

PLACE VALUE

How Communities Attract, Grow and Keep Jobs
and Talent in the Rocky Mountain West



PROJECT TEAM

This study was completed through Community Builders, an initiative of the Sonoran Institute. Community Builders provides information, research, insight and analysis for developers, realtors, planners, public officials and engaged citizens who are actively building stronger economies in the towns and cities of the American West.

The Sonoran Institute is a nonprofit organization that works on community development and conservation throughout the West. The Sonoran Institute's Western Colorado and Northern Rockies offices are partners in this study, covering Western Colorado, Montana, Idaho and Wyoming.

With this study, the Community Builders team received support from a consultant team that included:

- ▶ GP Red, a non-profit organization founded to fully recognize and expand research, education, and resource development activities for community "quality of life" agencies; and
- ▶ RRC Associates, a firm specializing in survey research for mountain communities and resorts .



STOCKYARD CALFE

Executive Summary

Local leaders intuitively recognize that building a great community is essential to building a strong and resilient economy, but what underlies this linkage and how can communities strengthen it?

These are the guiding questions behind the Place Value study, which explores why people and businesses are drawn to particular communities in the Rocky Mountain West.

Place Value comes at a time when many communities are seeking new approaches to economic development that respond to changing market and fiscal realities. What people are seeking from their jobs and communities is also changing. A growing number of people prioritize quality of life over other factors, including employment opportunities, in decisions about where to live, work, or start a business. At the same time, today's technology and the growth of knowledge-based industries allow people and businesses far greater flexibility in where they locate. Yet for many communities, particularly those with resort economies, high cost of living, long commutes and limited employment opportunities are barriers to attracting and retaining a talented workforce.

Place Value explores these trends and what they mean for Rocky Mountain communities. Drawing on the perspectives of business owners as well as community members, Place Value aims to clarify the role of different community attributes – from taxes and zoning to quality of life and cost of living – in creating and supporting resilient local economies.

STUDY METHODOLOGY

Surveys were distributed to business owners and community members in Colorado, Idaho, Montana and Wyoming through outreach via downtown associations, chambers of commerce, area newspapers and emails. More than 450 business owners responded to the business survey and nearly 500 community members responded to the employee survey. The intent was not to attain a statistical representation of the region, but to get a sufficient number of responses to have a solid level of confidence in the results. The high number of responses received suggests that the survey results include prevalent sentiments about what attracts people and businesses to Rocky Mountain West communities.



What attracts businesses and a skilled workforce to communities in our region?

Summary of Key Findings

Results of this study, based on a survey of nearly 1,000 employers and community members in Colorado, Idaho, Montana and Wyoming, indicate that building a strong and resilient economy is tied to creating a great community where people want to live and work.

Both business owners and community members overwhelmingly prioritize community quality above and beyond other relevant factors, like employment opportunities, salary or business climate, when choosing a place to live or start a business. People are attracted to great places with a variety of neighborhoods, amenities, and transportation choices. In the Rocky Mountain region, people are willing to accept a lower salary in order to live in a community that offers these qualities. However, affordability is an issue, and business owners and community members report that there is not enough housing in many Rocky Mountain communities to meet the needs of people with a diversity of income levels. Other key findings include:

- 1 JOBS FOLLOW PEOPLE.** The majority of business owners (70 percent) established their residence in a community first, and then decided to start a business at a later date. Less than one-third of business owners moved to a community with the purpose of opening a business.
- 2 COMMUNITY QUALITY IS A TOP PRIORITY FOR BUSINESSES AND RESIDENTS.** In selecting a location to live, the most highly considered factor for business owners and community members was the overall quality of the community, with a score of 4.5 out of 5. Seventy percent of business owners responding to our survey indicated community character was “extremely important.”
- 3 BEING IN A PLACE THAT CAN ATTRACT TALENTED EMPLOYEES IS IMPORTANT TO GROWING BUSINESSES.** Sixty-eight percent of business owners with unfilled positions said that the ability to attract or retain talented employees was an important factor in choosing their business location.
- 4 PEOPLE ON THE MOVE ARE LOOKING FOR GREAT PLACES.** When making relocation decisions, people consider both the quality of the community and job opportunities. Most respondents (44 percent) felt that a job and the community are equally important factors in relocation decisions. Only 17 percent of respondents indicated job opportunities as the most important consideration.
- 5 PEOPLE ARE WILLING TO SACRIFICE SALARY FOR THE IDEAL COMMUNITY.** Eighty-three percent of respondents favored “living in an ideal community with a lesser salary” over “living in a community that’s less than ideal with a high salary.” Safety, open space and trails, access to recreation, neighborhood character, and short commute times are all highly rated factors for people deciding where to live.
- 6 HOUSING COSTS ARE A CONCERN FOR BUSINESSES AND EMPLOYEES.** Sixty-eight percent of community respondents felt there are not enough housing options for a range of incomes in their community. This issue matters to businesses too: 60 percent of business owners felt that housing costs had some impact on the ability to attract employees; the number jumps to 76 percent for those that are hiring.

These are just a few of the findings outlined in this report. Other findings relate to telecommuting, how business owners view the business climate in their community, and frustration with commuting, among others.

Challenges and Opportunities in a Changing Economy

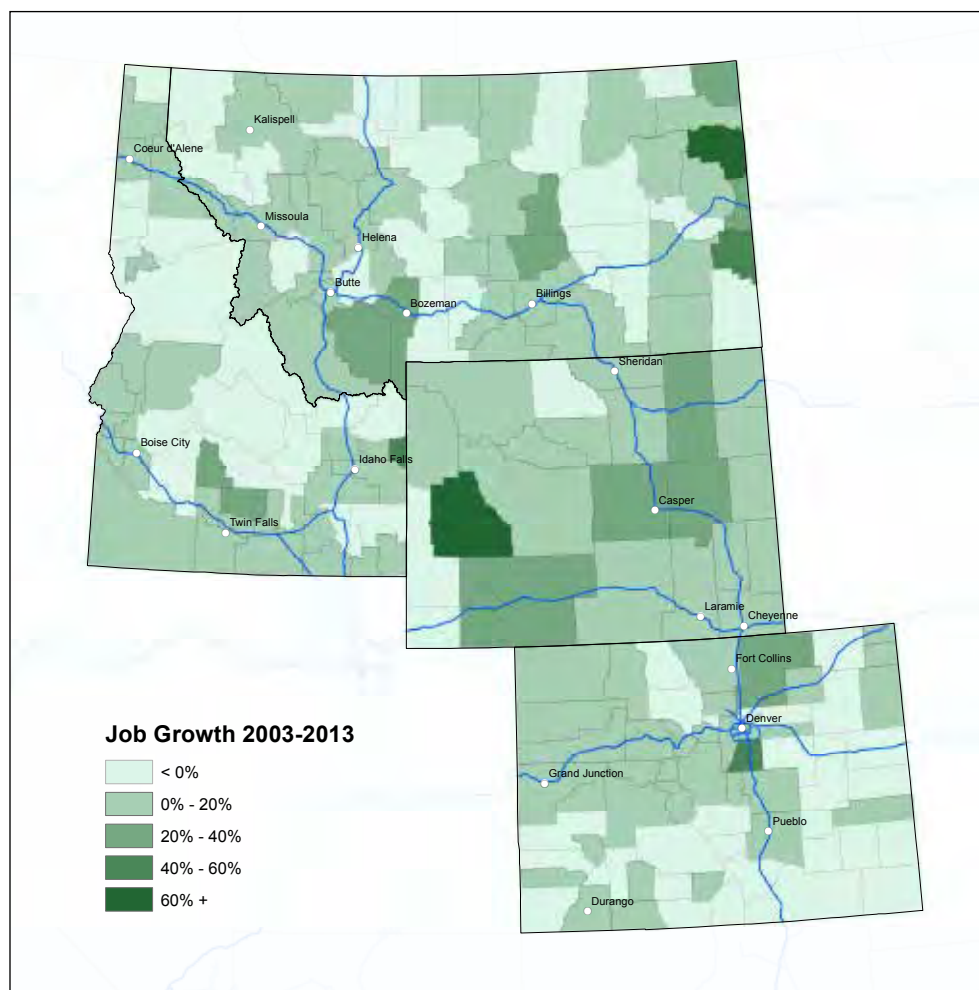
Communities in the Rocky Mountain West face a unique set of challenges and opportunities in today's rapidly changing economy. A lack of economic diversity and corresponding overreliance on a particular business or industry sector is a common challenge for many of the region's communities. Though many localities are working to diversify economically, doing so is difficult, particularly in rural areas, which lack the economic gravity and market dynamics of larger cities.

