AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: OVPP Update

Action Requested: Discussion

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Update on OVPP and EDA projects

Fiscal Impact:

Submitted by: Russell Forrest **Submitter's Email Address:** rforrest@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ○ Required ◉ Not Required

Comments:

Reveiwed by: Discharge Date: Certificate of Insurance Required

Yes ○ No ○

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 8/5/2015

○ Consent Agenda ○ Regular Agenda ◉ Worksession Time Allotted: 20 minutes

Agenda Date: 8/11/2015

Revised April 2015

TO: Board of County Commissioners

FROM: Russell Forrest & Cathie Pagano

DATE: July 29, 2015

Subject: One Valley Prosperity Project Update

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1. Purpose:

The purpose of this discussion is to provide an update on the One Valley Prosperity Project and proposed next steps. In addition, County staff would like to also provide an update on next steps for the work Better City is completing as part of the Economic Development Administration grant that is being administered through Region 10 on behalf of Gunnison and Delta Counties.

2. Background:

The purpose of the One Valley Prosperity Project (OVPP) is to pair a community conversation on values and vision with an action plan that will improve the economic prosperity of the Gunnison Valley. The Sonoran Institute working with County Staff, and the Community Foundation of the Gunnison Valley form the working group for the project. The Community Builders Task Force provides leadership for the project and includes elected and appointed officials from Mt. Crested Butte, Crested Butte, Crested Butte South HOA, City of Gunnison, Gunnison County, and leadership from Western State Colorado University and Crested Butte Mountain Resort. This overall project is broken into four phases that correspond to four questions for the community:

Phase 1: Who are we? What are our values?

Phase 2: Where are we? What does our community look like today and what are the trends for the future?

Phase 3: Where do we want to be in the future? What is our vision?

Phase 4: How do we achieve our Vision? What is our action plan?

3. Project Update:

The following is an update on the project:

- **Public Engagement:** Over 1,200 people (15,700 total County population) have participated in the project either in public meetings, social media campaigns, coffee/pub chats (we go to coffee houses or bars and engage the public) or targeted discussions

with: faith based community; civic groups; large employers; Chambers; immigrant community; Senior Citizens, high school students (from both of our high schools). They have all in different ways answered the questions: Why do you love this valley; what would make your life better today; and what are your hopes and desires for the future? We have also conducted video interviews with many different residents, including several ranching families, longtime residents, and entrepreneurs.

The public feedback from the above mentioned questions helped the advisory committee develop values statements. These values statements are based on qualitative analysis of the input that we have received from the public. Clear community values will provide criteria for our valley's leadership to make tough decisions in the future and help frame strategies for the future. They provide strong insights on opportunities and threats and have been very revealing on why previous initiatives, projects, or ideas have succeeded or failed.

- **Values:** The value statements we have captured to date include:

OUR VALUES

A HEALTHY AND ACTIVE LIFESTYLE

We value our healthy active lifestyle that enhances our physical and mental wellbeing allowing us to live meaningful lives filled with a sense of adventure and joy.

A SIMPLE LIFE

We value the character of our communities with their slower pace and ease of getting around so we have more time to do the things that matter the most making us happier and healthier.

AN ENGAGED COMMUNITY

We value the openness and human scale of our valley's communities which nurture a creative, civil and engaging environment for personal contribution to the well-being and betterment of the community.

A SAFE & CARING COMMUNITY

We value our safe and caring community where people believe in creating an atmosphere of tolerance and unity which fosters a sense of belonging and a more gratifying life.

CONNECTED TO NATURE

We value our Valley's ranching community and incredible natural setting that contribute to our spiritual wellbeing and promotes a commitment to environmental stewardship.

