

Pagosa Springs/Archuleta County COVID-19 Economic Recovery Task Force

Recommendations Report

July 10, 2020

The purpose of this report is to provide a summary of the work of the COVID-19 Economic Recovery Task Force to date, and to provide recommendations to elected officials and the community on lessons learned and possible next steps.

Background

As a local response to COVID-19 impacts, local leaders formed an Economic Recovery Task Force (hereafter “Task Force”) to serve in the following capacities:

- Serve as a sounding board for businesses and stakeholders in various sectors of the local economy;
- Share information with business sector representatives on the quickly evolving statewide, regional and local response actions to stopping the spread of the virus;
- Provide information and updates on grants, loans and other financial assistance programs related to the pandemic;
- Ensure short, mid and long term responsive action as it relates to the economic impacts of COVID-19;
- Develop messaging around health protocols to share with the residents and visitors to slow the spread of the virus; and
- Generate ideas and best practices to be shared with the community.

The group met weekly through a virtual meeting platform for almost two months from March to June and then moved to less frequent meetings. The Town Manager took minutes and served as a conduit to send out meeting invitations, information, and presenters. Task Force members were selected to be as inclusive of the various sectors of the economy as possible. Representatives included business owners and managers, local elected officials, town staff, San Juan Basin Public Health, chamber of commerce staff, Pagosa Springs Medical Center, school district and representatives from partner agencies engaged in economic and community development. A full list of Task Force members is attached.

Lessons Learned

Throughout the time that it met, the Task Force discussed the many ways in which COVID-19 (and the resulting business closures and new regulations) impacted the local economy. Impacts range from short term to longer term in scope, and the full extent of which (as of this writing) is not yet known. Closures of businesses and changes in travel, customer shopping habits, are being seen, or even magnified in some cases.

Balance Between Protecting Health and the Economy

The group was well aware of the delicate balance between physical/health recovery and economic recovery. As non-critical businesses were permitted to reopen in stages by the Governor, concerns were expressed about continuing to reduce the spread of COVID-19. The Task Force developed a poster and social media messaging to politely share expectations of visitors, customers and residents as they patronize businesses. Members of the group also worked hard on a countywide variance request to reopen some sectors sooner than permitted.

The Local Divide

COVID-19 laid bare some of the socio-economic variables in the community that existed prior to the pandemic. Many people were laid off temporarily or had to continue working in potentially unsafe “critical businesses.” Other residents and visitors of means may not have been as affected with personal finances. The Town developed a program to provide direct assistance to individuals who were laid off due to COVID. A large population qualifies for free and reduced lunch, and it became quite apparent how in need of basic food and supplies families were during the shutdown. Food pantries, school meal delivery, diapers/formula and other supplies and programs were heavily used.

Too Many Programs and Lack of Understanding

As regulations changed rapidly and new financing programs were developed and shared, business owners quickly became overwhelmed with information. The Chamber of Commerce and Region 9 served as clearinghouses for information, but it was felt in the group that some businesses were savvier than others to reach out to get help. Some didn’t get assistance because they were too busy/too overwhelmed to apply and follow the regulations to receive it.

Insufficient Infrastructure

It became even more apparent than before COVID-19 that broadband infrastructure is insufficient. With distance learning, people working from home, virtual meetings becoming the norm, additional new demands were placed on the community’s already minimal broadband/telecom infrastructure. This is a key area of need in the community (see recommendations below).

Current Status

As of this writing, the Task Force feels that our community is still in a state of economic recovery and has not yet moved onto a stage of economic growth. As cases continue to rise with further testing, more visitors in the area, and locals traveling out of the area, there will be a need to continue with the messaging

of the group. Members expressed that businesses have only been open for a month or two, and are just now beginning to make up for lost revenues. Many events have been cancelled for the summer and fall. The school district is gathering input on how it will reopen in the fall. Some small businesses have not reopened and have gone out of business or relocated. Others have fared well during the last few months, and some have changed their business model. Tourism advertising has not been activated, yet there are a lot of visitors and activity in the community. There is a question as to whether a second wave of the virus may emerge in the fall/winter and how the federal, state and local governments and health district will respond. Should a resurgence occur, businesses may be forced to shut down once again.