These challenges aside, the Rocky Mountain region's outstanding quality of life has made it one of the fastest growing parts of the country in recent decades. Indeed, over the past 10 years, the number of jobs in the Rocky Mountain West has increased by 14.7 percent, the highest rate of job growth in the nation and three times the national average.¹

Not surprisingly, the highest rates of job growth in the region are in areas that offer abundant access to public lands and outdoor recreation. These areas also tend to be the fastest growing in terms of population, and have lower poverty rates, higher educational attainment, and a greater proportion of workers employed in knowledge-based professions.²

The impact and importance of the region's quality of life will continue to grow as technology provides ever greater flexibility in where businesses and employees locate. At the same time, a growing number of people are prioritizing quality of life over other factors, including salaries, in deciding where to live, work, or start a business. As a result, communities of all types are competing for the jobs, talent and investment driving our rapidly changing economy.

While the region's quality of life is clearly an asset, there are many examples of communities with outstanding amenities that struggle with issues related cost of living. This creates regional imbalances in jobs and housing resulting in bedroom communities and long commutes for people driving between where they live and work. In short, as communities succeed in becoming attractive places to live, work and visit, they need to redouble efforts to be a livable community where people can afford to live. This requires attention to housing and transportation choices, which are often overlooked in conventional economic development approaches.



New Directions in Economic Development

The field of economic development is evolving in response to changing market conditions and uncertainty about the effectiveness of conventional economic development strategies. While not an exhaustive review of current tools or approaches, the section below outlines a few important trends and new directions in community economic development.

The Decline of “Bigger Is Better” and “Elephant Hunting”

For decades, economic development efforts often focused on attracting large businesses or a particular industry. This approach, often called “elephant hunting,” typically relied on various recruitment tools like tax abatements, fee reductions, assistance with land or infrastructure costs, and other incentives. Though still used in many areas, the popularity of this approach is diminishing.

One reason is that recruiting large companies is difficult. There simply are not that many firms actually looking to relocate; certainly not as many as there are communities that wish to attract them. As a result, competition for deals is intense, which tends to drive up the costs of incentive packages as well.

Additionally, the idea that bigger is better is losing traction as communities place greater emphasis on economic diversity and the role of small business. Indeed, with 90 percent of all U.S. firms having fewer than 20 employees, it is increasingly difficult to overlook the impact of small and mid-sized firms, which not only make up the backbone of most local economies, but also offer greater resilience during economic cycles.³

Finally, broader economic and consumer preference trends are changing the market for many larger companies. For example, large format retail is “right sizing” in response to online retailing and traditional suburban office parks are losing favor to more centrally located mixed-use projects.⁴ Smaller sized firms have an advantage in this changing market context.



Small businesses make up the backbone of most local economies and also offer greater resilience during economic cycles.

Growing Jobs from Within: Economic Gardening and Entrepreneurship

While recruitment remains popular in many areas, strategies that focus on growing jobs from within, either by growing existing businesses or supporting new start-ups, are gaining traction.

Economic Gardening is a strategy that aims to create jobs by helping existing businesses expand. Typically, Economic Gardening focuses on established second stage businesses, which are beyond the start-up phase and are poised for growth. Economic Gardening approaches provide tools and information to help businesses reach new customers, expand into new markets or realize operational efficiencies. The National Center for Economic Gardening is a good source for additional information and support.⁵

With respect to job creation, Economic Gardening can be an effective approach because it targets businesses that are established, but not fully mature, which tend to have the greatest potential for growth. Littleton, Colorado's Economic Gardening program is credited with adding 15,000 new jobs and tripling sales tax revenue over 20 years, without recruiting, incentives or tax rebates.⁶

A balanced approach to economic development will supplement Economic Gardening, which focuses on established firms, with incubators and small business development programs which help new and emerging businesses. These programs can provide entrepreneurs with assistance locating affordable start-up space, training on business fundamentals and networking opportunities. They can also improve and facilitate access to capital, and provide other types of support that will help new businesses get established and be competitive in today's economy.

The common thread between these strategies is their focus on strengthening the economy and adding jobs by supporting businesses within a community, rather than trying to attract new companies to locate there from the outside. Compared to traditional attraction and recruitment strategies, approaches like Economic Gardening, business incubators and small business development programs are relatively safe and affordable investments, that can also reap significant rewards.



Economic Gardening approaches include networking and training opportunities, with a focus on established firms that are poised for growth. PHOTO: Colorado Mountain College

Technology and the Growth of Knowledge-Based Jobs

Today's technology provides ever greater flexibility in how and where people work, allowing many businesses and their employees to work from anywhere that has an internet connection. This flexibility opens the door to a wide range of "location-neutral" businesses that are able to operate their business over the internet. Similarly, even for people rooted to a particular location, the ability to work remotely over the internet has made it easier for people to visit or even live part time in other areas.

Another factor driving the increasing mobility of work is the growth of knowledge-based jobs, a wide range of professions where the primary value and returns are generated from human creativity, analysis, innovation and intelligence. This includes a variety of fields and professions such as architects and engineers, software developers, various types of marketing and media firms, lawyers and other professions, which are typically higher-paying and require a well-trained and educated workforce. Knowledge-based jobs make up an increasingly significant number of overall jobs, currently between 30-40 percent nationally. In the Rocky Mountain region, knowledge-based jobs make up about 30 percent of overall employment.⁷

Combined, internet technology and knowledge-based professions make work more mobile, which opens up doors for people to work from anywhere, and puts a premium on employees with the talent and creativity to fill a growing number of location-neutral positions. From an economic development perspective, these trends offer obvious opportunities. Communities should think about whether they are able to offer what businesses and employees are seeking, not only in terms of basic needs like broadband infrastructure, but also in terms of being an attractive and livable community.

Changing Consumer Preferences and Market Demand

What people are seeking from their communities and neighborhoods is changing as well. There is a great deal of data – both nationally and from within the region – showing that shifting consumer preferences are impacting the real estate market.⁸ A growing number of people are interested in living in walkable neighborhoods that provide a strong sense of place and convenient access to daily needs and amenities. People are willing to make tradeoffs for walkable access to shopping and entertainment as well as trails and outdoor recreation. People are willing to pay more to live in these places as well. A recent study exploring housing market trends in the Rocky Mountain West found an average price premium of 18.5 percent across six diverse submarkets in the region.⁹

These market shifts are taking place within a broader set of demographic, lifestyle and consumer preference trends that impact what people are looking for from their communities, jobs, homes and neighborhoods. A growing number of people are prioritizing quality of life and a healthy live-work balance over other factors, including employment opportunities, in decisions about where to live, work, or start a business. Similarly, people are interested in active and healthy lifestyles with opportunities for feeling socially engaged and connected to their community.

What people are seeking from their communities and neighborhoods is changing as well.



Placemaking, Revitalization and the Rebirth of Downtowns

By now, the rebirth of downtowns, main streets and core neighborhoods is a well-known phenomenon in large cities and small towns across the country. Many communities have developed revitalization programs to improve the function and image of distressed, degraded or underutilized areas. The ultimate goal is to support economic resurgence and to catalyze new investment and economic activity in those areas. Revitalization efforts are common in downtowns and main street districts, as well distressed commercial corridors and transitioning neighborhoods or districts.