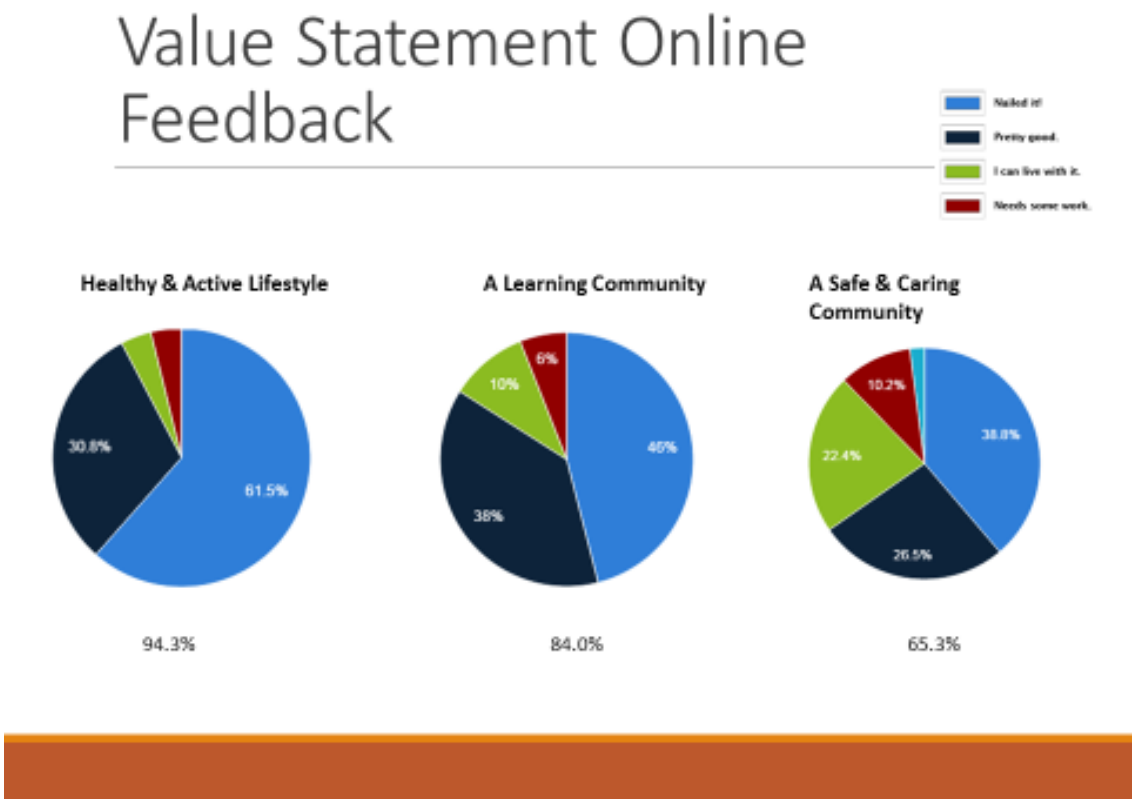
FAMILY FRIENDLY

We value our community as a great place to raise our kids because it provides a strong educational foundation, authentic relationships, and peace of mind, all of which foster a nurturing family environment.

A LEARNING COMMUNITY

We value our exceptional educational opportunities for all ages that provide for an intellectually interesting and stimulating life.

- **Validation of Values:** In addition to creating value statements, we completed a public campaign to validate the values via social media and the overwhelming response was that these values resonated throughout the community. The values continue to be refined based on feedback from the public. The results for three of the values are summarized below (the other four were similarly rated).



- **What did we learn?** As mentioned, we learned a lot about our community in the process of developing value statements. The quality of life and sense of community are of paramount concern. In fact, many residents conveyed that they have traded higher income in other communities for the quality of life offered in the Gunnison Valley. However, residents still prefer better employment opportunities that would complement the community values in the Gunnison Valley.

  We have had numerous economic development studies or similar projects over the past twenty years. Typically, a consultant would identify market opportunities to improve the economic resiliency of the area. These studies, even though well done and sound in logic, have largely not been fully implemented. They have used terms such as economic development or economic growth that as we found through the values phase of the

project can generate negative reactions. Entrepreneurship and creating full employment are topics that our community will embrace. Also the community appreciates we have some difficult challenges in terms of low income, high cost of living, under-employment and an all and all a fragile economy.

