

Development Impact Analysis

10 Year Outlook & Full Buildout Analysis of River Park PUD

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Town of Ridgway, Colorado

Prepared by:

Rural Planning Institute



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Introduction

Rural Planning Institute is a not-for-profit corporation providing high quality information and analysis designed specifically to meet the needs of small rural communities in the Rocky Mountain West. Currently, the organization is executing projects funded through the Colorado Governors' Office of Smart Growth Heritage Planning Grant program. Rural Planning Institute's mission is to enable communities to direct growth so that it enhances, rather than jeopardizes, the distinctive character of Towns and counties that make them functional, desirable places to live, work, and visit.

Rural Planning Institute provides an array of services including comprehensive development impact reports. These reports enable cities and Towns to make a *full cost accounting* of the impacts of new growth and development on local economies, infrastructure, fiscal resources, revenues, land use/physical attributes, environmental, and social resources. These reports are based on local information and tailored to the communities' specific needs. Rural Planning Institute strives to create information / data products that are accurate, easily understood, and readily applicable to practical problems and questions.

This development impact report analyzes growth in and around the Town of Ridgway over the next ten years, and considers the impacts current growth and the full buildout of the River Park PUD.

All of RPI's reports are accompanied by at least one on-site presentation of all findings at a publicly noticed meeting.

Conducting development impact analysis is an expensive and time-consuming endeavor. However, the payoff for determining the costs of growth will far outweigh the relatively minimal up front effort and expense.

Development impact reports are an extremely useful tool for local governments and citizens alike because they allow communities to:

- 1) Calculate the incremental costs of growth.

Understanding the costs of growth at its fundamental level is the most flexible way to calculate the true costs of growth both now and in the future. This report contains the building blocks with which to understand and track future growth in your community. Once the costs generated by a single residence or commercial / industrial land use are known, simple arithmetic can be used to determine the cost of any number of units. Within this report costs are broken down into residential /non-

residential units, population, and vehicle trips. Each is thoroughly explained in the appropriate section of this report.

2) Link land uses to fiscal realities

One of local governments most powerful tools is the ability to exert influence over land uses. Because of the variable costs associated with different types of land use, governments can, given quality information, perform cost and benefit analysis of proposed uses. Cost benefit analysis is equally important when considering comprehensive planning, zoning and/or rezoning of land.

We know that certain types of land use are more intense than others and consequently we expect them to have greater impacts. For example, the average large grocery store generates far more vehicle trips, public safety calls, and solid waste than virtually any single family home. Clearly, this is a high intensity land use. On the other hand, large grocery stores can produce significant amounts of tax revenue, perhaps offsetting their costs. If our criterion is simple fiscal contributions, a grocery store may come out far ahead of single-family homes in a cost-benefit analysis. Of course, the financial “bottom line” is not always the single determinate in community decisions concerning land use. However, in many ways, development impact reports help us to quantify some quality of life issues.

Many people would agree that traffic jams, high crime rates, or not having enough clean drinking water represent serious quality of life issues. Unfortunately, many of these conditions arise when Towns or counties grow faster than public, and often even private, services and infrastructure can service them. Consequently, services and infrastructure tend to degrade, quickly creating backlogs, which are difficult to rebound from. Another common phenomenon in the rural west (that is by no means new) is the dis-aggregation of industrial, residential, and commercial sectors between municipalities. In other words, houses are found in one Town, shopping in another, and the jobs in yet another. An example of this might be the relationship between Ridgway, Cortez, and Telluride or Aspen, Carbondale, and Glenwood Springs. These sprawling economies foment a host of varying impacts that are unique to each community—not the least of which is increased traffic—all of which affect our everyday lives.

Frequently, planning and zoning takes place using only experience and intuition. While these are certainly important components of quality planning, RPI believes that comprehensive and accurate information is a critical element that is often missing. Ultimately, community involvement,

and sound judgment combined with accurate, objective information will yield the best results for long-range Town and county planning.

3) Establish baseline information

In order to chart a course for the future, a Town or county must know where it is right now. An extremely useful component of RPI's analysis is the establishment of current Level of Service (LOS) information concerning local government services and infrastructure. Typically, service levels are established on a per capita basis. For example, parks may be related in terms of acres per capita or library items as volumes per capita. While as numbers these may seem somewhat abstract and dry, they serve two important functions. First, they are an absolute, quantitative description of the service a typical citizen receives from any public good. Clearly, a library with 100 books serving a population of 10,000 is providing poor service to the community. Alternately, a library that holds 10,000 books for every citizen is going to provide a tremendous level of service. Likewise with parks and open spaces, or fire protection. Higher levels of service in administrative departments often lead to better capacity to deal with day-to-day issues as well as the ability to make long range plans and freeing up staff to generate funding for ambitious community goals.