The practice of placemaking, which focuses on creating attractive, functional and enjoyable public spaces, is gaining traction in economic development circles as well. Intended to serve as a community-driven approach to the planning, design and management of public spaces, placemaking uses a wide range of tactics – from improved street design to public art to the programming of events – that aim to create appealing and authentic places that can attract people and activity and provide a strong “sense of place.” Though placemaking is often applied to discrete areas – parks, plazas, streets, downtowns – it can easily be applied to entire communities as an overarching strategy for planning and economic development. The Project for Public Spaces is a good first stop for more information on the practice of placemaking.¹⁰



The rebirth of downtowns, main streets and core neighborhoods is a well-known phenomenon in large cities and small towns across the country.

The Evolution of Cluster Strategies

Identifying and building on industry clusters is a common and proven economic development strategy. At a basic level, an industry cluster is a grouping of firms or related economic activities that can draw productive advantage from their mutual proximity and connections. Analyzing existing or potential industry clusters is a common element of many local and regional economic development efforts. When implemented successfully, a cluster strategy allows a community or region to:

- ▶ **Leverage their particular assets, including existing clusters;**
- ▶ **Focus their efforts on groups of firms rather than focusing on individual businesses; and**
- ▶ **Provide resources and support tailored to the particular needs of the firms in the cluster.**

Where problems can arise is if a cluster strategy leads to overreliance on a particular industry, which is risky because the firms within a cluster are likely vulnerable to similar types economic ills, increasing the possibility that several businesses are impacted by particular market or economic challenge. Similarly, if a cluster approach leads to an overly narrow focus on a particular industry, it diverts from the larger goal of economic diversity. Today, cluster strategies are evolving beyond co-locating like businesses to a more comprehensive approach that creates market networks and seeks to respond to the particular needs of that network, as well as connecting to research facilities, workforce training and other tools that support the long-term success of the cluster.

Business Survey –

What Makes Businesses Locate or Stay in a Community?

BUSINESS SURVEY: WHO RESPONDED?

In the survey of businesses, there were 476 responses from more than 60 communities throughout the Rocky Mountain West. 63 percent of the responses were from business owners in Colorado, 15 percent from Montana, 13 percent from Wyoming and 7 percent from Idaho.

A wide range of businesses responded, with the largest number of responses (99) coming from the professional services category, which includes accountants, architects, auditors, engineers, doctors and lawyers, among others. Other categories included general retail, non-profit, real estate, lodging, restaurant, recreation, government, construction, manufacturing, education, utilities and property management (See Figure 1). Nearly 150 businesses identified themselves as “other,” types of businesses, including auto sales, coal mining, flight instruction, lawn care, pet services, clock repair and more.

Most businesses responding to the survey (66 percent) had fewer than 10 employees, with only 2 percent of respondents representing businesses with more than 200 employees. About one-third of businesses responding were hiring for unfilled positions within their firm. Businesses that were most likely to be hiring were those that were mid-sized, had two or three locations, or were in the process of expanding to an additional location.

Jobs and Business Investment Follow People

A strong majority of responding businesses, 70 percent, did not move to their current community specifically for the purpose of establishing a business, but rather they moved to a community they wanted to live in and then started a business. Only 30 percent moved to their community specifically to start a business. This suggests that many businesses are established because the proprietor decided to live in a particular place, and then started a business there.

Figure 1: Types of businesses responding to our business survey

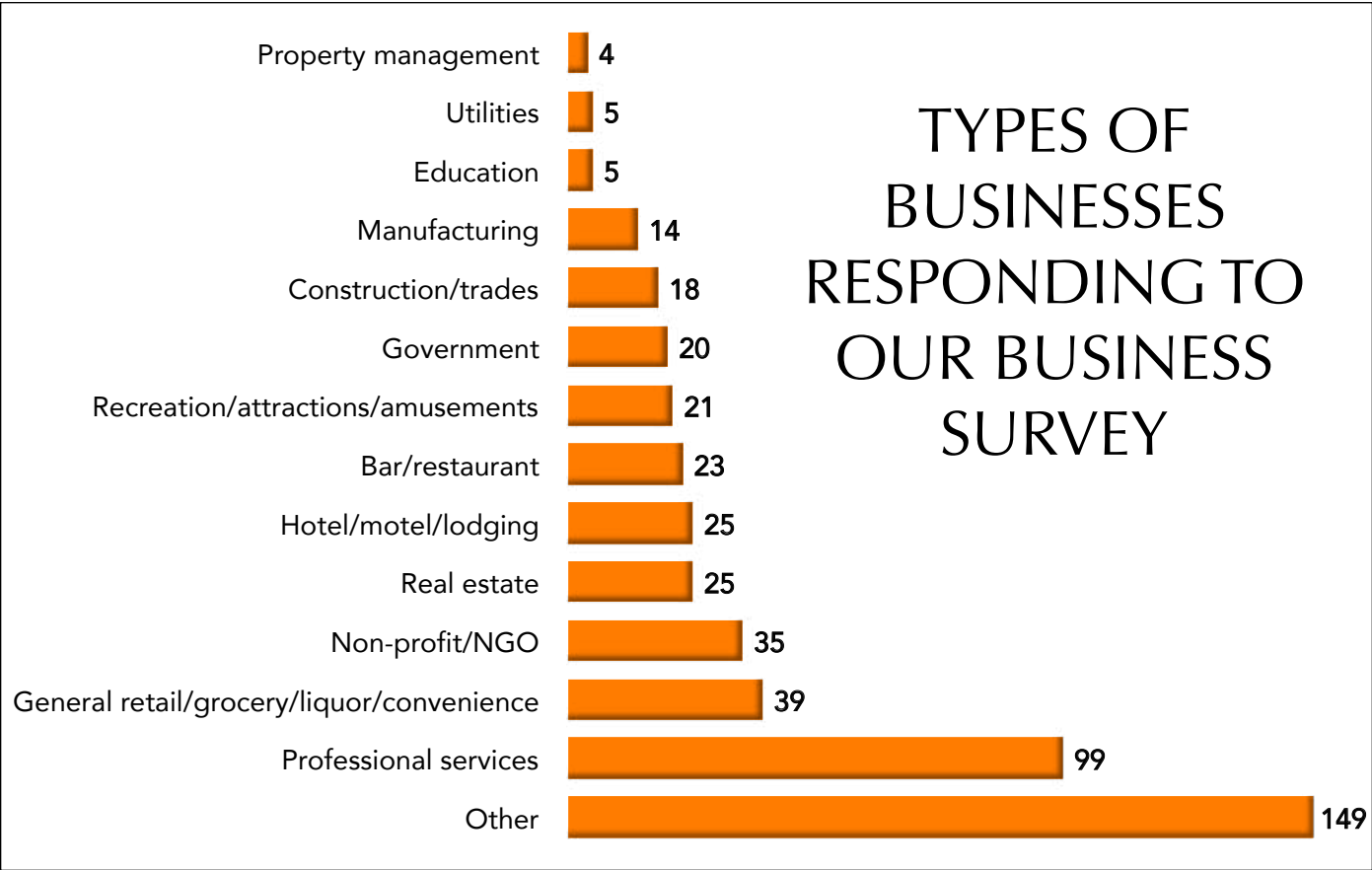
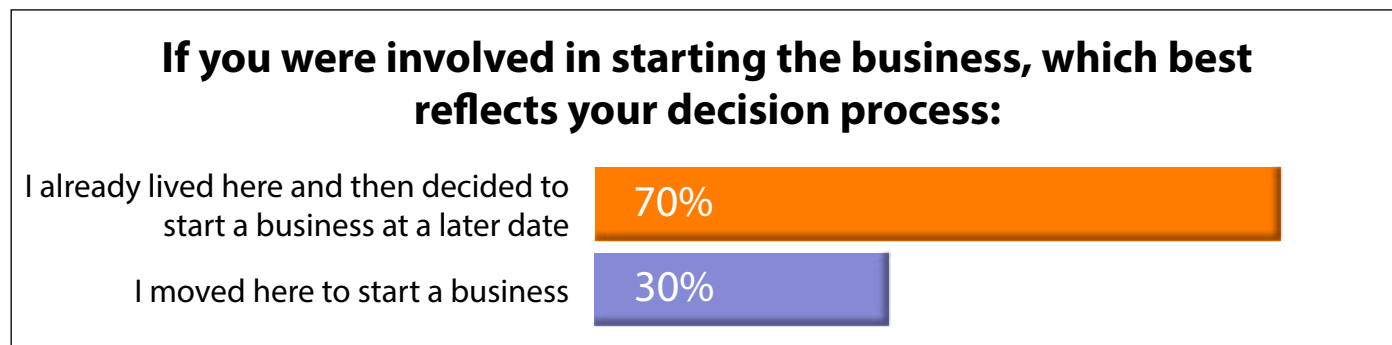


Figure 2: Most business owners responding to our survey first moved to a community where they wanted to live and started a business at a later date



This finding underscores the importance of home grown entrepreneurship – driven by existing residents—in job growth and business formation. This speaks to the value of providing support to new and growing businesses with needs ranging from access to capital to business counseling. Additionally, it suggests that creating a community with the character, amenities and quality of life to attract would-be entrepreneurs deserves greater recognition in local economic development efforts.