The community does see gaps in how values are realized in our communities compared to their expectations. The public was asked to describe whether, and to what degree the values are represented in the community in current conditions. For example, the community was clearly concerned that our strong sense of community will be threatened by escalating housing values and low income levels.

There is still a long way to go with this project but we are optimistic that an action plan can be developed that will improve the economic "prosperity" of our community in way that is consistent with community values and that is implemented.

- **State of the Valley:** To inform a discussion about future vision and goal setting the State of the Valley report was prepared. This report utilizes economic trends and market opportunities identified by Better City. The OVPP working team further developed a comprehensive analysis of past and current conditions. This report allowed the working group to communicate with the public where current policies (status quo) may take the community in the future. The report also identified meaningful stories about affordable housing, cost of living, and poverty. For example, only 9% of residents in Crested Butte can afford a single family home in that town. Affordability still exists in the City of Gunnison but can be elusive with a limited supply of housing, particularly with rental housing. To make things more challenging, our average income is lower that other comparable counties. The State of the Valley report can be found at: http://onevalleyprosperity.com/document/state-valley-report .

- **Prosperity Campaign:** To build upon the public input on values, and current trends (State of the Valley Report) we are asking the community through a social media campaign to define prosperity. This will help inform a public discussion on vision. We have just launched this campaign in the last several weeks.

- **Leadership Forum**: One of the final steps in phase 2 is to evaluate current policies in relationship to what our community values and identify areas where we are strong and weak from a policy standpoint. To complete this final step we plan on using the State of the Valley Report to conduct a leadership forum (with elected and community leaders) to identify themes/issues that need to be further developed in a visioning exercise by our community. We also want to facilitate a discussion using scenario development by having a constructive discussion of where does our "status quo" in terms of policies and actions take us in the future. We want to focus the next phase (Phase 3) on developing an actionable vision (which we see as specific long range goals) on specific areas of regional concern and interest to our community.

4. Update on Better City/Region 10 EDA/DOLA project.

The OVPP process is being paired with an analytical review of County's economy as part of a US Department of Commerce grant that Delta and Gunnison Counties received through Region 10. To date, Better City through the EDA grant, has evaluated our past economic performance as a County and identified market opportunities to enhance the resiliency of our economy. The next step in the contract is to identify 2-3 areas where further feasibility work would be fruitful to determine the economic merits of implementation. We are still working with Region 10 and our partners in Delta County to determine how many feasibility studies could be implemented but have been asked to identify the top two ideas for feasibility work. The contract with Better City included two feasibility studies per county. Attachment A includes all the potential feasibility actions that have been reviewed with the Community Builders Task Force (CBTF) and the Big 5. The input on top priorities from the CBTF and Big 5 include:

1. The top priority is completing a feasibility study for the ICE House/Innovation Center which could be located at Western Colorado State University. This would enable the County to successfully create more entrepreneurs throughout the valley and attract new businesses to Gunnison County. The feasibility study will provide the necessary information to determine if this idea is feasible for both the University and the community.
2. The second recommendation is to complete a feasibility study to enhance and improve the main street of Gunnison. The Big 5, including the representatives from the upper valley, agreed that this idea would have a strategic impact on the rest of the valley and provide the opportunity to enhance the vitality of Gunnison for the benefit of merchants, residents, the University, and guests. It is recognized that the City of Gunnison would need to approve of this action and be open to implementation if the feasibility study had positive conclusions.
3. Two of the studies touch the Hospital/medical community. These two concepts include:
   - High Altitude Training Center, and
   - Medical Tourism

   These are two ideas that the Hospital has been exploring. The High Altitude Training Center would involve creating Gunnison County as a destination for both competitive and recreational athletes to train and increase performance at altitude. This would generate new economic activity within the medical community, athletic training, nutrition, physical therapy, and tourism in general (with athletes wanting to enjoy the same amenities as our other guests). Medical Tourism involves creating a package of medical opportunities for both planned and elective surgery or other medical procedures and combining it with physical therapy, nutrition, and other services to support the "mind, body, and spirit." In meeting with the Hospital and further discussing these ideas, there was interest in pursuing a feasibility study for the high altitude training facility.

