Uniform Building Code 1991, Uniform Mechanical Code 1997, Uniform Plumbing Code 1997 and the National Electric Code 1996.

For more information regarding Zoning regulations in Salida contact the City Administrator at (719) 539-4555; in Poncha Springs contact the Town Administrator at (719) 539-6882; and in Chaffee County contact the Chaffee County Building Department at (719) 539-2124. All three areas have a Board of Appeals.

On-site Wastewater Systems in Chaffee County

Chaffee County requires that all dwellings have sanitary facilities. If your building site is outside of city limits or on property that is not served by a sanitary district, you will be required to install an On-site Wastewater Systems (Septic System). To begin, an application for a Septic System, pick up at the Chaffee County Building Department. Application for your permit must include a plot plan showing property lines, all structures, slopes, wells, utility locations, any easements, and specific directions to the property. After the application and appropriate fees are received, a site inspection will be performed. All Commercial systems must be engineered. While performing the site evaluation, distinguishing features of the lot will be noted for the Chaffee County Building Department so that they may begin the Plan Review after receiving an Application for a Building Permit. Approval of the Septic Permit is required before the issuance of a Building Permit. All Septic Systems shall be inspected before they are covered; a final inspection approval is required. Any questions may be directed to a Chaffee County Environmental Health Specialist at (719) 539-2124. **Water** – Is provided within the incorporated communities by each municipality. Wells are required outside the municipal boundaries and must be permitted by the State of Colorado.

Home Occupation

Home Occupation is customarily carried on in a dwelling unit, or detached building and is clearly incidental and secondary to the use of the dwelling unit for residential purposes. Home Occupation is permissible if one is compliant with and follows all parameters as prescribed by Chaffee County Zoning Regulation #67. For more information regarding Zoning regulations in Salida contact the City Administrator at (719) 539-4555; in Poncha Springs call (719) 539-6882; and in Chaffee County contact the Chaffee County Building Department at (719) 539-2124. All three areas have a Board of Appeals.

Financial Resources

SCEDD Development Company

SCEDD (Southern Colorado Economic Development District) SCEDD offers financing to qualified borrowers for owner-occupied real estate projects and equipment loans. SCEDD works in conjunction with SBA's 504 program. The result is a minimum cash requirement and very low overall rates.

SCEDD funds can be used for purchasing land and commercial, industrial or retail buildings; construction and/or renovation; site improvements; and purchase of equipment. Terms of the loan are a 20-year term for real-estate loans and a 10-year term for equipment only. The Rate of the loan is fixed for the term and set at closing by sale of the U.S. Treasury-backed debentures. The minimum SBA Loan is \$50,000; the maximum is \$1,000,000. For more information call (719) 545-8680 or email at scedd@rmi.net.

SBDC

The Small Business Development Center at Colorado Mountain College (CMC) fosters free enterprise by providing free, confidential counseling, resource referrals, business information, and customized training to existing and potential small business owners and their employees.

For more information call local SBDC Counselor Susanna Spaulding at (719) 539-6155 or email to auquai@chaffee.nt

Upper Arkansas Area Development Corporation (UAADC)

The UAADC is a non-profit organization created by the Upper Arkansas Area Council of Governments to provide financing assistance to new and expanding for-profit businesses in Chaffee, Custer, Fremont, Lake, Park and Teller Counties. Each county is represented on a six member Board of Directors. There are two finance programs available. The primary loan program is called "GAP" financing because it fills up to one-third of the total financing requirement by providing loans directly to businesses. The second form of financing is a guaranteed loan program. The Upper Arkansas Area Development Corporation provides a 50% guarantee on small loans made directly by Upper Arkansas area Banks. The guarantee program is designed to assist business financing when the "GAP" financing program will not be practical or the amount of financing is small. For more information call the Upper Arkansas Area Development Corporation Program Manager, Jeff Ollinger at (719) 395-2602.

2000 Commercial Fair Market Rents

Downtown Salida	\$ 0. 33 to \$0. 55 per month	\$ 4 to \$6 per year
Highway 50 in Salida	\$ 0. 66 to \$ 1. 00 per month	\$ 8 to \$12 per year

Upper Arkansas Enterprise Zone

An enterprise zone is defined as an economically distressed area of Colorado in which special tax incentives are offered to businesses that expand or locate in the zone. The purpose of the tax incentives is to create new jobs and investments in the zone. Not all businesses qualify for all the tax incentives. The tax credits are:

Investment Tax Credit for businesses located in a Colorado enterprise zone.

