

The Transformation of Cañon City

CAÑON CITY FORWARD — TOGETHER!

A Strategic Workbook for Economic Renewal, Job Creation,
and a Common Vision for Our Community's Future

—
Economic Development Committee

Inaugural Working Session · February 18, 2026

CAÑON CITY FORWARD — TOGETHER!

A Letter from the Mayor



On accountability, shared ownership, and the work ahead

To the Members of the Economic Development Committee, and to Every Citizen of Cañon City:

I am putting my name on this document because **anonymous initiatives die**. They die in committees. They die in filing cabinets. They die because no one is on record saying: *someone is responsible for whether this happens*.

Cañon City thrives when its civic organizations thrive. When its businesses thrive. When its families thrive. When individual citizens — going about their lives, raising their kids, running their shops, serving their neighbors — have the conditions to flourish. When its churches thrive. That is what this effort is actually for. Not growth as an end in itself. A community where people can build a good life — in their own way, in their own domain, without anyone telling them how.

Consider the context. Gallup's 2024 data tells us that globally, **77% of workers are disengaged** from their jobs — costing the world \$8.9 trillion in lost productivity annually. In the United States, only 31% of workers are engaged. Disengagement is worst among workers under 35. The word being used is the **Great Detachment** — people putting in time but not energy, not care, not passion.

Cañon City can choose a different path. Call it the **Great Engagement**. Not a program. Not a slogan. A decision — made by individuals, in their respective domains — to show up fully and invest in the place they call home. To

those who have watched promises come and go and feel like nothing ever really changes: I ask that we set aside our skepticism and even cynicism. Let's give it one more try — with real decisions, including hard ones, made transparently, and judged by results.

I am taking responsibility to use this office to the best of my ability to help Cañon City thrive. I ask each of us to do the same — in whatever corner of this community we occupy. **Cañon City Forward — Together.**

Respectfully and with great optimism,

Phil Lund

Mayor, City of Cañon City, Colorado · February 18, 2026

Committee Members

NAME	ROLE	COMMITMENT / FOCUS AREA
MAYOR		
Phil Lund	Mayor, City of Cañon City	
COUNCIL MEMBERS		
Gerald Meloni	City Council	
Kathy Worthington	City Council	
Jeremy Reeves	City Council	
CITIZEN MEMBERS		
David Harline	Citizen Member	
Paul Kulawik	Citizen Member	
Victoria Dugger	Citizen Member	
John Cook	Citizen Member	
Jennifer Lazarz	Citizen Member	
Patrick Banker	Citizen Member	
James Santilli	Citizen Member	



We Are Not Starting From Zero

Honoring those who carried this community before us — and taking the torch forward

"Every generation inherits a world it never made — and every generation has the obligation to make it a little better before passing it on."

— ROBERT F. KENNEDY

Let us be clear about something at the outset: the people in this room did not build Cañon City from nothing. We inherited something. And what we inherited — imperfect as it is — was built by generations of people who loved this place, worked this place, and sacrificed for this place before any of us arrived.

The civic leaders who established our institutions. The business owners who opened their doors on Main Street when the economy was difficult. The families who planted roots and stayed when leaving would have been easier. The county commissioners and city councils who made hard budget decisions. The volunteers, the coaches, the teachers, the neighbors. The Royal Gorge Chamber Alliance and the FEDC partners who have kept economic development conversations alive through lean years. The organizations that have served our most vulnerable residents without fanfare or adequate resources.

We stand on their work. We do not diminish it by acknowledging that there is more to do — we honor it by committing to carry it further.

The torch is in our hands now. Every era of a community's life has its moment — a point where the conditions align, the people are in place, and the choice becomes clear: rise to it, or let it pass. This is our moment. We take what was built before us, we build on it honestly, and we pass something stronger to those who come after.

We do not start from zero. We start from here — with gratitude for what was given to us, and with a clear-eyed commitment to what we now owe.