This report not only reveals existing conditions in the community now, but also makes comparisons to other localities and/or national standards---providing some context of where it is now and where it may go in the future.

4) Lay the groundwork for fees and services

RPI's analysis and numbers are meticulously generated from the most current and accurate information available. When the cost of growth is realized, local government may want to take steps to mitigate some of the impacts through fees and taxes. Because RPI is demonstrating the *incremental* costs of growth, not all of the per unit cost numbers can, or should, be converted into fees and taxes. To do so requires an additional step that involves identifying: who is going to bear the tax burden, for what, how much is being contributed by other mechanisms, and for how long. However, given the establishment of the base numbers found in this report, this step is a relatively simple one for many departments and services. Please be aware, that road and street costs are an exception to this rule and often require significant additional work and analysis.

Important Concepts to Understand

It is imperative that two simple concepts be thoroughly understood prior to examining the results of this report.

1) Level of Service (LOS)

The idea of level of service will recur throughout this report. A simple analogy serves to illustrate the concept. Suppose that you entered a restaurant with a small kitchen, two tables, and two waiters; you sit at one of the tables and begin dinner. You would expect, given the ratio of waiters to tables, that the service be good. Now consider that you enter the same restaurant a week later, with the same kitchen and the same two waiters, to discover that they have added one hundred additional tables and that the restaurant is packed with people. Certainly, after having been seated, you would expect a significantly decreased level of service from the two waiters. Of course, the same happens with provision of government services and infrastructure. If new growth is not accounted for in police, fire, health, sewer and a host of other services while population is being added, we should expect to see a decrease in our overall level of service. Meaning, that perhaps we are stuck in traffic more often, our parks are more crowded, we must wait weeks to see a doctor, or that our water use is limited to certain times of day.

Level of service also allows the community to see where it stands in relation to other communities or even against national standards. It is a measuring stick from which the community can decide to increase or decrease its existing service. For example, your community has police service that is higher than the national standard, but your park system does not equal that of other, similar sized communities. You may decide to de-emphasize funding priorities for law enforcement and instead focus on growing a park system, while imposing a fee structure that ensures that new growth and development will not degrade the law enforcement that you currently have.

2) Projections vs. Forecasting

Projections and forecasts are often mistaken for the same, however this is inaccurate, and a distinction between the two is particularly important when considering development impact analysis.

The Rural Planning Institute always uses projections in its methodology. Projections are essentially an if-then statement about the future. If variable x grew at ten percent over the last ten years *and* the next ten years are relatively similar *then* variable x will continue to grow at 10 percent. Strictly speaking, projections are never wrong because they simply make the assumption that a trend observed over time will continue into the future. In fact, projections are often extremely accurate, particularly over 5-15 year periods. Because projections are based on historical trends, they take into account the typical ups and downs over

time. For example, unemployment observed over the last ten years would have been high in the late eighties and early nineties, and quite small in the late nineties – a typical business cycle. An average taken between 1985 and 2000 would reflect this and the consequent projection into the next fifteen years would reasonably predict the same.

Forecasts represent a significantly different concept. They are a judgmental statement that represents a best guess about future conditions. Forecasts typically utilize a wide array of disparate variables and then combine them with the forecasters expertise and experience to generate a “prediction” of future conditions. In certain situations, forecasts can certainly be useful, however, they are inappropriate for fiscal forecasting. Why? Would the Town of Ridgway be wise to gear all of its current budgeting toward servicing a ski resort that may or may not develop? Probably not, there are simply too many variables involved and it would be impossible to make an accurate prediction. Furthermore, forecasting methodologies may vary widely, making it difficult for third parties to understand how results are achieved.

Virtually all of RPI’s numbers are predicated on projections. In some cases the projections are modified. For example, we have modified the number of vehicle trips down from national statistical averages to account for higher rates of walking in Ridgway.

This report is a powerful tool to be used in planning Ridgway’s future. Please do not hesitate to call Rural Planning Institute for clarification or with questions concerning any element of this project.