Creating a community with character, amenities, and quality of life is an important but often overlooked component of economic development.

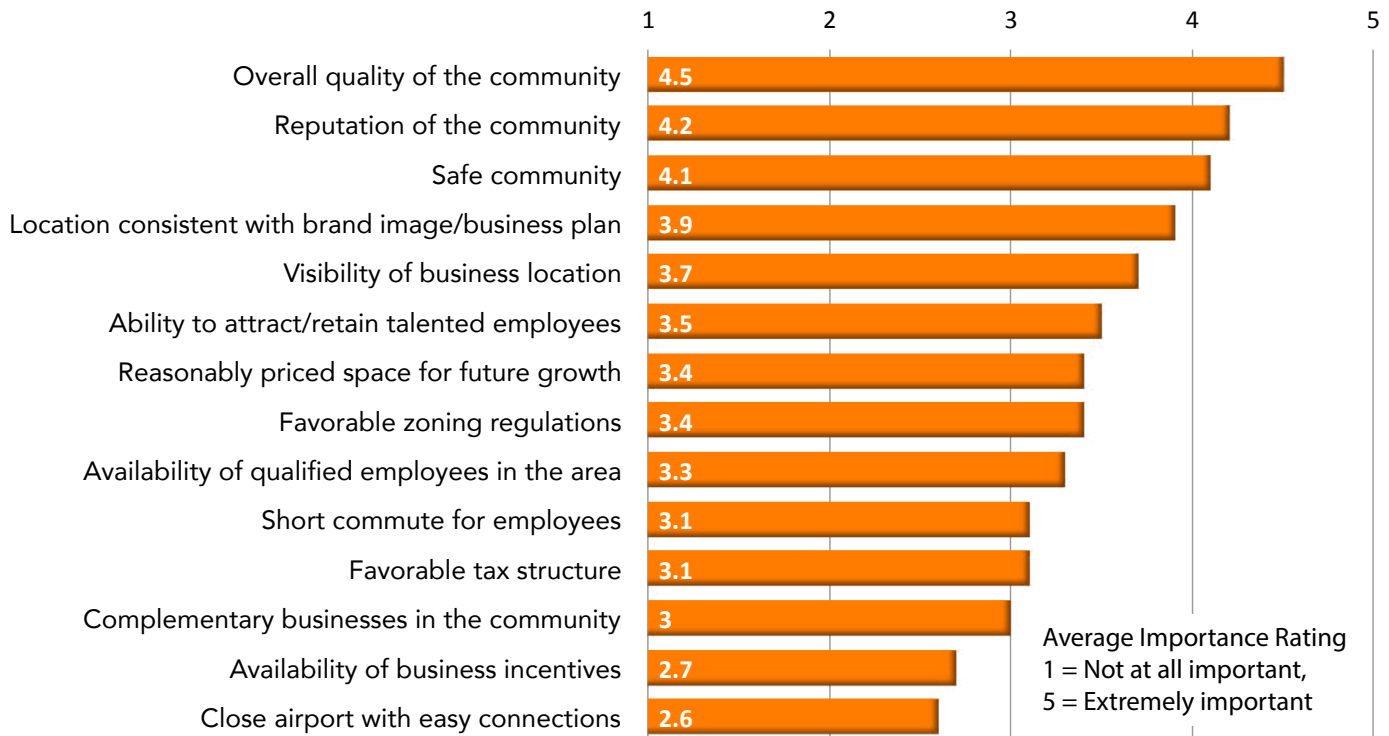
People Are Seeking Great Communities

Business owners were asked to rate the relative importance of several different factors in their decision to locate or maintain their business in a particular community. As seen in Figure 3, the overall quality of the community was the most important factor, with a score of 4.5 out of 5, and 70 percent of respondents said it was “extremely important.” The reputation of the community (4.2) and safety (4.1) were the next most highly ranked factors influencing the decision to locate or stay in a particular community.

In a related question, business owners who are considering relocation were asked what would motivate them to move their business. Again, overall quality of the community shows up most prominently, with 50 percent of business owners reporting that this would be one of the most important factors in a relocation decision.

Figure 3: Factors affecting decisions about business location

How important are the following factors in your decision to locate/maintain your business in the current community?



Growing Businesses Want to Be Able to Attract Talented Employees

Throughout the region, about one-third of responding businesses were hiring for unfilled positions, and it was those firms that were most likely to have considered how their location would impact their ability to attract or retain employees. Sixty-eight percent of business owners with unfilled positions said that the ability to attract or retain talented employees was an important factor in choosing their business location, compared to 53 percent of those without unfilled positions.

The overall quality of the community was the most important factors for business owners deciding to locate or maintain their business in a particular community.

Housing Costs Matter, Especially for Businesses That Are Hiring

When asked to what extent does the cost of housing impact your ability to attract employees?, 60 percent of business owners responding to the survey felt that housing costs had an impact on the ability to attract employees, and 25 percent felt it was a significant impact.

Housing costs are especially important to businesses with unfilled positions. Seventy six percent of businesses with open positions felt the cost of housing impacted their ability to attract employees. Understandably, those businesses that are growing are most concerned with the impact of housing costs on their ability to attract and retain quality employees. Prospective employees need options for homes that meet their budgets and their preferences. In many parts of in the region, particularly resort areas, a lack of affordable housing forces workers to commute long distances, leading to increased household transportation costs.¹²

Incentives, Taxes and Airports Matter, but Are Less Important

Somewhat surprisingly, the availability of business incentives and proximity to an airport were the lowest ranked factors for business owners responding to our survey. Only 4 percent of business owners ranked these factors among the top two in location decisions. Similarly, while favorable tax structure ranked in the middle of the pack overall, only 4 percent of business owners placed a favorable tax structure among the top two factors in their location decisions.

These findings do not mean that tax structure and incentives are unimportant, in fact respondents mentioned their importance in follow-up comments, but it does suggest that they are not the driving factors when it comes to the decision of where a business will locate. Clearly these factors, along with regulations and related considerations, affect the local business climate and can have a real impact on whether businesses ultimately succeed, but they should not be only tools in the toolbox for attracting businesses and entrepreneurs.

Telecommuting Is Gaining Traction

Telecommuting is gaining in its reach and importance. For about half of the businesses responding (49 percent), telecommuting is a workable option. This group is split evenly between businesses employing full-time telecommuters and those with some part-time telecommuting. When asked what would make their community a better location for doing business, many respondents pointed toward a need for better broadband connectivity, which is likely a limiting factor for many telecommuters.

For the other half of the businesses responding (51 percent), telecommuting does not work with their business model. This is fairly consistent across the region. Many of the businesses in this category included retail or service industries—like restaurants, motels, and auto repair shops—where staff is needed on-site, making telecommuting an impossibility.

Additional Comments from Business Owners

Many respondents are seeking a “more business-friendly environment,” with more support from their local government. Specific suggestions often focused on a combination of traditional economic development tools, including tax incentives or other business-friendly tax policies, and making land available for commercial development, as well as alternative approaches such as creating a more vibrant downtown, improving internet service, better transportation connectivity, and the availability of affordable housing for both business owners and employees.