In recent communication with Region 10, we have the opportunity to choose and complete feasibility studies on our top two priorities. A third may be possible with cost sharing. It is anticipated that these feasibility studies would be complete when we are working on action plans for the One Valley Prosperity Project in the fall. These studies would provide useful information on whether the ideas should be pursued further, and if they should, how to best implement them to achieve a high level of success.

5. Next Steps:

Next steps include conducting the leadership forum as mentioned above to facilitate a constructive discussion focused on key trends that describe our likely future based on current policies and conditions. Phase 3/Vision will build upon the prosperity campaign and public values described above. This phase will include a significant public forum to define success in the context of a future vision. We then will take the public input to a second leadership forum and further refine a vision for the future that will include long range goals. This will be the launching point for developing an action plan or phase 4. Specific next steps are described below:

STEP	STRATEGY	DESIRED OUTCOME
1	**Policy Assessment** Using context of State of the Valley Report as the frame, answer: "*If these are our community trends, what are we currently doing that supports or mitigates us moving in a desired direction?"* Create a summary written policy assessment of local governments existing goals and strategies related to regional issues. To create report use both a document analysis and key informant interviews.	Summary of what is currently being done or planned related to key community and regional themes.
2	**Policy Assessment Workshop - September 24*** Policy maker and leadership ½ day workshop to review policy assessment, assess successes and barriers to implementation, prioritize regional issues important to local government, identify strategic opportunities for policy alignment and coordinated action, clarify goals for public feedback on future action.	Clarity on what individual entity and (draft) regional priorities are, how collaboration can benefit addressing regional issues, understanding of what works and what has not with policy implementation, clarity on what input we need from public, and possibly draft policy goals.
3	**Build Community Understanding of Policy Framework** Use policy assessment and workshop to craft a public message regarding what issues the local governments are dealing with, perceived public and government priorities, successes and challenges with addressing issues, and need for public input to clarify future direction.	Communication strategy leading up to next public engagement event.
4.	**Complete Define Prosperity Campaign** Complete current public outreach initiative to create a communitywide definition for "prosperity".	Draft prosperity definition to be vetted in public feedback event contributing to clear vision for the region.
5.	**Community Forum – October 21** Conduct a communitywide event that reviews the policy assessment. The strategic discussion will be designed based on the outcome of Step 1 and 2 (which will answer "*As policy makers, what information do we need from the community to move forward?")*	Community feedback on final values, prosperity definition, and future direction and priorities.
6.	**Leadership Action Forum – November, 2015** Action planning workshop with community leaders to orient to working group task and responsibilities and to initiate action planning.	Topical Working Groups clarity on project responsibilities and process.
7.	**Topical Working Groups** A limited number of working groups will work collaboratively to develop draft goals and strategies for action related to specific regional priorities.	Draft action plan recommendations in form of goals, strategies, and actions.
8.	**Finalize Action Plan** OVPP leadership refine working group recommendations into action plan.	Final One Valley Prosperity Plan

9.	**Public Review of Action Plan**	Public confirmation of priorities and actions.
10.	**Celebrate!**	

***Dates still need to be confirmed by CBTF**

6. For more information:

For more information on this update, please contact Russell Forrest at Gunnison County Community Development Department at 970-641-7929 or email him at rforrest@gunnisoncounty.org. Also the project website is at www.onevalleyprosperity.com .