General Methodology

Most purely residential developments have associated fiscal losses. For this reason, most Cities and Counties try to balance residential development with revenue generating commercial developments. Housing is usually subsidized by revenue generated in the commercial sector. Based on this assumption, this analysis takes three steps:

1. Unit projection
2. Population projection
3. Estimating increased demand on public services
4. Translating increased demand into fiscal costs and comparing this to projected revenues.

The increase in permanent population occupying the added units is the primary source of increased demand on public services for services like police, schools, parks and open space, streets. Residential development is costly for public services because it always implies an increase in population, whether it is permanent, part-time, or visitor.

While residential development adds population and increases demand on public services, it generates only a limited amount of revenue. Revenue generated by residential development is generally limited to development fees (impact fees, development review fees, etc.), property taxes, real estate transfer tax, and sales tax revenues generated by the local spending of the additional residents. How much local resident spending occurs in Ridgway (as opposed to Telluride or Montrose) is an unknown but relevant question.

The first step for evaluating Ridgway's future growth impacts on public services is to project residential and non-residential units. With this, we can then project a population based on average household sizes. The American Housing Survey division of the Census Bureau establishes these same relationships between unit types and occupants, but the results are presented by statistical areas that do not reflect local geographic regions.

The projected population of Ridgway, along with the total number of units constituted the main variables for projecting impacts on public services. Projections of impacts on public services were derived by:

1. Calculating current level of service (LOS) based on service per capita or service per housing unit depending on the type of service and then;

2. Multiplying the level of service per capita or housing unit by the projected number of new residents (or units) to obtain an estimate for the increased demand.

The development impact assessment profession calls this methodology *average costing*.

Increased demand estimates are converted into costs using various sources and established ratios which are compared to projected revenues generated by the residents and units of new growth. Revenues from residential development consist of property taxes, sales taxes from resident expenditures, and various development and impact fees. The revenue projection methods varied for each revenue source. The fiscal impact sections of this report detail specific methods. The costs of maintaining existing service levels are compared to the projected revenues in the final fiscal summary to estimate the cost of the development annually and during the initial buildout.

Important Note on the Methodology: In deriving cost estimates, the major assumption is that the level of service will be maintained. In other words, the cost estimates are estimates of the amount it would cost to maintain the existing level of service for the various public services accounted for in this analysis. In reality, the Town of Ridgway and other public service agencies do not necessarily have to invest the funds to maintain the existing level of service. However, if they do not invest the money in capital improvements and increased service levels to meet the demand generated by the additional residents and unit, the public will experience a decline in level of service (e.g. fewer books per capita in the library; over-crowding in schools; decreased service levels in the Clerk's office, the planning office, the City Attorney's office, and other governmental departments, etc.).

Analysis

RESIDENTIAL UNIT PROJECTION

Introduction

Development impacts are related to land use type and intensity. The most basic land use categories for analyzing development impacts are

residential and non-residential land uses. Residential land uses are measured in terms of *residential units*. Residential units can be any type of residential dwelling (single family detached, apartment, condo, Townhouse, etc...). The residential dwelling is the fundamental unit for measuring activity associated with the residential sector of a community. The quantity of residential units enables the calculation of peak population, traffic, water use, wastewater production, and many other key factors in the computation of development impacts.

Methodology

Accomplishing the *2010 outlook* elements of this development impact analysis required a 2010 residential unit projection.

The first step for generating a 2010 residential unit projection was to track past trends. The Census Bureau counts residential units every 10 years. In 1990 the Census Bureau counted residential units in Ridgway. The Demography Section of the Colorado Department of Local Affairs (hereafter 'Demography Section') tracks building permits and demolitions to track housing units in municipalities and counties. The 2010 projected residential units consisted of a straight projection of the 1990-2000-unit growth.

Projected Change

115 additional residential units were developed between 1990-2000. Projecting this trend to 2010 yields a residential unit projection of 419.

Figure I. Residential Unit Growth 1990-2000

Average Annual New Units	11.5
Additional Units 2001-2010	115
Average Annual Growth Rate 2001-2010	3.8%

The 'straight projection' methodology imbeds an average annual growth of 11.5 unit/year into the 2010 residential unit projections. Many things could happen to change this growth rate. The proximity of Ridgway to powerful economic forces in Mountain Village and Telluride could change the direction in Ridgway in unpredictable ways. Other factors such as speculative building, aggressive marketing, or residential development filling a new market niche could vary future trends as well. Nonetheless, the straight projections are applied in this report since analysis has

justified no clear rational for discerning if or how the next ten years may be different from the past ten years.