WHO OR WHAT DESERVES RECOGNITION FROM OUR COMMUNITY'S PAST EFFORTS THAT INFORMS OUR WORK TODAY?



What Can We Accomplish in Two Years?

Practical. Serious. Built by this committee — not dependent on anyone else

Two years is not forever. It is not enough time to solve everything — and anyone who tells you otherwise is not being straight with you. But two years, with focused effort, clear priorities, and real accountability, is enough time to change the trajectory of a community. That is what we are after — not perfection, but a demonstrably different direction. **This section belongs to this committee. Fill it in. Own it.**

"You don't have to see the whole staircase. Just take the first step."

— MARTIN LUTHER KING JR.

Our Commitments — What We Will Accomplish

The following are starting points for discussion. Cross out what doesn't belong. Add what does. This is your plan — not a plan handed to you.

●Organizational Foundation

In two years we will have a functioning, trusted committee with a clear mandate and a track record of follow-through. That credibility — earned by doing what we say — is the foundation everything else rests on.

WHAT DOES ORGANIZATIONAL SUCCESS LOOK LIKE TO THIS COMMITTEE?

●Removing Friction — Making It Easier to Do Business Here

We will fix the things within our own authority that make Cañon City harder to do business in than it needs to be. These are our commitments to make — no one else's.

WHAT SPECIFIC FRICTION POINTS SHOULD WE COMMIT TO FIXING IN YEAR 1?

●Visible Results — What Citizens Will Be Able to Point To

In two years, citizens should be able to see things that didn't exist before — not plans, but results. What are we willing to commit to delivering?

LIST THE SPECIFIC, VISIBLE OUTCOMES WE COMMIT TO ACHIEVING:

●Seeds for the Next Five Years

Success for the Next Five Years

Some of what we start will take longer to fully bear fruit. Planting trees you won't sit under is not a waste — it is leadership. What are we willing to start, even knowing it takes time?

WHAT LONG-TERM INVESTMENTS SHOULD WE BEGIN NOW?

What If We Don't Do This?

The Cost of Inaction Is Not Zero

If this committee meets, talks, and produces nothing actionable, something real happens. It is not that things stay the same. Things rarely stay the same — they drift. The businesses on the fence make their decision. The young professional considering a move here chooses somewhere else. The partner who was ready to collaborate moves on. Drift is not neutral. It has a direction.

The Window Is Not Open Forever

The opportunities available to Cañon City right now — because of our cost structure, our geography, our natural assets, and this moment in time — will not wait. Other communities are already making their moves. The question is not whether change is coming. The question is whether we shape it or absorb it.

THE TWO-YEAR COMMITMENT

We are not promising transformation in 24 months. We are promising *direction*. In two years, anyone who looks at Cañon City should be able to see — clearly, unmistakably — that something changed. That people decided to get serious. That this community is moving, not drifting.

That is what Cañon City Forward — Together! actually means.

OUR SINGLE GREATEST RISK TO SUCCESS — AND HOW WE ADDRESS IT:



Purpose of This Workbook

A living document for honest thinking and collective action

This workbook is part briefing, part planning tool, part conversation starter. It surfaces the hard questions, aligns the committee around shared facts, and creates space for your collective thinking. **Where you see writing lines, use them. Where you see checkboxes, engage with them.** The goal is not a polished presentation — it is an honest reckoning with where Cañon City is, and the bold commitment to where we choose to go — together.

"The strength of a community is not measured by the actions of its government, but by the will of its people to build something greater than themselves."

