



2007

San Juan 2000 Development Association

**Helping Silverton
residents achieve
prosperity at work, in
thier community,
& at home.**

Mission and History



San Juan 2000 Development Association

San Juan 2000 Development Association was originally founded as a volunteer committee in 1990 under the sponsorship of San Juan County. The charter of the San Juan County 2000 Economic Development Committee was to consider new economies that might replace mining in this rural, mountainous county. Seventeen years later, the organization is an established 501(c)3 non-profit corporation with a paid Executive Director, a part-time Administrative Assistant/Bookkeeper, and a Board of ten dedicated volunteers.

The mission of the organization, which remains virtually unchanged after 17 years, is to increase employment, income and self-sufficiency in San Juan County, and thereby improve the welfare of the people. To this end, we promote commercial, cultural, housing, industrial and recreational development within and in the vicinity of the Town of Silverton and San Juan County, Colorado; we promote and assist the growth and development of small business concerns in the area; we maintain the strength of the existing economic structure of the County including affordable and workforce housing; and we work with governmental and municipal agencies as well as with private entities in order to achieve these purposes.

Our activities fall into the following main categories:

MICRO BUSINESS DEVELOPMENT

- Recruiting new businesses|*
- Providing micro-lending to local businesses*
- Retaining businesses*
- Providing business assistance including networking, business counseling, referral*
- Conducting business training classes (Leading Edge Entrepreneurial Training Program, QuickBooks training)*
- Developing business incubation and light industrial facilities*
(eg: Powerhouse Business Park- 2007 and Masonic Lodge – 2008 on-going)
- Supporting new employees in professional positions*
(housing, childcare, school networking, welcome wagon)
- Acting as local liaison for regional development organizations*

AFFORDABLE HOUSING DEVELOPMENT

- Developing our Town and County Affordable Housing Plan*
- Providing planning and site development for existing and planned affordable housing*
- Acting as local liaison to regional housing organizations*
- Managing affordable housing waiting list and enrolling eligible families*
- Coordinating periodic housing needs assessment*
- Educating the public about housing support programs and assistance*
- Networking regional housing resources for local benefit*



COMMUNITY DEVELOPMENT

Coordinating community-based projects

(such as recreation assessment, park and amenity development, and special community enhancement projects as requested by Town, County and School.

Sponsorship of conferences and roundtables which result in greater local capacity, knowledge base, and collaboration.



Our Partners in 2007

San Juan 2000 Development Association's success is based on our partnerships with organizations, businesses and residents in our community and in the region. Here is a list of who we worked directly with in 2007:

Regional Organizations:

- Colorado Office of Economic Development and International Trade
- Region 9 Economic Development District
- Housing Solutions for the Southwest
- La Plata Regional Housing Authority
- Affordable Housing Solutions
- Fort Lewis College Small Business Development Center

Local Businesses:

- Venture Snowboards
- Mountain Boy Sledworks
- Barz Decorative Hardware
- Mountain Studies Institute
- Center for Snow and Avalanche Studies
- Colorado Goldfields, Inc.
- Plateau Fine Carpentry
- Scotty Bob's Skis Custom Shop
- Rob Roof Paint Contracting
- Peak Construction and Sign Company
- Hobo Wine and Spirits

Government and Municipal Entities:

- Town of Silverton
- San Juan County
- Silverton School District
- USDA Rural Development
- Colorado Division of Housing
- Silverton Chamber of Commerce

2007

Provided 18 local companies with training.

Provided 6 local companies with micro-loans

Provided master planning assistance for Walsh Smelter affordable housing site

Provided 30 hours of entrepreneur training classes.

Provided coordination of Enhanced Rural Enterprise Zone benefits

Sponsored a regional Housing Summit



The Need For Our Work

Year-round employment and housing stability, as you will see from the accompanying letters of support, are the most fundamental needs expressed in our community. When these two areas are sufficiently addressed and mitigated, almost every other social need including poverty, education, childcare, and human welfare is improved.