POPULATION PROJECTIONS

Introduction

Population projection is another fundamental variable for development impact analysis. While the housing unit is the actual land use, the occupants of these housing units, (i.e. the population) is in many cases what generates the impacts on Town services and facilities.

Methodology

The Census Bureau supplied the 1990 and 2000 population counts for Ridgway. The 2010 population projection derived first by calculating the Ridgway share of the 1990-2000 Ouray County population growth (21%). This percentage was then applied to the 2000-2010 population growth projections for Ouray County (provided by the Demography Section) to get a population growth estimate in Ridgway for those years. The assumption is that Ridgway will continue to have the same proportionate share of population growth in Ouray County between 2000-2010 as it did between 1990-2000.

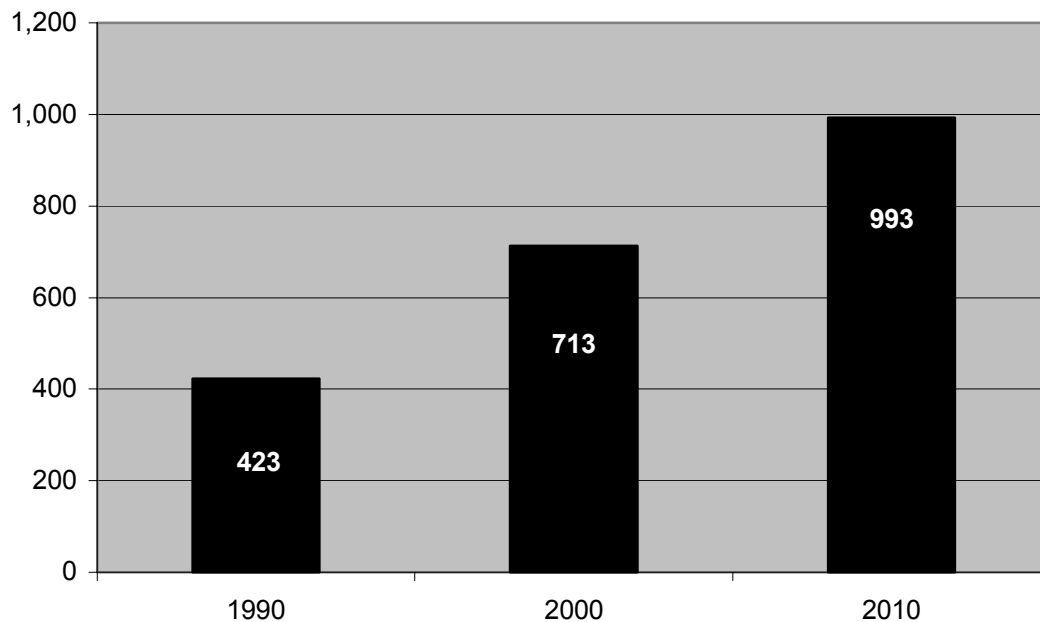
Projected Change

The estimated resident population for the Town of Ridgway in 2000 was 713 people, an increase of 290 people over the 1990 resident population of 423 people. Ridgway's share of the projected 2000-2010 Ouray County population growth is 280 people, for a total of 993 people in 2010. See **figures II & III** for an illustration of the trend.

Figure II. Census Full-Time Population

	New Residents	Growth Rate
Population Growth 1990-2000	290	6.9%
Projected Population Growth 2000-2010	280	3.9%

Figure III. Ridgway Population Trends



NON-RESIDENTIAL GROWTH

Introduction

Non-residential land uses includes commercial, industrial, and institutional land uses; anything from restaurants and lodging to auto repair services and the Town maintenance shop. Non-residential land uses nearly always involve some level of employment. That employment is a direct indicator of the level of activity associated with that non-residential land use. For example, one or two employees can easily run a small five or six unit motel, while successful restaurants and bars often require more employees. Restaurants have more customers, sales, traffic, water use, and generally more activity associated with it than small motels. With increased activity, come more impacts on Town services and facilities. For this reason, the non-residential employee is the basic unit for estimating and projecting the impacts of non-residential development on Town services and facilities. An additional advantage of using the non-residential employee is that existing data covering several communities in Colorado make the conversion of non-residential employees into square

footage by type of establishment or institution a matter of simple arithmetic¹.