— **ON COMMUNITY TRANSFORMATION**

•What This Is

- A frank assessment of our current economy
- A framework for strategic action
- A tool for committee alignment
- A living record of our collective thinking

•What This Is Not

- A final plan or finished strategy
- A partisan or political document
- A commitment to any single approach
- A substitute for community input

1

Where We Stand — Cañon City's Current Economy

Understanding the baseline before we chart a course forward

Economic Snapshot

17,241

POPULATION

48th largest city in Colorado

\$66,068

MEDIAN HOUSEHOLD INCOME

vs. \$70,131 state average

4.6%

UNEMPLOYMENT

Above state average

\$218K

MEDIAN HOME VALUE

33% below state average — an asset

72.8%

LIVE & WORK LOCALLY

Strong local employment base

8M+

ANNUAL REGIONAL VISITORS

Significant untapped potential

The Three Economic Pillars

●Pillar 1: Corrections & Government — Stable But Singular

The Colorado Department of Corrections employs 1,600+ residents. Correctional facilities have anchored our economy since 1871. This stability is real — but it is also a single point of failure. Policy shifts or facility closures at the state level can send shockwaves through our community with little warning.

●Pillar 2: Tourism — Powerful But Seasonal

The Arkansas River rafting industry alone generates an estimated \$50–60 million annually, supporting 450–600 FTE jobs. The Royal Gorge Bridge & Park, Route Railroad, Red Canyon Park, and Holy Cross Abbey Winery draw national and international visitors. But tourism is weather-dependent, seasonal, and vulnerable to economic cycles.

●Pillar 3: Healthcare — Growing By Demographic Demand

With 25% of residents age 65+, healthcare demand will only increase. This is both an economic asset and a workforce planning challenge. Healthcare expansion is one of the most realistic near-term job creation opportunities we have.

SWOT Summary

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Royal Gorge & Arkansas River — world-class assets	High crime rate — 44/1,000 residents	Remote work migration from Front Range	State facility closures
300+ sunny days per year	Below-average household income	US Hwy 50 corridor partnerships	Aging population / workforce gap
Low cost of living vs. Front Range	Limited economic diversification	Innovation district development	Tourism seasonality

35 mi from Pueblo, 37 mi from Colo. Springs	Youth retention challenge	Federal & state grant programs	Competition from other rural markets
Available land, competitive wage levels	Downtown needs critical mass	AI & technology pilot opportunities	Infrastructure investment gap

COMMITTEE ADDITIONS TO THE SWOT ANALYSIS

2 Known Challenges — The Honest Accounting

We cannot solve what we refuse to name

"Cities that thrive are not those that ignore their problems — they are those that face them with clarity, courage, and a plan."

— ON URBAN RENEWAL

1. Crime & Public Safety

Cañon City's crime rate of 44 per 1,000 residents places us among the highest in the nation. 92% of Colorado communities have lower crime rates. Property crime in particular — 1 in 25 chance of victimization — is a direct deterrent to business investment, tourism spending, and residential relocation decisions. This is not a police problem alone; it is an economic development problem.

2. Youth Retention & Brain Drain

With only 20% of residents under 18 — below the national average — and limited local post-secondary and career pathways, young people leave and don't come back. Every young person who leaves takes with them decades of economic productivity, entrepreneurial potential, and community investment. Reversing this trend is existential, not optional.

3. Economic Dependency on Corrections

Over 150 years of correctional industry dominance has shaped our identity, our infrastructure, and our economic assumptions. This dependency creates vulnerability to state budget and policy decisions that are entirely outside our control. Diversification is not a threat to existing jobs — it is protection for the people who hold them.

4. The "Prison Town" Perception

Cañon City is routinely described in regional and national media in terms of its correctional facilities. This label is a tangible barrier to business attraction, talent recruitment, and investment. Our remarkable natural assets — the Royal Gorge, the Arkansas River, the mountains — compete against this perception every day. Rebranding is not spin; it is economic strategy.

5. Homelessness & Social Services Strain

Visible homelessness in our downtown and commercial corridors creates friction for businesses, discourages visitors from returning, and reflects a social safety net under strain. Addressing this is both a moral obligation and an economic development imperative — the two are not in conflict.

6. Infrastructure & Broadband Gaps

Reliable, high-speed broadband is table stakes for remote workers, technology businesses, and modern commerce. Our infrastructure gaps are a direct barrier to participating in the remote work economy — one of the most significant economic opportunities available to affordable rural communities like ours.