Attachment A

Potential Feasibility Studies for Gunnison County

Innovation Center - $37,500

1. Entrepreneurial Ecosystem Analysis
   Better City will assess the local Entrepreneurial Ecosystem including new startups and entrepreneurial programs. The educational attainment levels in targeted industries will be assessed, and key participants and mentorship opportunities will be identified and participants will be interviewed to gauge their interest and availability to engage in the project. Better City will also evaluate opportunities and challenges in the industries targeted for entrepreneurial growth.

2. Comparable Case Studies
   Better City will analyze comparable case studies to inform its estimates of costs and revenues and to identify best practices in project structure and operation. Case studies will be selected based on their applicability to the project due to industry, geographic, or structural similarities. Better City will leverage expertise that has been assembled in the development of the ICE House concept to identify additional best practices for an innovation center.

3. Market Opportunities
   Local and regional industries will be evaluated to identify opportunities for entrepreneurial growth. Targeted industries and emerging trends will be evaluated.

4. Structure and Approach
   Better City will use comparison incubators/innovation centers to identify programming needs, facility and infrastructure needs, business capital needs, and office equipment and related needs. Better City will also assess ownership, management and leadership options and provide recommendations for leadership structure and approach. Both short- and long-term views will be analyzed to determine if an interim strategy, potentially at the university, with a long-term strategy of moving to downtown, has merit. Better City will work closely with the University to identify integration strategies with the ICE House and other university efforts.

5. Business Plan
   Better City will add to the operational cost and revenue estimates with an operational plan and an implementation plan & timeline.

6. Projected Occupancy and Equipment Costs
   Better City will leverage its existing real estate brokerage division to conduct market supply and demand analysis to identify market lease rates and/or purchase prices for space for the project. Better City will determine rehabilitation costs for existing buildings identified as operationally compatible. Costs for equipment acquisition will also be estimated.

7. Capital Stack Formation Analysis
   Better City will evaluate debt, equity, and grant financing options and outline strategies to acquire said financing. In the event of a gap between the feasible debt, equity, and grant financing options and the project cost, Better City will outline those incentives that the City and County must put in place in order to be competitive. In addition, Better City will engage with local and regional utility service providers, such as Gunnison County Electric Association, with access to additional resources.

8. Return on Investment
   Better City will analyze comparison operations to develop a set of operating cost estimates including payroll, utilities, taxes, and general operating expenses. These estimates will be adjusted for local factors and projected over a number of years. Better City will combine cost and revenue estimates to provide projected Returns on Investment for the project under a variety of financing scenarios.

9. Economic Impact Analysis
   Better City will use industry standard multiplier data to identify direct and indirect economic impacts of the project. This will include estimates for generated output, income, and jobs. Better City will also estimate the impact the project will have on tax revenues.

Downtown Renaissance - $50,000

The downtown renaissance feasibility study will provide stakeholders with the economic analysis needed to decide whether to pursue a downtown revitalization project. This will include projected initial and ongoing costs and revenues. Likely sources of capital will be identified and returns on investment for each of these sources will be estimated. While recommended uses and property types will be identified, the study will not include detailed design work or drawings; as such efforts would be wasted if the economics of the project are unfavorable. In summary, the feasibility study will detail what steps would be required to carry out the project, how much they would cost, who would need to pay for them, and what they could expect to get in return.

1. Market Demand Analysis
   Better City will use comparable industry data, local factors, and geospatial analysis tools to identify the potential geographic market area and corresponding market demand for a redevelopment project. Better City will compare industry data with market area demographic and income data to develop market penetration and demand projections.

2. Market Supply Analysis
   Better City will assess real estate inventories including price, quality, and vacancy rates to determine the projects feasibility.

3. Project Identification and Capital Costs
   Based on the results of steps 1 and 2, Better City will identify a downtown redevelopment project that is supported by market demand and available redevelopment sites.

   Better City will leverage its existing real estate brokerage division to conduct market supply and demand analysis to identify market lease rates and/or purchase prices for commercial and mixed use space. Our real estate brokerage professionals have experience in transacting and managing a variety of product types.