WHAT DEFINES THE QUALITY OF A COMMUNITY?

Respondents who scored quality of the community with a “4” or “5” were provided with a follow-up question asking them to identify what factors determine the quality of their community. Commonly cited factors related to the overall quality of the community include: the people and overall friendliness, sense of community, sense of safety, access to activities, and access to outdoor recreation. These attributes are in line with previous studies citing the importance of community character and sense of place, access to amenities, nearby open space, recreational opportunities, and scenic beauty in attracting population and economic activity.¹¹

Community Survey

The community survey, which received a total of 494 responses from more than 70 communities throughout the region, solicited views from people who are not business owners, but live and work in the region. With 93 percent of respondents working for wages, 4 percent being self-employed and 1 percent seeking work, the respondents offer a perspective of the region's workforce.

The community survey explored a variety of factors related to people's jobs, their homes and neighborhoods, and the community they live in, to better understand the considerations that most influence people's decisions to live in one place or another.

What Is More Important: Job or Community? Most People Say Both

More often than not, the community people decide to live in and the job they have are tightly connected. For most people, both are major factors in where they decide to live and the survey results reveal as much. When asked which was more important to their decision to locate or stay in a community, most respondents (44 percent) said the job and the community are equally important factors.



COMMUNITY SURVEY: WHO RESPONDED?

The average age of respondents was 45 years, and the average household income was \$84,000. Couples are the most strongly represented category (68 percent), including 34 percent couples with children and 34 percent couples without children. The largest share of respondents (48 percent) indicated that their household composition is unlikely to change over the next five years. Sixty-one percent of the responses were from people in Colorado, 20 percent from Montana, 15 percent from Wyoming, and 3 percent from Idaho.

Most respondents have lived in their community for at least three years (79 percent). Forty-five percent have lived in their community for 10 years or more. Only 6 percent were born and raised in their current community. Most people (71 percent) expected to stay in their community for the next three years.

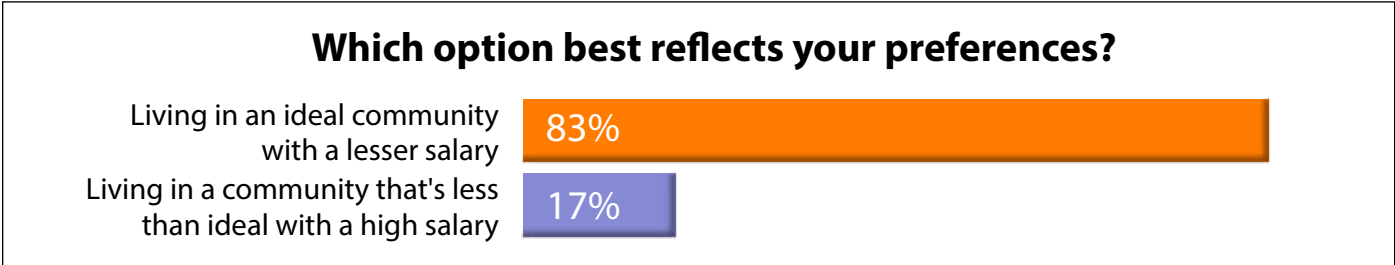
Of the remaining respondents, 39 percent lean toward the community being a more important factor, and 17 percent lean toward the job being more important. The tendency to prioritize community over job appears to become more pronounced with age. Twenty-four percent of those age 18-24 value community-related factors over job-related factors, 32 percent of those 25-44, and 46 percent of those 45-64. Not surprisingly, those of retirement age overwhelmingly favored community-related factors, with 61 percent of respondents over 65 placing a lower priority on job-related considerations.

Among those who indicated that a job would be more influential, open-ended responses show that better wages and benefits are common considerations. Responses from those who indicated the community would be more influential were more varied, but recreation access was frequently cited, as was being closer to family or friends.

Today’s Employees Will Take Less Pay to Live in a Great Community

While most respondents value their job and their community equally, many people were willing to sacrifice salary for a community that better suits their needs (See Figure 4). When asked to pick between two options: either living in an ideal community with a lesser salary, or living in a less than ideal community with a high salary, a significant margin (83 percent) preferred to live in an ideal community with a lesser salary compared to those that would prefer a less than ideal community with a higher salary (17 percent).

Figure 4: People are willing to sacrifice salary for a great community



This finding echoes previously mentioned responses indicating that a great community is more important than a job for many people considering where to live. Although salaries are an important factor, they can be outweighed by the quality of community. The data also suggest that the value people place on their job, documented above, is not just about money, but about the quality and type of work they are doing.

In addition, affordability and the cost of living are major concerns for many respondents. For talented employees willing to take less salary to live in a great community, high costs of living can be prohibitive. Similar findings have been documented at the national level, particularly among the largest generational cohorts: Baby Boomers and Generation Y, who both indicate they prioritize the location where they live over job opportunities. Instead of seeking out a job first, and then settling down, more people are looking for a great community, with employment as a secondary concern.¹³ These results are also in line with previous research in the Rocky Mountain West that found that “quality of life” is a critical factor for the long-term prosperity of communities.¹⁴



Community character and quality of life are critical factors for the long-term prosperity of communities.

Today's Employees Want a Great Community. What Are They Looking For?

Safety and Overall Quality of the Community Are Top Priorities

Respondents identified the quality of the community and safety as the most important factors in deciding whether to move to or stay in a community, both scoring 4.5 out of 5 (See Figure 5). Like business owners, community members clearly value the quality of their community.

What People Said: Social Ties, Sense of Community and Friendliness Are Key

We asked community members what the “overall quality of a community” means to them. Like business owners responding to the survey, community members often mentioned “people” and “community.” For many respondents, the people were the most important factor, particularly people who are “friendly,” “welcoming” or “involved with the community.” These findings align with a recent survey of 46,000 people in 26 U.S. communities, which found that the three main qualities that attach a person to a place are the social offerings, the openness of a community to new members, and the area’s aesthetics.¹⁵ Other important characteristics for respondents to our survey included safety, quality schools, outdoor recreation, and natural beauty.

People Value Recreation Access, Neighborhood Character, and Open Space

Recreational access, with an average score of 4.4, as well as neighborhood character and proximity to open space and trails, each scoring 4.3, ranked high as considerations influencing the decision to locate or stay in a particular community. The relative importance of these considerations mirrors abundant consumer research and market data highlighting the importance of neighborhood character, as well as access to open space, trails and recreation.¹⁶

People Want a Place to Raise a Family and to Show Off to Friends and Visitors

Not surprisingly, many people want to be in a community that is a good place to raise their family (safe, good schools, strong community, and opportunities for recreation) as well as a place that they can show off to others. These considerations were all near the top of the list, each scoring a 4 or higher.