Our rural community of Silverton is the most economically-challenged community in the State of Colorado. Our challenges stem from the departure of the mining industry in the latter part of the 1980's and 90's, and from the difficulty Silverton has faced in replacing that employment base in the years since. We are neither close nor accessible enough to neighboring municipalities such as Durango and Montrose to allow Silverton to be a 'bedroom community' for commuting workers. Seasonal tourism, combined with the economic 'engine' of the Durango and Silverton Narrow Gauge Train, has provided some degree of stability for our workforce. However, these jobs are primarily seasonal, low wage and service-oriented, which rarely create lasting prosperity and self-sufficiency among local residents. According to a recent study of 96 households in Silverton, more than 30% of residents surveyed reported having a household income of below \$15,000/year. Average gross-adjusted income for Silverton residents is half the State average or worse according to 2004 individual income tax return data. In 2006, 70% of school children qualified for free or reduced lunch, as compared to 22% state wide, making San Juan County's rate the worst in the State.

These income data are distressing, but if housing were affordable, families might be able to achieve a reasonable ratio of the portion of income spent on housing. However, housing and heating costs have skyrocketed in the past five years, heaping another significant challenge onto our collective plate.

The average cost of a home in Silverton based on 2007 realtor sales data was \$281,000. Lenders prefer to see a 30% debt to income ratio on home purchases. At \$281,000, a 30-year fixed-rate mortgage at 6.375% would carry a monthly payment of \$1753/month. For this payment to be 30% of earnings, the average Silverton household would need to earn \$5,600/month or \$35/hour. That figure is \$38,500 higher than the average household income.

Our aged housing stock adds another dimension. Houses selling at, above and below the average home price are likely to require thousands of dollars of renovations and improvements to heating systems, insulation, roofing, windows, etc. There is rarely income left to undertake the projects that would result in savings in heating costs later.

These housing and economic issues alone are implicated in the very high rate of turn-over in all jobs, and most noticeably the better-paid professional positions in Silverton. High turn-over has left our community in a spiral of "leadership fatigue", wherein so much diverse responsibility is mounted upon so few shoulders that eventually the strain leads highly-qualified residents to depart for jobs and communities offering higher wages, more attainable homeownership, more staff support, and greater upward mobility. At present, The Town Administrator, Town Planner, Town Clerk/Treasurer, County Sheriff's Deputy, four school teachers and CDOT's local plow driver are all living in rental housing without prospects to buy a home. These circumstances result in a sense of instability that disheartens even the most optimistic among us.

However, the news is not all bad. We ARE making a difference and we will continue to measure these outcomes in the future for all funders. In 2007, we worked directly with eight newly-established growth companies. As these employers' businesses grow, they offer more solid jobs to local residents on a year round basis at wages higher than the State average. These employers, as of this writing, are employing local earners in 22 newly created jobs.

In the last three years, the percentage of school children in Silverton qualifying for free and reduced lunch has dropped by nearly 13%, from 75% to 62%. 13% of our K-12 school children and 30% of our preschool children are living in affordable homes SJ2000 was instrumental in constructing. 20% of K-12 school children live in families where one or more parent is working for a San Juan 2000 Micro-Loan recipient.

We have succeeded with these families, but we have much more work to do.



2008

Goals and Evaluation

2008 will be an important year for our organization. Our Board and staff have worked together to develop a number of important goals for the coming year.

We have implemented a formal process of outcome evaluation which we will continue in 2008. We measure the following outcomes to evaluate impact and success:

- jobs created and jobs retained
- jobs created or retained that are paid at or above state average wages
- capital formation including equity, loans, grants
- new businesses created/started
- contact hours of counseling, training, education and consulting provided
- number of residents and children living in affordable homes created by SJ2000 efforts directly
- number of new affordable units slated for sale or rent in next 24 month period.
- total (and improvement) in local manufacturing sales



As an organization, we are committed to bringing sustainable prosperity to Silverton in the form of year-round jobs, affordable housing options, and the development of valued community assets.

Our main goals in 2008 will be to increase the number of year round jobs in Silverton and San Juan County, to improve the wages of current jobs in Silverton, to educate our community about economic and housing options and programs, and to improve the livability and affordability of our community for all residents.