Methodology

The first step in projecting non-residential employees is to estimate the existing non-residential employees, or more strictly speaking, the non-residential employees occupying non-residential space. Detailed by firm, ES202 employment data was the appropriate base data because it's zip code field allows disaggregation of the Ridgway employment from the rest of the Ouray County employment. Detailed ES202 data is also categorized by 4-digit SIC codes, allowing a detailed disaggregation of Ridgway employment by sector. Since ES202 employment data does not include proprietors or owner-operated firms, the database was adjusted to account for this type of employment using the Bureau of Economic Analysis (BEA) Ouray County employment figures, which do include proprietors and owner-operated firms.

The first step in generating 2010 job projections was to calculate the growth rate of the BEA Ouray County job growth by 2 digit SIC code sector between 1985-1999. These growth rates were then applied to the ES202 employment for Ridgway by the respective sectors to generate detailed 2010 employment projections for Ridgway. The detailed employment projections were then aggregated into 7 land use sectors relevant to development trends in Ridgway.

¹ Merged Survey Database from 17 Colorado Communities as presented by RRC Associates, Boulder, CO, in Town of Snowmass Village 1999 Employer Survey

Figure IV. Non-Residential Employee and Square Feet

	2001 Jobs	2010 Projected Jobs
Construction	157	233
Construction Occupying Non-Residential Space	8	12
Government	99	128
Industrial	26	37
Lodging	30	30
Office/Professional Services	152	179
Restaurant/Bar	127	160
Retail	83	117
Total w/ all Construction	674	884
Total w/ only Construction in Non-Res Space	525	662

Projected Change

Non-residential activity is projected to increase between 2001-2010 from a total of 674 to 884 employees, an increase of 210 employees (See **Figure IV**).

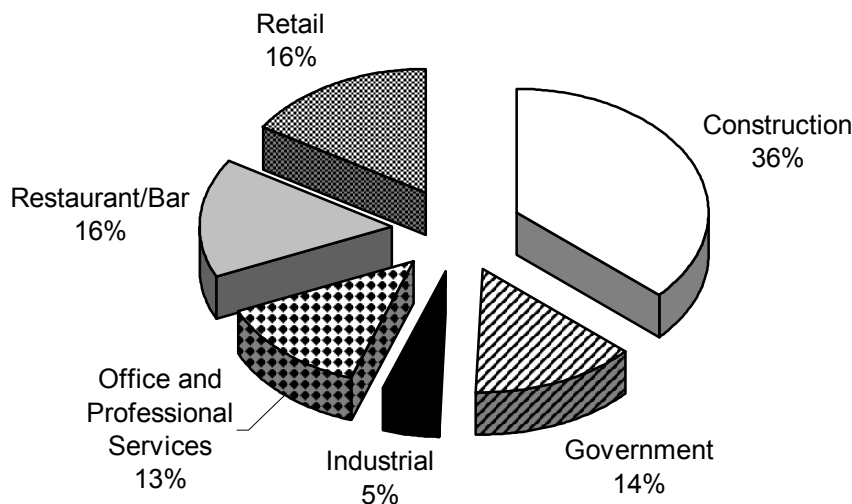
Figure V. Non Residential

Total Projected New Jobs 2001-2010	210
Average Annual Growth Rate	3.1%

Not surprisingly, construction is projected to generate the largest portion of new job growth between 2001-2010

(35%) followed by retail and restaurant/bar establishments. The bottom line figures showing an increase from 525 to 662 employees do not include the total increase in construction employment because currently, only 5% of all construction activity actually occupies non-residential space. The other 95% of construction activity in Ridgway is based out of private residences. Both of these figures are used throughout this analysis depending on the services or facilities under consideration.

Figure VI. Percentage Breakdown of 2001-2010 New Jobs by Sector



The detailed employment projections were converted into square footage using the results of a 17-community survey recently conducted in Colorado². The square footage was then aggregated into the seven relevant land use categories (summarized in **figure VI**). The next 10 years should yield just over 40,000 sq. ft. of non-residential space, an increase of almost 30% over the 148,000 sq. ft. of existing non-residential square footage in Ridgway.