7. Downtown & Commercial Corridor Vacancy

Despite momentum, downtown Cañon City and Royal Gorge Boulevard have not yet achieved the critical density of retail, dining, and services needed to create a self-sustaining economic ecosystem. Every vacant storefront sends a signal to would-be investors. Revitalization is not just aesthetic — it is economic signaling.

8. Siloed Development Efforts

Economic development in Cañon City has historically occurred in isolation — city, county, chamber, and FEDC operating parallel to rather than integrated with one another. A coordinated, unified approach multiplies the impact of every partner's effort. This committee is an important step toward integration.

WHAT CHALLENGES WOULD YOU ADD TO THIS LIST?

WHICH 3 CHALLENGES DOES THIS COMMITTEE HAVE THE MOST POWER TO INFLUENCE?

3

Challenges Without — The External Environment

Forces beyond our borders that shape what is possible here

Cañon City does not compete in isolation. We compete with every other community in Colorado — and many beyond — for businesses, residents, workers, and visitors. Understanding the external environment is not an exercise in pessimism. It is the foundation of strategic realism.

•State & Regional Competition

- › Pueblo actively competing for the same businesses and grants
- › Colorado Springs drawing young professionals from our region
- › Other Arkansas Valley communities pursuing similar tourism strategies
- › Front Range wage rates create ongoing talent drain

•Macro-Economic Pressures

- › Interest rate environment affecting small business formation
- › Federal funding uncertainty under changing administrations
- › Automation displacing entry-level and mid-skill jobs
- › National retail consolidation pressuring local merchants

Demographic Headwind: Colorado's rural communities are aging faster than the state average. Within one generation, the makeup of Cañon City's population will look dramatically different. The decisions this committee makes now will shape what that community looks like — and whether it is thriving or struggling.

WHAT EXTERNAL FORCES IS THIS COMMITTEE MOST CONCERNED ABOUT?

4

Collaborative Partners — Our Network of Strength

Transformation is not a solo endeavor — it requires a team

"If you want to go fast, go alone. If you want to go far, go together."

— AFRICAN PROVERB

Cañon City is not without allies. A constellation of organizations — local, regional, and statewide — share our interest in a thriving Fremont County economy. The strategic imperative is to move from parallel effort to coordinated strategy. Every partner listed here is a force multiplier.

Local Partners

LOCAL — COMMERCE & TOURISM

Royal Gorge Chamber Alliance

Our primary local voice for business and tourism interests. A natural co-convener for economic development initiatives, business retention programs, and visitor economy strategy. Key relationship for this committee.

LOCAL — WORKFORCE DEVELOPMENT

Royal Gorge Young Professionals

The pipeline of next-generation civic and business leaders. Engaging this group in economic development is both a retention strategy and a talent strategy. Their energy and networks are invaluable assets.

LOCAL — INNOVATION & EDUCATION

Emergent Campus

A center for learning, innovation, and community engagement in Cañon City. A potential anchor partner for entrepreneurship programs, workforce training, and the Innovation Commons concept. Shared mission, shared opportunity.

LOCAL — GOVERNMENT

City of Cañon City — All Departments

Internal alignment across city departments is foundational. The building department, planning, public works, and city council must all operate as economic development partners — not gatekeepers.

County & Regional Partners

REGIONAL — ECONOMIC DEVELOPMENT

Fremont Economic Development Corporation (FEDC)

The county's primary economic development organization. Alignment between the City's Economic Development Committee and FEDC is essential — duplication of effort is waste; coordination is leverage. Joint strategy sessions should be a priority.

REGIONAL — GOVERNMENT

Fremont County Government

County government controls land use, roads, and significant infrastructure decisions that directly affect city economic development. A formal collaborative relationship — including shared data, joint planning, and coordinated grant applications — multiplies both partners' impact.

REGIONAL — CORRIDOR PARTNERSHIP

City of Pueblo / Mayor Heather Graham

Pueblo is our most natural regional ally — 35 miles away, shared US Highway 50 corridor, complementary economic assets. A formal Hwy 50 corridor alliance could unlock regional grant funding, joint tourism marketing, and shared workforce development infrastructure.