- A. *New Business Facility Jobs Credits.*** Credits are available for new or expanded business facilities located in an enterprise zone that create new jobs. The 3% tax credit on equipment is the most popular of any of the other tax credits.
- B. *State Sales and Use Tax Exemption*** for manufacturing and mining equipment used in an enterprise zone. This exemption is for equipment used directly in the manufacturing or mining (including oil and gas) process. It applies to state sales and use tax and state-collected local sales tax.
- C. *Research and Development Tax Credit*** for research and development carried on in an enterprise zone. For tax years beginning on or after Jan 1, 1989.
- D. *Tax Credit for the Rehabilitation of Vacant Commercial Buildings*** (for over two years) located in an enterprise zone. For tax years beginning on or after Jan 1, 1989.
- E. *Qualified Job Training Program Investment Credit*** for taxpayers who invest in a training program.
- F. *Qualified School-to-Work Investment Credit*** for taxpayers who invest in such a program.

For more information on any of these topics check out the FYI and Commonly Used Forms Section on the Internet at www.state.co.us under "Government" and "Department of Revenue." More information on Colorado Enterprise Zones is available from the local office at PO Box 1212, Buena Vista, CO 81211 or call (719) 395-2602.

Town of Poncha Springs Industrial Park

Located at the "crossroads of the Rockies" lies the unique town of Poncha Springs. Poncha Springs is within Chaffee County with a population of approximately 450. Five Miles from Salida, Poncha Springs sits at the crossroads of Highways 50 and 285, making the town easily accessible from a variety of regions. Poncha Springs established an industrial park in 1984 with 15 1-acre lots. The park can accommodate a variety of businesses including: manufacturing, wholesale, warehousing and some retail production.

Amenities include:

- Municipal water and sewer. Tap fees (3/4 inch water, 1 EQR sewer) included in sale price.
- Reduced lot price based upon number of full-time jobs created.
- Enterprise tax credits available.
- Easy access to major transportation thoroughfares.

For more information or to arrange a site visit contact the Town of Poncha Springs Industrial Park Committee at (719) 539-6882 or email ponchasp@rmi.net

IMPORTANT PHONE NUMBERS

Colorado Business Assistance Center	(303) 592-5920 or (800) 333-7798
Colorado Department of Personnel- General Support Services	
Division of Purchasing	(303) 866-6100
Colorado Department of Agriculture	
Division of Markets	(303) 239-4114
Colorado Department of Public Health and Environment	
Air Quality Pollution Control Division	(303) 692-3150
Consumer Protection Division	(303) 692-3620
Hazardous Material & Waste Management Division	(303) 692-3300
Water Quality Control Division	(303) 692-3500
Colorado Department of Labor & Employment	(888) 390-7936
Labor Market Statistics	(303) 620-4256
Labor Standards Unit	(303) 572-2241
Unemployment Insurance (To file for benefits)	(303) 861-5515 or (800) 388-5515
Workers Compensation Insurance	(303) 575-8700
Colorado Department of Local Affairs	
Enterprise Zone	(303) 892-3840
Local Demographics	(303) 866-4147
Colorado Department of Revenue	
Sales Tax and Wage Withholding	(303) 232-2416
Income Tax	(303) 232-2446
Trade Name Inquiry	(303) 232-2434
Colorado Department of Transportation	
Emerging Small Business Program	(303) 757-9162 or (800) 925-3427
Procurement / Contracting	(303) 757-9236
Secretary of State	
Corporations Section	(303) 894-2251
Uniform Commercial Code	(303) 894-2200
Internal Revenue Service	
Tax Information	(303) 825-7041 or (800) 829-1040 (800) 829-3676
Forms and Publications	
Office of Business Development	
Department of Regulatory Agencies	
Disadvantaged Business Enterprise Certification	(303) 894-2355
US Small Business Administration	(303) 844-3985
US Department of Commerce ~ Census Bureau	(303) 969-7750 or (800) 852-6159
US Department of Labor & Employment	
Labor Standard Unit	(303) 844-4405
State Government Directory	(303) 866-5000
Federal Government Directory	(800) 688-9889