Commute Time and Housing Costs Are Also Top Considerations

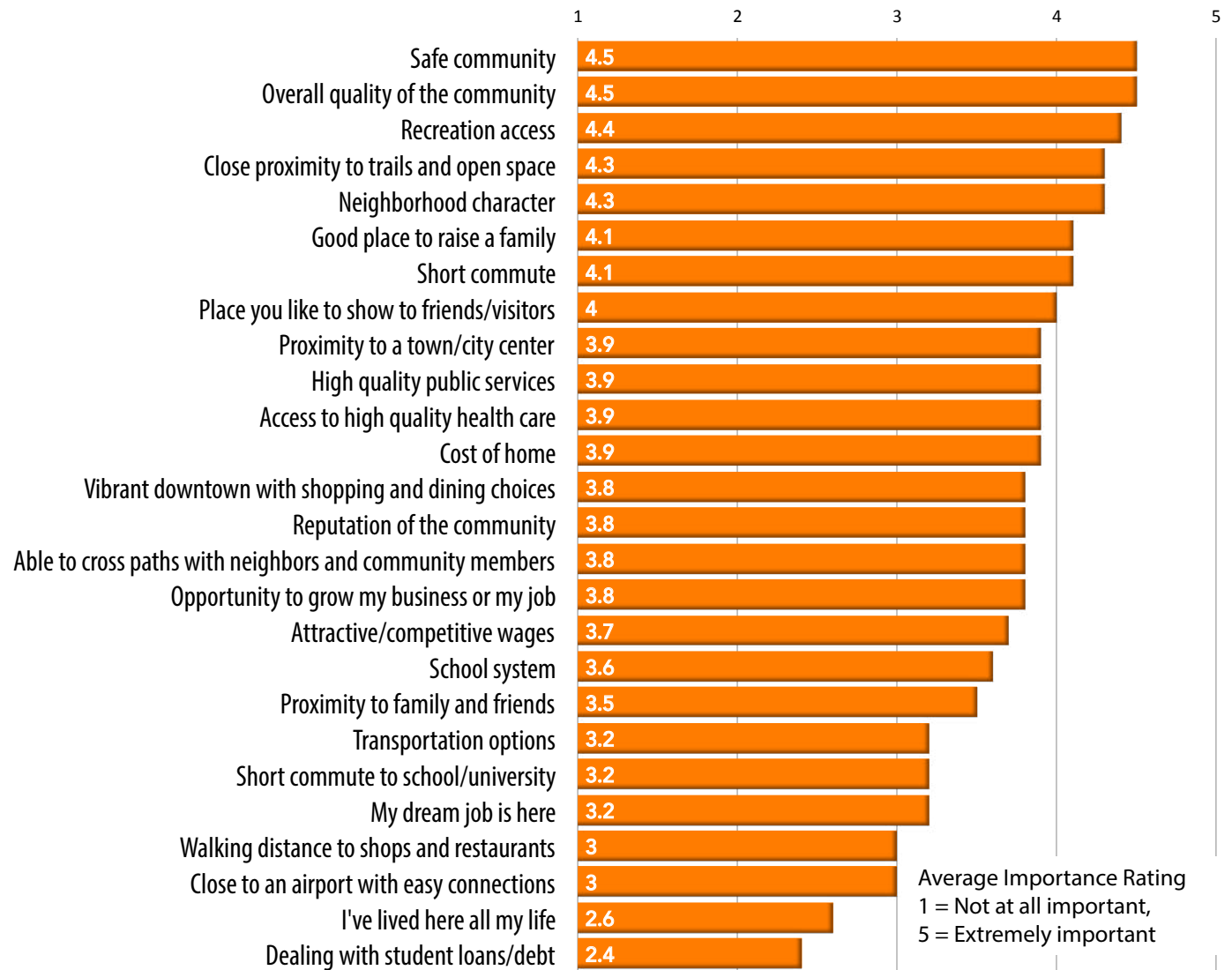
A short commute to work was also among the most important considerations (4.1). Housing costs, though not quite as highly ranked (3.9), were relatively important as well. For many communities, these two factors are worth considering together since high housing costs tend to lead to longer commutes when people cannot afford to live in the same place that they work. Related data indicates that walkable neighborhoods that offer shorter commutes are associated with higher rates of job creation and retention.¹⁷

Seeking Quality of Life, People Want a Lot Out of Their Communities

A look at the data in Figure 5 makes clear that people want a great deal out of their communities. All but two of the potential considerations were at least considered important (a score of 3 or higher) and several are on the verge of being very important (4 or higher), including: access to high quality healthcare, high quality public services, proximity to a town/city center, a vibrant downtown, opportunity to grow a job or business, and the ability to cross paths with neighbors, among others.

The key point for communities to consider is that in addition to basic requirements like safety, people are seeking a wide range of conveniences, amenities and services, and they are also concerned with factors like commutes and housing costs that impact their time and finances. Communities that succeed in attracting jobs and talent will be the places that are strategic in delivering on these needs and desires, which are all elements of the high quality of life people are seeking from their communities.

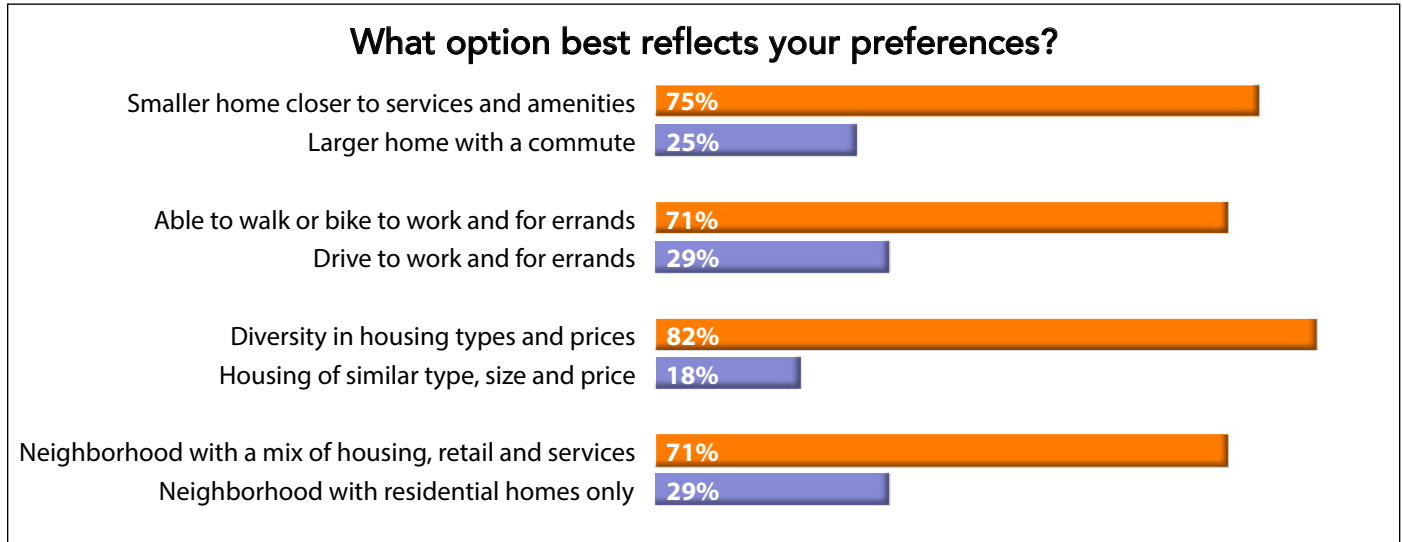
Figure 5: Factors considered by community members when deciding where to live
 How important were the following factors in your decision to locate/remain in your community?)



Preferences: What Do People Want from Their Neighborhoods?

To better understand what people are seeking from their neighborhoods and communities, the survey asked respondents to choose between several potential living situations. Results, shown together in Figure 6 and summarized below, provide a useful perspective into the types of neighborhoods people are drawn to.

Figure 6: Preferences in housing and neighborhoods



- ▶ **Mixed-Use Neighborhoods:** Most people are interested in living in mixed-use neighborhoods where residential properties are blended with retail, services and other compatible uses.
- ▶ **Different Types and Sizes of Housing:** Most respondents prefer to live in a neighborhood with a mix of housing types and prices. This type of neighborhood tends to have a blend of different densities and housing types (detached and attached) rather than homes that are all the same size and type.
- ▶ **Ability to Walk to Daily Needs and Amenities:** Most respondents wanted to live within walking distance of work and shopping, and favored a smaller house close to amenities and services over a large house with a commute. Currently, most respondents (74 percent) commute to work by car.
- ▶ **A Shorter Commute Is Preferred over a Larger Home:** Most respondents would prefer to have a shorter commute and a smaller home over a larger with a longer commute.

These results closely align with results of national and regional market studies that highlight growing demand for walkable neighborhoods with a mix of uses and housing types as well as living in downtowns and other centrally located areas.¹⁸



How Satisfied Are People in Their Communities?