REGIONAL — BUSINESS SUPPORT

Colorado Small Business Development Center (SBDC) — Southern Colorado

Hosted by Pueblo Community College, the Southern Colorado SBDC serves Fremont County. Free business consulting, financial analysis, market research, and loan packaging — a resource many local entrepreneurs don't know exists. Promoting SBDC access is a zero-cost job creation strategy.

Statewide Partners

STATEWIDE — REGIONAL PLANNING

Southern Colorado Economic Development District (SCEDD)

A federally-funded EDA partner serving 13 counties including Fremont. SCEDD provides grant access, technical assistance, data resources, and regional planning support. They administer Comprehensive Economic Development Strategies (CEDS) that unlock EDA funding — Cañon City should be actively engaged here.

STATEWIDE — ECONOMIC DEVELOPMENT

Colorado Office of Economic Development & International Trade (OEDIT)

The state's primary economic development agency. Enterprise zone tax credits, business incentive programs, rural development grants, and international trade support. Cañon City's enterprise zone status should be actively marketed and leveraged through OEDIT partnerships.

STATEWIDE — WORKFORCE

Colorado Workforce Development Council

Connects local workforce needs with state training resources. Career Advance Colorado provides free training for in-demand jobs. Alignment with our local employers and CDOC transitions creates opportunities for workforce pipeline development.

FEDERAL — EDA

U.S. Economic Development Administration (EDA)

The federal agency behind much of Colorado's rural economic development funding. Through SCEDD, Cañon City is positioned to access EDA grants for infrastructure, planning, innovation, and workforce. Maintaining an active CEDS is the key to eligibility.

WHAT PARTNERSHIPS ARE MISSING FROM THIS LIST? WHO ELSE SHOULD BE AT THE TABLE?

WHICH 3 PARTNERSHIPS SHOULD THIS COMMITTEE PRIORITIZE FORMALIZING IN THE NEXT 90 DAYS?

5

The Need for a Common Vision

Transformation requires alignment — on where we're going and why

"A thriving community is not an accident of geography or fortune. It is the product of people who dared to imagine something better and then worked — together — to build it."

— ON COMMUNITY DEVELOPMENT

"Great things in business and community are never done by one person. They're done by a team of people."

— STEVE JOBS

Every successful economic transformation in small-town America has one thing in common: a shared, clearly articulated vision that gives citizens, businesses, and government the same north star. Without it, every initiative competes for attention. With it, every effort reinforces the next.

Cañon City has all the raw ingredients for a compelling identity: extraordinary natural beauty, a rich history, strategic geography, affordability, and a resilient community character. What we need to agree on is how those ingredients come together — into a story we all tell and a future we all build. **Together.**

DRAFT OUR VISION STATEMENT — CAÑON CITY FORWARD, TOGETHER!

In 10 years, Cañon City will be known as _____

We will have created

Our community will

and our economy will

Vision Alignment Exercise

Rate your level of agreement with the following possible vision directions (1 = strongly disagree, 5 = strongly agree):

POSSIBLE VISION DIRECTION	YOUR RATING (1-5)	NOTES
Cañon City as a premier outdoor recreation & adventure destination		
Cañon City as a small business and entrepreneurship hub		
Cañon City as a technology and AI innovation pilot community		
Cañon City as a destination for remote workers and creative professionals		
Cañon City as a regional healthcare and wellness center		
A distinct "small town with big ideas" identity — all of the above		

Before we can attract new investment, we must ensure our own house is in order. Internal changes — in policy, process, and organizational structure — signal to the business community that Cañon City is serious about transformation. They also remove friction that has historically slowed growth.

A. Annexation Strategy

● Growing Our Footprint, Growing Our Future

Strategic annexation is one of the most powerful tools a municipality has for long-term economic development. By extending city boundaries into adjacent high-potential areas, Cañon City can expand its tax base, control land-use decisions in growth corridors, provide city services to new developments, and prevent incompatible county development adjacent to city limits.

