Cooperative Extension Venture Capital Fund Proposal Form

I. Title of Proposed Project:
   Creating and Enhancing Business Opportunities in Rural Colorado through Agritourism and Heritage Tourism Training and Promotion

II. PI Name(s) and Contact Information (PI, or at least one Co-PI, must be an Extension employee)
   Dawn Thilmany, Associate Professor & Extension Economist
   Department of Ag & Natural Resources (DARE)
   491-7220 (ph); thilmany@lamar.colostate.edu

III. Will this be a state-wide project, or have multi-county emphasis? If multi-county, list all counties that will be participants. This project will have statewide application but will focus initially on the northwest, West Slope, Four Corners and south central counties (total of 26 counties).

IV. Indicate which Core Competency Area(s) this work falls under, or if it addresses the Front Door mission of the University.
   - [ ] Strong Families, Healthy Homes
   - [x] Natural Resources and the Environment
   - [ ] Nutrition, Health and Food Safety
   - [x] Competitive & Sustainable Agricultural Systems
   - [ ] 4-H and Youth Development
   - [x] Front Door Mission
   - [x] Community Resource Development

V. Cooperative Extension Work Team Affiliation
   ~Sustainable Community Development Work Team~

VI. Situation Statement
   Tourism based on agricultural resources (agritourism) and local history and lifestyles (heritage tourism) is a growing sector in Colorado, with good potential for income generation in rural counties. From the early 1980s to the late 1990s, the basic travel and tourism industries’ share of gross state product grew about 20% in Colorado, and the state’s overall visitor numbers increased by 5% to 25.8 million overnight visitors in 2004 (Colorado Tourism Office, 2004 Longwoods report). The 2002 US Census of Agriculture reported that 867 farm and ranch businesses in 59 Colorado counties derived some income from recreational sources, contributing 13% to total farm income for producers, and a state total of well over $10 million. Moreover, income from recreation-oriented enterprises in 11 Colorado counties provided more than half of all farm-related income. A 2004 Colorado Division of Wildlife study showed that, in some rural Colorado counties, hunting and fishing alone have a great economic impact. For example, in Jackson County, more than 17% of all local jobs are directly or indirectly supported by hunting and fishing activities. In addition, there are opportunities for expanding agritourism-related enterprises in many counties across the state, based on the presence of significant natural amenities or cultural/historical sites and events.

   For many rural areas, however, attracting and retaining tourists is a major obstacle, given limited resources and knowledge about planning and developing a service-oriented enterprise within a business, and the lack of cooperative promotion, planning and visitor hosting skills in rural communities. Integrating knowledge about consumer perceptions and needs with respect to
community tourism infrastructure (transportation, hotels, dining, shopping) with improved business planning, management and marketing skills, will help producers and other rural business owners reach non-residents to bring them into Colorado’s rural areas, and grow a strong consumer base among state residents. Increasing the number, duration of visits, and economic impact of tourists to Colorado’s heritage sites and agriculture-based businesses will provide more local tax revenues (every dollar spent on advertising by the Tourism Board in 2004 yielded $9.12 in local taxes), and help to sustain local enterprises (lodging, dining and arts, among others).

VII. Project Description
This project will: 1) provide a curriculum in business management, planning, marketing and human resource skills development for agritourism and heritage tourism operators, and supporting organizations such as rural chambers of commerce; 2) offer two training workshops to Cooperative Extension staff, rural business operators and rural support organizations; 3) complement the Colorado Department of Agriculture’s new Ag Ambassador program; and 4) produce agritourism directories that will offer a resource for county Extension agents, community development staff and citizens interested in growing the state’s agritourism and heritage tourism industries.

The curriculum, available online and through two workshops, will help participants: 1) understand the costs and benefits realized by communities promoting and providing agritourism and heritage tourism experiences; 2) understand evolving market and promotional opportunities for their products and services and the importance of building regional partnerships among businesses to build market share; 3) develop and operationalize a strategic plan for their own businesses; and 4) use sample marketing plans as a basis for developing their own customized plans (topics will include game hunting, wildlife watching, fishing, sample agritainment enterprises, and wine or food-product based enterprises that link to educational and tourism oriented enterprises). Participants will be charged an at-cost fee to attend these one-day workshops, or to purchase the hard-copy version of the curriculum, and will receive a certificate acknowledging their participation.

The two, one-day workshops will feature the curriculum as well as several speakers from around the state with experience to share about developing and operating tourism-based businesses in rural communities (one possible venue is the March 2007 Southwest Marketing Network conference). These workshops will be linked to the Colorado Department of Agriculture’s (CDA) Ag Ambassador program, through which participants will learn about Colorado agriculture and its value to local communities and the state. This program will be modeled, in part, after Cooperative Extension’s Master Gardener program (although less lengthy), and we will collect fees to cover direct expenses of delivering the curriculum and certificate program, and guide successful participants to volunteer for tourism promotion activities through their county Extension office or Chamber of Commerce.