The group felt that there is still much uncertainty and that there is more learning and work to do as the full impacts of the virus are felt in time. Some experts believe that revenues may not stabilize for a year to 18 months. There appears to be general confidence in the local economy. This is apparent in the number of real estate inquiries from buyers (including from outside of the area seeking to relocate), number of building permits, sales tax revenues (town and county) coming in higher than expected for March and April, business relocation and start up inquiries and high visitorship. Two task force members indicated that they are seeing record sales at their businesses in the last month.

Key Recommendations and Next Steps

Short Term

1. Continue to push proven health protocols to allow businesses to stay open (wearing face coverings, washing hands, social distancing, etc.).
2. Continue to provide information to local businesses on Paycheck Protection Program and other financial assistance.
3. Town and County have “opted in” to receive CARES reimbursement money for eligible COVID response expenses. Special districts can also do the same.
4. Continue to report out on changes as it impacts businesses (local and statewide health orders).
5. Seek data resources to analyze trends (see mid-longer term below).

Mid and Longer Term:

1. **Continue to explore ways to further broadband expansion and development.** Economic growth and recovery is integral to having a resilient local economy. In order to support the businesses that are here now, encouraging teleworking and distance learning, and encourage businesses to relocate to the area, more robust, reliable and competitively priced broadband is required. This is not a new goal of the community, and has seen recent investment from Town and County, but more needs to be done in this area.
2. **Use data to analyze trends for decision making purposes.** There are a lot of questions that arose from the group that would be helpful to answer. For example, what is the true impact of second home owners on the local economy? How much do online sales account for sales tax revenues? Will rural areas become the next “hot spots” for people wanting to relocate from cities? What sectors were most impacted in 2020? What is the long term job loss and personal income loss from the pandemic and how long will it last? What impact did slow tourism in March-May have on local spending and revenues? How did consumer behavior change locally? How impacted are rural areas

like Pagosa Springs by global, national and regional supply chains? There were more questions than we have answers for at this time. The group determined that more information and analysis would be helpful in answering these questions about our local economy. This will lead to more strategic decision making in the future.

3. **Hire Economic Recovery Coordinator and Task them with Leading Implementation of Priorities.** A grant opportunity is available to allow the CDC to hire a Coordinator through Region 9. As capacity to move new projects forward is not available through the CDC, this additional staffing will help with implementation of this Task Force's recommendations (plus others from CDC and partners).
4. **Continue focus on economic diversification.** Tourism has been a driving economic force in the community for many years. Growing our own primary businesses and helping them to expand locally is a proven economic growth strategy. This is a key area of focus, along with recruiting other diverse employers to the area.

Attachments:

List of Task Force Members

Pagosa Springs/Archuleta County COVID-19 Economic Recovery Task Force Members:

Richard Cayard-High Country Lodge, Owner
Mary Jo Coulehan-Chamber of Commerce, Pagosa Springs Community Development Corporation
Jason Cox-Riff Raff Brewing, Owner/Broadband Services Manager
Matt DeGuise-Town Councilmember
Leanne Goebel-Lantern Dancer, Manager
Jennie Green-Tourism Director
Lauri Heraty-Tourism Board Member and Realtor, The Source for Pagosa Real Estate
Tom Inman-Manager, The Springs Resort and Spa
Kym Leblanc-Esparza, incoming Superintendent, Archuleta School District
Laura Lewis Marchino-Director, Region 9
Van Lewis-San Juan Basin Public Health
Andrea Phillips-Town Manager
Linda Reed-Superintendent, Archuleta School District
Tobi Rohwer, Pagosa Outside and Rafting Association
Alvin Schaaf-County Commissioner
Chris Smith-Visiting Angels, Owner, CDC board member
Anne-Marie Sukcik-First Inn, Owner
Rich Valdez-Sheriff, Archuleta County
Don Volger-Mayor
Sherry Waner, First Southwest Bank, CDC President
Dr. Rhonda Webb-Pagosa Springs Medical Center CEO