- Identify priority annexation corridors — particularly along key highway approaches
- Assess current county land adjacent to city boundaries for development potential
- Develop a 5-year annexation roadmap aligned with infrastructure capacity
- Engage Fremont County Government on coordinated land-use planning
- Evaluate impact of annexation on utility revenues and service delivery costs
- Communicate annexation benefits to affected property owners proactively

COMMITTEE NOTES ON ANNEXATION PRIORITIES AND CONCERNS

B. Department Reorganization — Building & Development Services

Proposal for Discussion: Rebranding and expanding Cañon City's Building Department into a regional "Southern Colorado Building Department" or "Regional Building Services" — offering services to Fremont County and potentially neighboring counties. This positions Cañon City as a regional service hub, generates fee revenue, creates economies of scale in staffing and expertise, and demonstrates the collaborative regional leadership that distinguishes Cañon City as a community that thinks bigger than its borders.

- Assess feasibility of regional building services model with county partners
- Evaluate potential revenue from regional permit and inspection fees
- Review current building department staffing, turnaround times, and business feedback
- Streamline permitting processes — set and publish target timelines
- Create a "concierge" service for major commercial development projects
- Explore online permitting and digital plan review capabilities

COMMITTEE THOUGHTS ON THE REGIONAL BUILDING SERVICES CONCEPT

C. Downtown Revitalization

•Downtown Cañon City — The Heart of Our Economy

Downtown is not just where businesses operate — it is where a community's identity is legible to the world. A vibrant downtown signals health, confidence, and investment-worthiness. A struggling downtown sends the opposite message.

- Develop a formal Downtown Master Plan with community input
- Create a Business Improvement District (BID) or Downtown Development Authority (DDA)
- Establish a storefront improvement grant or loan program
- Partner with Royal Gorge Chamber Alliance on downtown marketing and events
- Address surface parking utilization and pedestrian experience
- Recruit anchor tenants for key vacant storefronts
- Expand outdoor dining and public gathering spaces
- Integrate public art into downtown streetscape (connect to Forward Talks public art initiative)

D. Royal Gorge Boulevard Revitalization

•Royal Gorge Blvd — Our Visitor Gateway

Royal Gorge Boulevard is the primary corridor connecting our city to one of its greatest economic assets. The visitor experience along this corridor shapes first — and lasting — impressions. Every business, sign, streetscape element, and empty lot tells a story. We need to be intentional about what story we tell.

- Commission a Royal Gorge Blvd corridor study — current conditions, opportunities, gaps
- Develop design standards for signage, landscaping, and building facades along the corridor
- Identify and recruit complementary businesses to fill gaps in visitor services
- Improve wayfinding and directional signage to Royal Gorge Bridge & Park and key attractions
- Address blight and deferred maintenance visible from the corridor
- Explore corridor TIF (Tax Increment Financing) district for infrastructure investment

E. Policy Changes

•Business Climate

- Streamline business licensing and permitting
- Publish and enforce permit timeline benchmarks
- Evaluate enterprise zone incentive utilization
- Develop a formal business retention program
- Create a "Business-Friendly Pledge" with accountability

•Land Use & Development

- Review zoning for mixed-use flexibility downtown
- Identify underutilized parcels for priority development
- Assess opportunity zones & their current utilization
- Develop incentives for adaptive reuse of historic structures
- Create a developer prospectus for key sites

F. Priority Matrix

● QUICK WINS (HIGH IMPACT / LOW EFFORT)

● STRATEGIC PRIORITIES (HIGH IMPACT / HIGH EFFORT)

● FILL-IN WORK (LOW IMPACT / LOW EFFORT)

● RECONSIDER (LOW IMPACT / HIGH EFFORT)

7

Job Creation — The Core Mandate

Growing quality employment for Cañon City residents

"The best social program is a good job."