Most People Feel Their Communities Are Meeting Their Needs, but Some Needs Remain

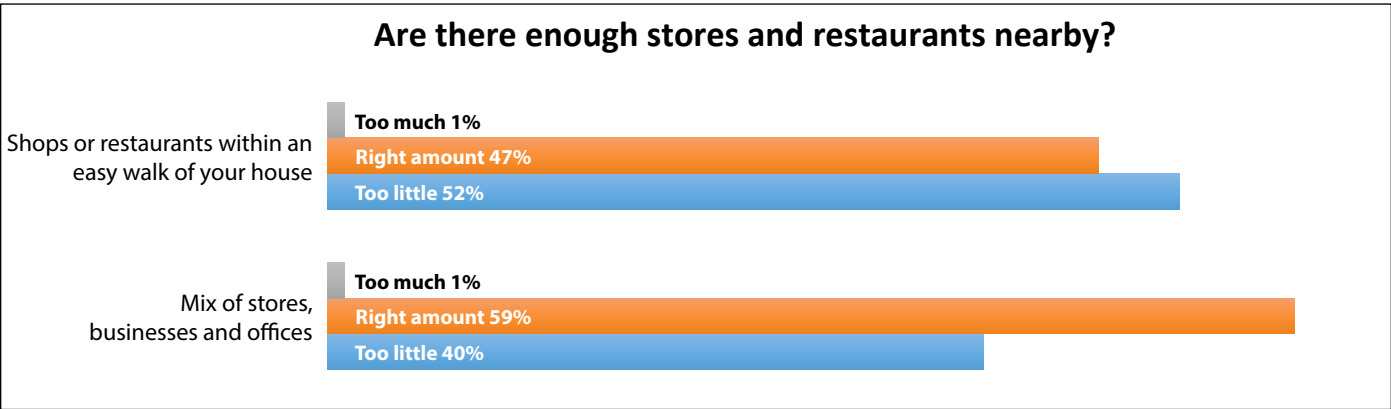
Ninety four percent of respondents said their community was either somewhat (57 percent) or completely (34 percent) meeting their household's needs. Respondents who indicated their community was not meeting their needs commonly cited affordability, insufficient job opportunities or wages, and lack of amenities such as restaurants and entertainment as areas their community was coming up short.

Many People Want More Shops, Restaurants and Amenities in Walking Distance

Most people responding to our survey (59 percent) were also happy with the mix of stores, businesses and offices in their community (See Figure 7). Fewer people were satisfied with the location of commercial areas, and would like more shops and restaurants within walking distance of their homes. More than half of the respondents (52 percent) expressed that there are too few shops or restaurants within an easy walk.



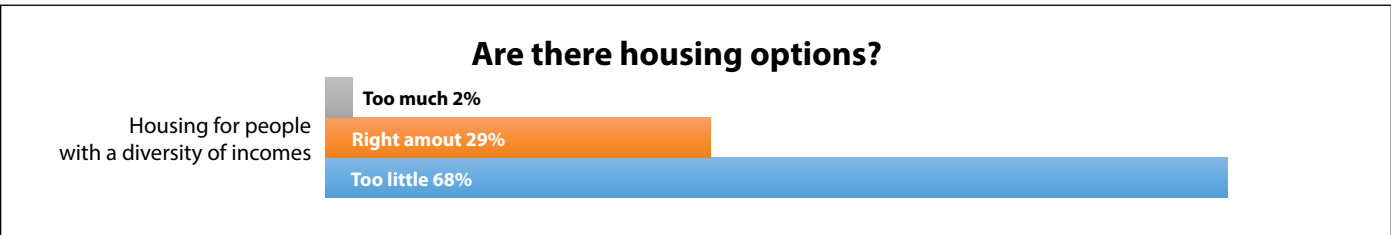
Figure 7: Amount and location of commercial services



People Want More Housing Choices for People of Different Incomes and Access to Healthy and Affordable Foods

Many respondents had negative feelings about affordability in their communities. Fifty-three percent of respondents felt there is a lack of healthy and affordable food options. Sixty-eight percent of respondents felt there is not enough housing for people with a diversity of incomes (See Figure 8). Nationally, many communities are working to address both of these issues, with efforts to bring smaller-scale grocery stores and local markets back into neighborhoods and community centers, as well as efforts to expand housing choices for people of different incomes, particularly in centrally located areas.

Figure 8: Housing options for people with a diversity of incomes



Survey Summary

As the results of this study make clear, both people and businesses expect a great deal out of their communities and are making decisions about where to live, work or start a business based on how well a particular place meets their needs as well as the opportunities it provides. Of course, in the post-recession economy, most local governments are in the difficult position of doing more with less. For most communities, these realities demand an increasingly strategic approach to economic development, including far greater coordination between community planning, economic development and local capital planning and investment.

The results of the business survey show that the qualities that make a community “business friendly” go well beyond traditional considerations such as tax structure or the availability of incentives. While these are important, they are not the driving factor behind a firm’s decision to locate in a particular area. For most businesses that decision begins with more basic considerations about the quality and character of the place, including the quality of life it offers, whether it is affordable, and whether it is a place that can attract and retain a talented workforce. In an era where jobs follow people, and people are attracted to great places, the first priority is placed on improving the community.

When it comes to attracting residents, the community survey indicates that people want a lot from their communities. Though professional opportunities clearly matter, most residents are equally concerned with living in a great community and a large majority would accept a lower salary to live in such a place. Of course, places that offer an outstanding quality of life are popular and become expensive. It is not surprising that most residents are also concerned with the high costs of living in many Rocky Mountain communities, particularly since people are often willing to work for less money in order to live in these places.



How Can Communities Respond?

GROW GOOD JOBS LOCALLY

Seventy percent of the respondents to the business survey indicated that they first moved to a community, and then identified an entrepreneurial opportunity that led to the formation of their business. This finding is in keeping with national trends showing that most business formation occurs from within a community rather than as a result of an established business moving into the community. What this means is that, while many areas still focus their time and financial resources on recruiting businesses from the outside, their best opportunities for business formation and job growth come from within, either by supporting the growth of existing businesses or by helping entrepreneurs and emerging businesses get off the ground.



PHOTO: Studio Insite

The best opportunities for economic development come from supporting existing businesses and helping emerging businesses get off the ground.

Consider an Economic Gardening Approach to Help Grow Existing Businesses

The purpose of Economic Gardening programs is to support the growth and success of established businesses by offering a higher level of strategic support, often in areas of market analysis, use of internet marketing or sales strategies, or creating new operational efficiencies. An Economic Gardening program can be managed through a department of a local government or an economic development organization, but can also be a standalone organization or initiative. What matters is that the managing entity has the capacity to offer a high level of assistance to help established businesses reach the next level. There are also support organizations, like the National Center for Economic Gardening, that can provide assistance virtually via the internet.¹⁹

Assess Tools and Assistance Needed to Support Start-Ups and Entrepreneurship

There are a variety of approaches that can help start-ups get off the ground – such as training and coaching services, small business financing programs, and free, low-cost or shared office space. In areas where physical office space is a barrier, a variety of office formats that provide shared space and facilities are emerging. These office formats typically cater to small businesses and start-ups that do not need a full-time office, but do occasionally need access to office space and facilities.

Education and mentoring programs can also be valuable and there are many existing resources to use and build upon, including the US Small Business Administration online resources and Small Business Development Centers.²⁰ Local programs often rely on volunteer mentors who can provide guidance at low or no cost. Additionally, many programs facilitate access to capital through networking events with local lending institutions, “angel investor” programs, or directly through revolving loan funds and other financing mechanisms targeting small business. Some communities combine these types of services within a single program. A good example within the region is the Grand Junction Business Incubator Center.²¹

Evaluate Needs for Workforce Development

Workforce development programs can be a valuable complement to efforts aimed at the success of new and existing businesses. The goal is to build the skills and capacity of residents, which serves to expand and enhance the availability of talent that businesses can tap into. There are a variety of models available depending on need and the resources available.

BUILD GREAT PLACES

While many factors influence the economic success of a community, this research makes a strong case for attending first and foremost to the overall quality and character of the community, which was a higher priority for residents and businesses than a range of other relevant factors. Several other findings reinforce this same idea. For example, the vast majority residents indicated that if forced to choose, they would take less salary to live in an ideal community. Similarly, most business owners were concerned about being located in a place that could attract talented employees.