   For new construction, Better City will leverage its extensive development experience to generate projected construction cost estimates adjusted for industry and regional markets. These projections will include public infrastructure, hard costs, and soft costs including study and design, risk management, overhead, and financing costs.

4. Return on Investment

   Better City will utilize the pricing and cost data above to develop projected income statements for the project. These estimates will be adjusted for local factors and projected over a number of years. Better City will combine cost and revenue estimates to provide projected Returns on Investment for the project under a variety of financing scenarios.

5. Capital Stack Formation Analysis

   Better City will evaluate debt, equity, and grant financing options and outline strategies to acquire said financing. In the event of a gap between the feasible debt, equity, and grant financing options and the project cost, Better City will outline those incentives that the City and County must put in place in order to be competitive. In addition, Better City will engage with local and regional utility

service providers, such as Gunnison County Electric Association, with access to additional resources. Lastly, a revenue recapture plan and political strategy will be recommended so that revenue generated from the project can be reinvested for future project improvements.

6. Return on Investment

   Better City will utilize the pricing and cost data above to develop projected income statements for the project. These estimates will be adjusted for local factors and projected over a number of years. Better City will provide projected Returns on Investment for the project under a variety of financing scenarios.

7. Economic Impact Analysis

   Better City will use industry standard multiplier data to identify direct and indirect economic impacts of the project. This will include estimates for generated output, income, and jobs. Better City will also estimate the impact the project will have on tax revenues.

Angel/Venture Network and Business Model Competition - $25,000

1. Investment Community Assessment
   Better City will analyze the Investment Community including angel, venture, and traditional financing options. Interviews will be conducted with the investment community to identify options available to startup business at various stages of development.

2. Comparable Case Studies
   Better City will analyze comparable case studies to inform its estimates of costs and revenues and to identify best practices in project structure and operation. Case studies will be selected based on their applicability to the project due to industry, geographic, or structural similarities.

3. Investment Opportunities
   Local and regional industries will be evaluated to identify opportunities for capital placement. Better City will identify competing capital networks and business plan competitions to assess the existing conditions.

4. Structure and Approach
   Better City will use comparison financing networks and business model competitions to identify programming needs, facility and infrastructure needs, business capital needs, and office equipment and related needs. Better City will also assess management and leadership options and provide recommendations for leadership structure and approach.

5. Business Plan
   Better City will develop a marketing strategy; operational cost and revenue estimates for the business model competition and create an implementation plan that includes a timeline.

6. Economic Impact Analysis
   Better City will use industry standard multiplier data to identify direct and indirect economic impacts of the project. This will include estimates for generated output, income, and jobs. Better City will also estimate the impact the project will have on tax revenues.

High Altitude Training Facility - $30,000

1. Market Analysis
   Better City will assess national endurance sports trends and local hospitality and travel statistics to derive demand estimates for high altitude training in the County. Better City will identify comparable facilities and services offered in other areas and will work with the university and other stakeholders to identify potential service offerings and areas of competitive advantage.

2. Comparable Case Studies
   Better City will analyze comparable case studies to inform its estimates of costs and revenues and to identify best practices in project structure and operation. Case studies will be selected based on their applicability to the project due to industry, geographic, or structural similarities.

3. Projected Capital Costs
   Better City will leverage its extensive development experience to generate projected construction cost estimates adjusted for industry and regional markets. These projections will include both hard costs for all aspects of the development and/or equipment purchase as well as soft costs including study and design, risk management, overhead, and financing costs.

4. Return on Investment
   Better City will analyze comparison operations to develop a set of operating cost estimates including payroll, utilities, taxes, and general operating expenses. These estimates will be adjusted for local factors and projected over a number of years. Better City will combine cost and revenue estimates to provide projected Returns on Investment for the project under a variety of financing scenarios.