— RONALD REAGAN

Job creation is not just an economic metric — it is a community health metric. Quality jobs reduce crime, retain young people, stabilize families, generate tax revenue, and create the economic confidence that attracts further investment. Everything in this workbook ultimately serves this goal.

Sectors with the Highest Job Creation Potential

SECTOR	CURRENT STATUS	POTENTIAL	KEY ACTIONS NEEDED
Tourism & Hospitality	Strong but seasonal	Year-round expansion	Events, lodging, shoulder-season programming
Small Business & Retail	Growing downtown	Significant with right support	Incubator, micro-loans, mentorship, SBDC access
Remote Work Economy	Largely untapped	High — affordability advantage	Broadband, co-working spaces, targeted marketing
Technology & AI Innovation	Nascent (Innovation Commons)	High long-term	Pilot district, state partnerships, investment
Healthcare	Steady, growing	Moderate — demographic driven	Workforce pipeline, facility investment
Arts, Culture & Creative Economy	Emerging	Moderate — quality of life driver	Public art, maker spaces, artist recruitment
Construction & Real Estate	Active	Tied to population growth strategy	Annexation, housing policy, development incentives

WHAT SECTORS SHOULD THIS COMMITTEE PRIORITIZE FOR YEAR 1 JOB CREATION?

WHAT BARRIERS TO JOB CREATION MUST WE REMOVE FIRST?

8

The Future Is Already Here — AI, Physical AI, and Small Towns

What the next five years mean for communities like ours

"The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn."

Artificial intelligence is no longer a technology of the distant future — it is reshaping industries, labor markets, and community economies right now. For small towns like Cañon City, AI presents both a threat and an extraordinary opportunity. The communities that engage this shift proactively will attract investment, create new jobs, and position themselves for growth. Those that ignore it will find themselves further behind within a decade.

What Is "Physical AI" — And Why It Matters to Cañon City

While most people associate AI with software and screens, the next wave — often called **Physical AI** or embodied AI — involves intelligent machines that interact with and move through the physical world. This includes autonomous vehicles, delivery robots, AI-powered agricultural equipment, robotic construction tools, smart infrastructure systems, and drone logistics networks.

Physical AI is not coming to cities first — cities are already too complex, too regulated, and too congested for early deployment. **Small towns like Cañon City are the ideal testing environment.** That is not a consolation prize — it is a competitive advantage.

↳ What Physical AI Could Mean for Cañon City in the Next 5 Years

- ◆ Autonomous vehicle and drone delivery pilots — Cañon City as a testing corridor along Hwy 50
- ◆ AI-powered tourism personalization — dynamic visitor routing, real-time experience matching
- ◆ Smart infrastructure monitoring — roads, bridges, utilities managed by AI sensors
- ◆ Robotic construction assistance reducing labor costs on housing and commercial development
- ◆ AI-assisted permitting and planning review — dramatically faster approval timelines
- ◆ Precision agriculture and outdoor recreation management using AI monitoring
- ◆ AI-driven economic analysis and grant writing support for city and nonprofits
- ◆ Physical AI training facilities — companies needing real-world environments to test robots

The Threat Side — Jobs at Risk

Jobs AI May Displace in 5 Years

- Routine retail and customer service positions
- Basic administrative and clerical work
- Some transportation and delivery roles
- Entry-level data processing and reporting
- Basic construction and inspection tasks

Jobs AI Will Create or Expand

- AI system training, monitoring, and maintenance
- Human-AI interface and oversight roles
- Technology installation and repair trades

- › Data collection and local ground-truth roles
- › Creative and relationship-based service jobs

The Innovation Commons — Cañon City as a Physical AI Test Bed

Strategic Concept: Position Cañon City as a designated small-town innovation district where emerging technologies — AI, robotics, autonomous systems, clean energy — are tested in a real-world community environment. Partner with technology companies that need real-town testing grounds. Attract researchers, engineers, and entrepreneurs who come to test, stay to build. Expand the model along the US Highway 50 corridor in partnership with Pueblo and other mayors. This is not fantasy — communities that have made similar moves (like Columbus, OH for autonomous vehicles; Erie, PA for smart city pilots) have attracted tens of millions in investment.