A printed directory of agritourism and heritage tourism sites and tours throughout Colorado, developed in conjunction with Extension field staff, will link regional tourism assets (i.e., designated scenic byways, including the new American viticultural areas; downtown and mainstreet initiatives; and relatively under-promoted and unique roadside attractions) and provide ideas for visitors to extend their stays in rural Colorado. This directory will use paid advertising to recover the costs of its production and will be available in all Extension offices.
chambers of commerce and economic development offices across the state. This model follows the Colorado Farm Fresh Directory already developed and widely distributed by CDA.

VIII. Anticipated Impacts/Outcomes of this Work

Short term:
1) Owners of agritourism and heritage tourism businesses (an average of 8 participants in 26 counties, for an estimated 208 workshop participants) will learn how to build a service-based business, attract and retain customers, and work cooperatively with other business owners to increase tourism spending and expand the economic impacts of tourism. Participants will be more aware of tourism-related business opportunities and resources in their areas and better able to use CSU’s network of resource providers in the counties and on campus.
2) A group of new Ag Ambassadors (approx. 15 in the first class) will gain enhanced knowledge of Colorado agriculture which will, in turn, create a cadre of informed volunteers to promote rural tourism and the value of Colorado agriculture, emphasizing Cooperative Extension’s role as a front door between CSU, CDA and each county.

Mid-term:
1) Agritourism and heritage tourism business owners will gain decision-making and prioritization tools such as financial, business and marketing planning skills that will aid them in starting or expanding their businesses. Their community partners will provide better support in enhancing visitor experiences, and expanding the potential for longer visits among those who choose Colorado as a destination.
2) Investment in the curriculum and agritourism directory development will give our team greater leverage in applying for a Western SARE Professional Development Program grant in November 2006 and a Western Center for Risk Management Education grant in April 2007. It will also help us disseminate market information gathered under a FSMIP grant we expect to be awarded in August 2006. These grants will permit us to expand our training focus to other parts of the state and Southwest region, bring in more speakers, offer scholarships to some Extension staff and ag producers, and add hands-on field trips for workshop participants.

Long-term:
1) Counties will begin to see greater economic activity (visitor spending on lodging and dining, increase in the average number of visitor days spent in any one locale) due to increased investment in agritourism and heritage tourism businesses and improved customer service delivery, based on knowledge gained by the participants using the curriculum and workshops. Agriculture and heritage partners would look to CSU for technical assistance and grant support in expanding their operations.
2) Some agricultural entities (crop and specialty crop, livestock, and orchard businesses) will become more profitable and efficient due to the adoption of new agritourism enterprises and/or the integration of workshop curriculum into existing enterprises.

IX. Partnerships
- Colorado Department of Agriculture (Wendy White, Markets Division): expand outreach and information about agritourism and heritage tourism; enhance Ag Ambassador program.
- Doug Caskey (Colorado Wine Board): use Colorado’s burgeoning wine industry as a catalyst for other complementary rural businesses such as boutique food-oriented businesses making and serving artisan foods (i.e., cheeses, gourmet chocolates and small-batch sauces, preserves and mustards).
• CSU Dept of Ag and Resource Economics (Dawn Thilmany and Joshua Wilson): add to the growing portfolio of business development and marketing services provided by DARE.
• CSU Cooperative Extension (Jim Conley, Rod Sharp, Gary Hall, Martha Sullins, among others): add to the array of on-the-shelf educational programs that can be offered by Extension staff in the counties (and complement existing ones such as the High Country Hospitality training), increase citizen access (adhering to Extension’s Front Door mission) and involvement in community and economic development, and increase connections between county, area and campus resources.
• Farm Foundation (Dawn Thilmany): Dr. Thilmany’s new appointment as Fellow overseeing the Foundation’s Rural Community Viability initiative will enable her to integrate CSU’s efforts within a broader regional or national 2007 conference on rural and heritage tourism as one of the alternative programs under this initiative to leverage rural America’s natural resource base.