5. Capital Stack Formation Analysis
   Better City will evaluate debt, equity, and grant financing options and outline strategies to acquire said financing. In the event of a gap between the feasible debt, equity, and grant financing options and the project cost, Better City will outline those incentives that the City and County must put in place in order to be competitive.

6. Economic Impact Analysis
   Better City will use industry standard multiplier data to identify direct and indirect economic impacts of the project. This will include estimates for generated output, income, and jobs. Better City will also estimate the impact the project will have on tax revenues.

7. Structure and Approach
   Better City will use comparison facilities to identify programming needs, facility and infrastructure needs, business capital needs, and office equipment and related needs. Better City will also assess management and leadership options and provide recommendations for leadership structure and approach.

Medical Tourism - $25,000

1. Market Analysis
   Better City will assess national trends, local hospitality and travel statistics, and second home ownership to derive demand estimates for medical tourism in the County. Better City will identify comparable facilities and services offered in other resort communities and will work with the hospital to identify niches of competitive advantage.

2. Comparable Case Studies
   Better City will analyze comparable case studies to inform its estimates of costs and revenues and to identify best practices in project structure and operation. Case studies will be selected based on their applicability to the project due to industry, geographic, or structural similarities.

3. Site Feasibility Analysis
   Better City will evaluate potential sites for a facility to support medical tourism. This evaluation would include but not be limited to analysis of the following: utilities, fiber, water, sewer, regulatory environment, zoning, building permits, sanitation, air quality, flood hazards, ownership constraints, transportation infrastructure, and competitive advantages. This evaluation will be dependent on the quality of existing utility data and the willingness of local utility providers to share their utility data. Better City will conduct interviews with landowners at identified sites to determine their willingness to sell or participate in the project.

4. Projected Capital Costs
   Better City will identify space needs for the project and then identify possible sites that could fit those needs. Better City will leverage its existing real estate brokerage division to conduct market supply and demand analysis to identify market lease rates and/or purchase prices for space for the project.

   Better City will leverage its extensive development experience to generate projected construction cost estimates adjusted for industry and regional markets. These projections will include both hard

costs for all aspects of the development and/or equipment purchase as well as soft costs including study and design, risk management, overhead, and financing costs.

5. Return on Investment
   Better City will analyze comparison operations to develop a set of operating cost estimates including payroll, utilities, taxes, and general operating expenses. These estimates will be adjusted for local factors and projected over a number of years. Better City will combine cost and revenue estimates to provide projected Returns on Investment for the project under a variety of financing scenarios.

6. Capital Stack Formation Analysis
   Better City will evaluate debt, equity, and grant financing options and outline strategies to acquire said financing. In the event of a gap between the feasible debt, equity, and grant financing options and the project cost, Better City will outline those incentives that the City and County must put in place in order to be competitive.

7. Economic Impact Analysis
   Better City will use industry standard multiplier data to identify direct and indirect economic impacts of the project. This will include estimates for generated output, income, and jobs. Better City will also estimate the impact the project will have on tax revenues.

Indoor Recreation Venue - $35,000

1. Project Focus Discussion
   Better City will meet with key stakeholders to discuss the various indoor recreation venue options available and will elicit a decision about the specific type of venue to pursue.

2. Comparable Case Studies
   Better City will analyze comparable case studies to inform its estimates of costs and revenues and to identify best practices in project structure and operation. Case studies will be selected based on their applicability to the project due to industry, geographic, or structural similarities.

8. Market Analysis
   Better City will assess national trends and local hospitality and travel statistics to derive demand estimates for an indoor recreation venue in the County. Better City will identify comparable facilities and services offered in other resort areas and will work with CBMR and other stakeholders to identify areas of competitive advantage.

3. Projected Capital Costs
   Better City will leverage its existing real estate brokerage division to conduct market supply and

demand analysis to identify market lease rates and/or purchase prices for space for the project. Better City will leverage its extensive development experience to generate projected construction cost estimates adjusted for industry and regional markets. These projections will include both hard costs for all aspects of the development and/or equipment purchase as well as soft costs including study and design, risk management, overhead, and financing costs.