Indeed, looking at the combined results, the highest ranked factors influencing the decisions of businesses and residents to locate or remain in a given place (overall quality of community, safe community, recreation access, neighborhood character, proximity to open space and trails, short commute, good place to raise a family, a place you want to show friends/family, cost of home) relate to community and quality of life characteristics. This is an unmet opportunity; too few economic development efforts focus on these qualities - outside of marketing them if they exist - and many local economic development efforts ignore them at the expense of other considerations.

The implications are simple: creating a community that is attractive and offers a high quality of life should be a focus, if not the focus, of most local economic development efforts. This is a significant shift from conventional economic development approaches, but it presents more opportunities than challenges. Some of the key opportunities follow.

Use Placemaking in Local Planning and Investment Decisions

Placemaking has emerged as an important concept for the planning, design, management and programming of public spaces, and has become particularly important in the context of maximizing value, vibrancy and economic activity in various parts of a community. For local governments, Placemaking offers a framework for ensuring public sector investments not only serve a functional purpose, but also create a more attractive and vibrant community.

Make Strategic Public Sector Investments

Public sector spending, whether federal, state or local, has tremendous impact on communities and their economies. Local governments have a particularly important role to play. Local spending on facilities and infrastructure, as well as services and maintenance, does more than address basic community functions; it also influences market conditions and private sector investment, which has a profound impact on how a community changes over time.

Unfortunately, many local governments make capital planning and investment decisions without sufficient strategic planning. This results in projects that are poorly aligned with local needs and have little or no connection to a long-term community vision. In the worst cases, a lack of planning leads to projects that are detrimental or create long-term liabilities.

A more strategic approach relies on a clear vision of where a community wants to go, and an understanding of the assets and amenities it can build upon, as well as the needs and challenges that are holding it back. This understanding leads to strategic capital investments that leverage existing strengths, address key needs, and improve the quality and character of the community.

Identify Criteria for Strategic Investments

Establishing a scoring system to help evaluate projects using criteria based on local needs and goals is a simple way to ensure that capital planning and investment are strategic and advance long-term objectives. Even in cases where long-term goals are not well-established, the process of identifying and prioritizing scoring criteria can help raise awareness about the relative costs and benefits of different types of projects or investments.

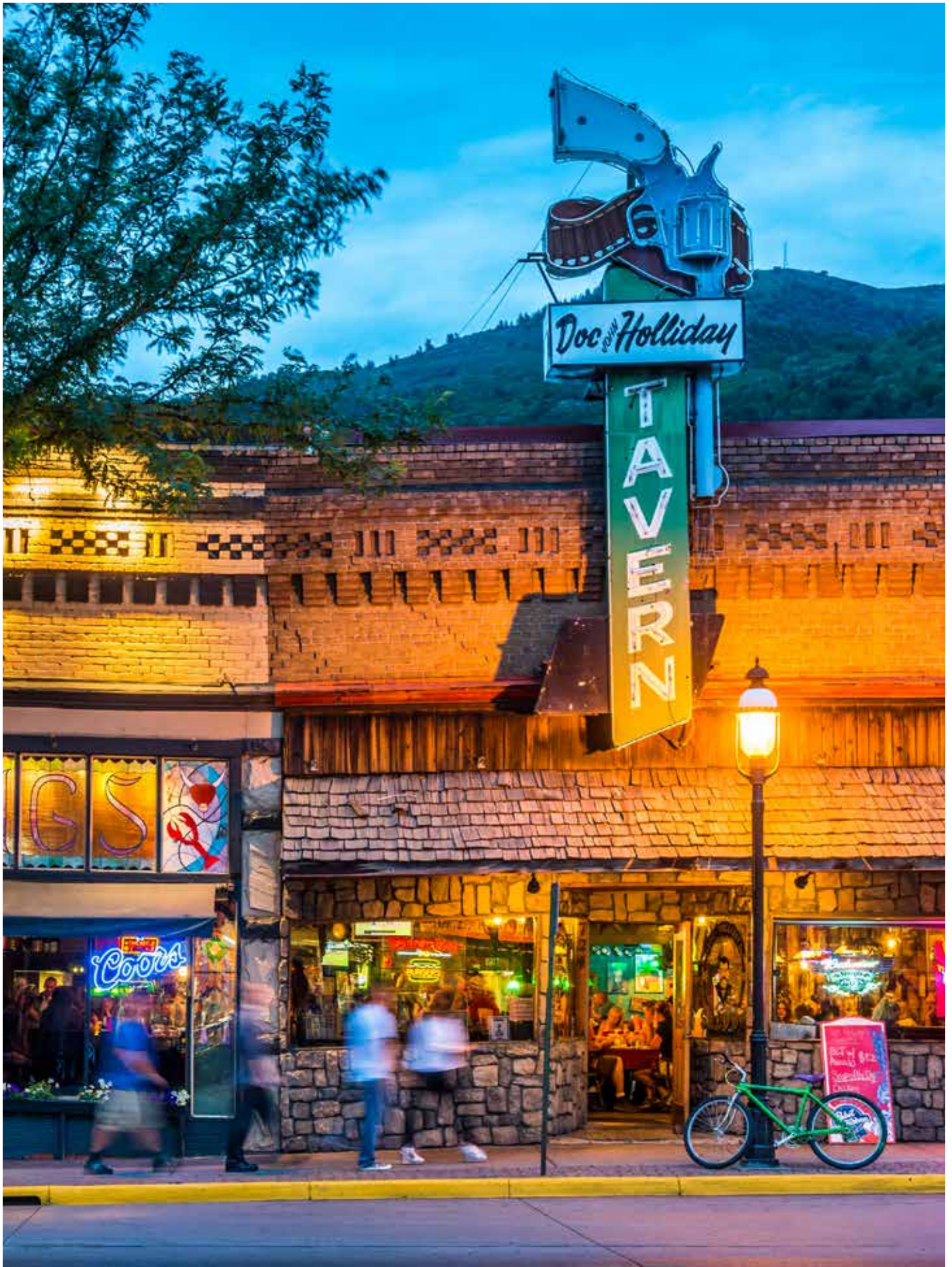
AFFORDABILITY FOR A RANGE OF INCOME LEVELS

The results indicate that creating an attractive community with a high quality life is a critical to creating a healthy business climate and strong economy. Unfortunately, many communities contend with a paradox: as they become more successful and attractive places to live and work, they also become more expensive, making it harder for people to stay. Indeed, the results of the survey showed that both residents and businesses were concerned with housing costs. Growing businesses, those with an open position at the time of the survey, were particularly concerned with this challenge.

These results make clear that cost of living plays a role in economic prosperity. For a community to be an attractive place to live and work, a place that can draw and keep talent, people need to be able to afford to live there. Expanding housing and transportation options is essential to creating a community that is not only attractive, but also affordable for a range of income levels. Enabling a variety of housing types—apartments, condominiums, townhomes, and single family homes—will meet the needs and budgets of a wider range of households. In areas with long commutes, transportation costs can exceed housing costs. Working to address regional jobs/housing imbalances and at the local level to create neighborhoods that are close to city centers or other commercial nodes will help residents cut down on transportation costs. These steps are in tune with current market trends: many people are willing to live in smaller homes or attached housing if it means that they will be able to walk or bike to work.



Many people are willing to live in smaller homes or attached housing if it means that they will be able to walk or bike to work.



Conclusions

The Rocky Mountain West is a great place to live, with great people, communities, and natural amenities. As one of the fastest-growing regions in the country, this area is already working well to attract new residents.

Our survey results reveal that people are most attracted to great communities with a high quality of life. The communities that work best to build upon existing assets and address community needs through strategic public sector investments, will be the best poised to attract new residents. In turn, communities that focus on growing good jobs by supporting existing businesses, providing tools to entrepreneurs, and developing a skilled workforce, will be the most successful at creating diverse and resilient local economies. Through these steps, communities will create the value of place that is key to attracting and retaining residents and businesses in today's economy.



End Notes

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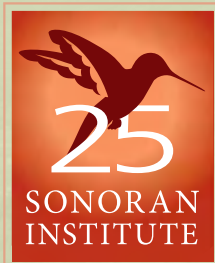
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