X. Action Plan, including a Time Line for the Project

Year 1:
• Build project team; assign specific tasks and resources for curriculum and workshop development
• Design curriculum and develop prototype balance sheets & marketing plans for several model businesses
• Plan and offer the first of two agriculture and heritage tourism workshops (and conduct post-workshop evaluation)
• Contact businesses interested in purchasing advertising space in the agritourism directory
• Post the curriculum on-line at CSU Cooperative Extension Agriculture and Business Management web site, and CDA’s agritourism resource link in the Markets Division

Year 2:
• Offer the second workshop (and conduct post-workshop evaluation)
• Submit for publication to the Journal of Extension several outreach-oriented articles on the effectiveness of the curriculum on influencing stakeholder learning; contribute to a series of white papers on the effectiveness of agritourism on rural economic development
• Research and design agritourism and heritage tourism directory
• Publish agritourism and heritage tourism directory and distribute around the state
• Conduct follow-up phone surveys with agritourism and heritage tourism business owners
• Integrate the workshop curriculum into CDA’s Ag Ambassador program
• Participate in conducting one Ag Ambassador class
• Conduct survey of participants from Ag Ambassador class
• Conduct follow-up surveys and set up analysis of tax revenue data to begin to ascertain changes in economic activity over the two-year project

XI. Evaluation Plan to Document Outcomes/Impacts

Short term:
1) Conduct a post-workshop, same-day, survey of the workshop participants (owners of agritourism-oriented businesses and those involved in heritage tourism) to determine what they learned and how they intend to use this knowledge.
2) Conduct a written survey among the group of new Ag Ambassadors who have benefited from the agritourism and heritage tourism curriculum to determine how much knowledge they have gained about Colorado agriculture and where any information deficits might lie.

Mid-term:
1) Conduct follow-up written surveys of agritourism and heritage tourism business owners to ascertain if and how well they are using decision-making and prioritization tools learned during the workshops.
2) At least one of two grant proposals, either the Western SARE Professional Development Program grant or the Western Center for Risk Management Education grant, will be accepted for funding in 2007, permitting us to extend our workshops into other parts of the state and create new avenues for revenue generation and outreach (workshops, publications).

Long-term:
1) Conduct follow-up phone surveys of businesses providing services during the high tourism season to get qualitative information on any changes in economic activity.
2) Assess sales tax revenue on those sectors to derive quantitative information on economic impact in selected areas.

XII. Sustainability Statement
Start-up funding will allow us to initiate three fee-for-service elements that will directly cover future operating costs associated with this project (i.e., yearly agritourism summit and annual agritourism and heritage tourism directory for Colorado):
1) a stand-alone curriculum in hard-copy that can be purchased through Cooperative Extension (an initial 30 copies sold at $20/each=$600);
2) two workshops with registration fees for attendance (180 non-scholarship participants at $25/each=$4500); and
3) an agritourism/heritage tourism directory using paid advertising (4 full-page, two-color ads sold at $500 each and 60 site listings sold at $20 each=$3200).

In addition, this project will provide tangible outputs whose distribution will increase CSU’s national visibility and capacity in this area, allowing us to pursue and secure at least one of the following three funding opportunities:
1) Work with the Colorado Tourism Office to secure a recurring subcontract for technical assistance and training for potential and existing agritourism operators, as well as relevant governmental and industry partners (chambers of commerce, economic development entities, NRCS, USFS). This arrangement could generate $15,000 to $30,000 per year.
2) Enter into a cooperative agreement with USDA’s Cooperative State Research, Education, and Extension Service to develop and implement stronger programming in the agritourism area throughout the land grant/Cooperative Extension system. This arrangement could generate approximately $25,000 per year for two years.
3) Garner at least one of several professional development technical assistance and rural development grants to grow, present and institutionalize the baseline curriculum developed through this project. These grants could generate from $30,000 to $40,000 each (i.e., Western Center for Risk Management Education, Farm Foundation, USDA Rural Development, Western SARE).
### Funding Request and Budget Narrative

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<th>Item/Input</th>
<th>Cost Year 1</th>
<th>Cost Year 2</th>
<th>Total Cost</th>
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**Personnel:**
- Joshua Wilson will provide 6 months of work on this project from hard-funded DARE money. 1.25 months salary per year is requested to support his work on the curriculum development.
- Corresponding to her duties with the County Information Service, Martha Sullins will provide 1 month of her time to assist with curriculum development. One-half month is requested per year to help plan and conduct two workshops, and conduct project evaluations.
- Through a one-year Farm Foundation fellowship to address rural community viability, Dawn Thilmany will provide 2 months salary for this project as PI.
- County Extension staff, through in-kind contribution of their time, will be integral to developing case studies for the curriculum, identifying workshop participants, and identifying site listings for the agritourism and heritage tourism directory.
- Wendy White, CDA, will guide development of the directory.

**Workshops:**
- Supplies and copying to produce 250 workbooks
- Lunch and break offered to participants and speakers at each workshop

**Travel:**
- Mileage at $0.33/mile for 450 miles traveled for workshop presenters
- Lodging at $75/night and per diem of $35/day for workshop presenters

**Evaluation materials:**
- Phone, copying and mailing costs for post-workshop evaluations, follow-up phone surveys, and written survey mailings to Ag Ambassadors and workshop participants

**Agritourism directory:**
- Based on CDA’s Colorado Farm Fresh Directory printing costs, 200 two-color directories per county @$0.20 each.