4. Return on Investment
   Better City will analyze comparison operations to develop a set of operating cost estimates including payroll, utilities, taxes, and general operating expenses. These estimates will be adjusted for local factors and projected over a number of years. Better City will combine cost and revenue estimates to provide projected Returns on Investment for the project under a variety of financing scenarios.

5. Capital Stack Formation Analysis
   Better City will evaluate debt, equity, and grant financing options and outline strategies to acquire said financing. In the event of a gap between the feasible debt, equity, and grant financing options and the project cost, Better City will outline those incentives that the City and County must put in place in order to be competitive. Lastly, a revenue recapture plan and political strategy will be recommended so that revenue generated from the project can be reinvested for future project improvements.

6. Economic Impact Analysis
   Better City will use industry standard multiplier data to identify direct and indirect economic impacts of the project. This will include estimates for generated output, income, and jobs. Better City will also estimate the impact the project will have on tax revenues.

7. Structure and Approach
   Better City will use comparison facilities to identify key partners, programming needs, facility and infrastructure needs, business capital needs, and office equipment and related needs. Better City will also assess management and leadership options and provide recommendations for leadership structure and approach.

CB South Grocery - $5,000

(Better City is willing to execute the scope of work listed below for a commercial development in CB South; however, we recommend forgoing a feasibility study and moving directly into implementation and tenant recruiting for this

Business Park - $30,000

1. Market Demand Analysis
   Better City will leverage its existing real estate brokerage division and use comparable industry data, local factors, and geospatial analysis tools to identify the potential geographic market area and

corresponding market population for the project. Better City will compare industry demographic and income demand data with market area demographic and income data to develop market penetration and demand projections. Market price research will be conducted to develop pricing and revenue estimates.

2. Market Supply Analysis
   Better City will identify direct competitors and substitutes to determine market supply pressures. Competitor and substitute market position and share will be analyzed to assess the projects feasibility.

3. Site Feasibility Analysis
   Better City will identify space needs for a business park and identify possible sites that could fit those needs including the Gunnison Rising site and the County site. Better City will evaluate potential sites including but not limited to analysis of the following: utilities, fiber, water, sewer, storm sewer, regulatory environment, zoning, building permits, sanitation, air quality, flood hazards, ownership constraints, transportation infrastructure, and competitive advantages. This evaluation will be dependent on the quality of existing utility data and the willingness of local utility providers to share their utility data. Better City will conduct interviews with landowners at identified sites to determine their willingness to sell or participate in the project.

4. Projected Capital Costs
   Better City will leverage its extensive development experience to generate projected construction cost estimates adjusted for industry and regional markets. These projections will include both hard costs for all aspects of the development and/or equipment purchase as well as soft costs including tax, study and design, risk management, overhead, and financing costs.

5. Return on Investment
   Better City will analyze comparison operations to develop a set of maintenance and operating expense estimates. These estimates will be adjusted for local factors and projected over a number of years. Better City will combine cost and revenue estimates to provide projected Returns on Investment for the project under a variety of financing scenarios.

6. Capital Stack Formation Analysis
   Better City will evaluate debt, equity, and grant financing options and outline strategies to acquire said financing. In the event of a gap between the feasible debt, equity, and grant financing options and the project cost, Better City will outline those incentives that the City and County must put in place in order to be competitive. In addition, Better City will engage with local and regional utility service providers, such as Gunnison County Electric Association, with access to additional resources. Lastly, a revenue recapture plan and political strategy will be recommended so that revenue

generated from the project can be reinvested for future project improvements.

7. Economic Impact Analysis
   Better City will use industry standard multiplier data to identify direct and indirect economic impacts of the project. This will include estimates for generated output, income, and jobs. Better City will also estimate the impact the project will have on tax revenues.