Opportunity: High

Timeline: 2-5 Years

State Partnership Required

Federal Grant-Eligible

Hwy 50 Corridor Scalable

What Cañon City Must Do Now

- Designate a staff or committee lead to monitor AI economic development opportunities
- Connect with Colorado OEDIT's technology and innovation programs
- Engage Emergent Campus as a potential anchor for AI literacy and workforce training
- Begin conversations with SCEDD about technology corridor development along Hwy 50
- Identify city processes where AI can reduce costs and improve service delivery now
- Ensure all new commercial development zoning is AI and tech-deployment compatible
- Develop an AI economic opportunity briefing for City Council within 60 days

HOW DOES THIS COMMITTEE SEE AI AFFECTING CAÑON CITY'S ECONOMY IN THE NEXT 5 YEARS?

WHAT IS THE MOST IMPORTANT THING CAÑON CITY CAN DO NOW TO BE READY FOR THE AI TRANSITION?

A. Innovation Commons

A proposed small-town innovation district where emerging technologies — AI, robotics, clean energy, autonomous systems — are piloted in a real-world community environment. Private entrepreneurial concept with significant public economic benefit potential. Scalable along US Hwy 50 in partnership with Pueblo and other regional mayors.

High Job Creation Potential**2-5 Year Horizon****State Partnership****Grant-Eligible****COMMITTEE FEEDBACK ON INNOVATION COMMONS****B. US Highway 50 Corridor Alliance**

A regional economic development alliance with Pueblo, Cañon City, and potentially other Hwy 50 communities. Shared infrastructure investment, joint grant applications, tourism packaging, technology corridor development, and workforce programs multiply the impact of individual city efforts.

WHAT CAN CAÑON CITY BRING TO — AND GAIN FROM — A HWY 50 ALLIANCE?**C. Small Business & Entrepreneurship Ecosystem**

Building a local ecosystem for small business formation, growth, and retention — including a business incubator, micro-loan fund, mentorship network, and connection to SBDC resources. The Cañon City Forward Talks series is already seeding entrepreneurial culture. Now we build the infrastructure to support it.

WHAT DOES THE BUSINESS COMMUNITY MOST NEED FROM THE CITY RIGHT NOW?**D. Year-Round Tourism Economy**

Moving beyond seasonal visitation to year-round economic engagement through event development, shoulder-season programming, local spending capture, and hospitality workforce training. The Forward Talks tourism panel on February 26 will surface community perspectives to inform this strategy.

HOW DO WE CAPTURE MORE VALUE FROM 8M+ ANNUAL REGIONAL VISITORS?

10

Next Steps — Commitments and Accountability

What happens after this meeting — Cañon City Forward, Together!

Decisions to Make Today

- Establish meeting cadence and format
- Assign committee roles and any subcommittee leads
- Identify the top 3 priorities for the next 90 days
- Determine how committee recommendations reach City Council
- Define what "success" looks like at 6 months and 12 months
- Identify our first formal collaborative partner outreach

90-Day Action Plan

ACTION ITEM	LEAD	TARGET DATE	STATUS

Closing Reflection

WHAT IS THE MOST IMPORTANT THING CAÑON CITY MUST GET RIGHT IN THE NEXT TWO YEARS?

THE COMMITMENT — CAÑON CITY FORWARD, TOGETHER!

Transformation does not happen by accident. It happens because a group of people decide — *together* — that the status quo is not good enough and that something better is worth building. That is what this committee is for. That is what this moment is about.

We have natural assets that communities spend billions trying to recreate. We have history, affordability, geography, and — most importantly — people who care deeply about this place. What we add now is strategy, coordination, and the will to move.

Cañon City Forward — Together!

The Transformation of Cañon City — Economic Development Committee Working Document

February 18, 2026 · City of Cañon City, Colorado · Mayor Phil Lund

Cañon City Forward — Together!