² Merged Survey Database from 17 Colorado Communities as presented by RRC Associates, Boulder, CO, in Town of Snowmass Village 1999 Employer Survey

Figure VII. Projected Growth in Ridgway Non-Residential Space 2001-2010

Land Use Type	2001 Square Feet	2010 Square Feet	New Sq. Ft.
Construction Occupying Non-Residential Space	1,739	2,594	855
Government/Institutional	25,229	32,598	7,369
Industrial	11,936	16,721	4,785
Lodging	16,650	16,650	-
Office/Professional Services	45,998	54,149	8,151
Restaurant/Bar	19,513	27,024	7,511
Retail	27,546	38,883	11,337
Total	148,611	188,618	40,007

TOWN ADMINISTRATION

Introduction

Incremental growth has impacts on Town administration that are less obvious than those on other departments and districts, but impacts on Town administration are just as real and can affect the quality and efficiency of Town services in significant ways. Town administration is the headquarters for all Town operations, and any drop in service levels from the headquarters will ultimately affect the entire Town. More people and business activity, ultimately create more of a demand for Town administrative services. For an administration, this means more staff, facilities, and equipment to accommodate the additional staff. This fact is born out by the fact that larger Towns (like Durango or Grand Junction) have larger administration staffs than smaller Towns (like Cortez or Pagosa Springs). The key to maintaining a quality service level for Town administration is for the Town to increase administration resources in proportion to the growth in population and business activity in the Town.

Failure to maintain this proportionate increase will degrade the service levels for the entire Town.

Methodology

In order to maintain the existing level of service, resources for administration employees and facilities require an increase proportionate to the increase in population, plus non-residential employees. The 2010 projections for annual operations cost use this proportionate increase methodology. The capital improvements necessary by 2010 were calculated by projecting the need for Town Hall space based on the projected need for administration employees multiplied by current sq. ft. of office space per Town Hall employee.

Projected Change

The demand units consist of population plus non-residential employees. The demand units are expected to increase from 1266 in 2001 to 1655 in 2010.

Fiscal Implications

Ridgway currently spends about \$257,000 annually on administrative

Figure VIII. 10-Year Administrative Capital Improvements

Town Hall Capital Improvements	
Current Town Hall Full Time Equivalent Employees	6
Office Space in Town Hall (sq. ft.)	1,500
Office Facilities Replacement Cost/Sq. Ft.	\$ 103
Current Sq. Ft. Per Employee	250
Projected Additional Town Hall Employees 2010	2
Additional Sq. Ft. Needed by 2010	500
Additional Cost to Accommodate 2010 Employees	\$ 51,659

operations. Given that the population plus the non-residential employees equals 1266, the cost per demand unit is \$203. Applying this to the projected demand units of 1655 for 2010, the projected cost for supplying the existing level of service will cost just over \$336,000 annually, an increase just under \$80,000. Essentially, this means that Ridgway will need to hire 2 more administration employees by 2010, one of which is full time and the other nearly full-time.

The addition of employees to the administration will require additional Town Hall space. While the threshold may not be met right away, eventually the staff will outgrow the already tight Town hall office space. Each Town hall employee needs 250 sq. ft. of space, which will cost over \$50,000.

Figure IX. Ridgway Administration Operations Summary

2001 Population + Non-Residential Employees	1,266
2010 Population + Non-Residential Employees	1,655
2001 Total Administrative Budget	\$ 257,119
Annual Cost Per Demand Unit	\$ 203
2010 Projected Annual Admin Budget	\$ 336,042
Increase in Annual Budget 2001-2010	\$ 78,923
2001 Population + Non-Residential Employees	1,266
2010 Population + Non-Residential Employees	1,655

Considerations & Recommendations:

- Essentially, the Town will need two more administration employees by 2010 or a decline in level of service will occur. Funding for this position will have to come from a steady year-to-year source, like sales tax.
- Accomplishing capital facility improvements as they become necessary can increase efficiency, thus eliminating unnecessary labor expenses.

PARKS & OPEN SPACE

Introduction

Acquiring and maintaining public parks and open space can be an important part of community development both for creating inviting spaces and as effective land use tools.

Ridgway has a high level of service for parks and open space. In addition to being a short driving distance from vast tracts of Federally managed public land, Ridgway possesses significant acreage of land within Town limits. Maintaining the existing level of service in the face of new growth is an expensive proposition.

While this report uses a standard based methodology to compare Ridgway's current park system to national and local standards, RPI recommends that the Town employ survey techniques advocated by the National Parks and Recreation Association to assimilate its own comprehensive parks Master plan. Working through a park comprehensive planning process facilitates the Town's understanding of its needs, wants, and actual current patterns of use. Comprehensive planning documents are also a powerful tool with which to pursue the large grants that parks acquisitions costs typically demand.

Methodology

RPI measures all parks and open space on an acreage per capita basis. Similarly, recreation facilities, such as tennis courts or soccer fields are defined as facilities per capita. These numbers were then used to establish Ridgway's existing level of service (LOS). The LOS is then compared to national standards and/or standards established by our research of analogous communities (communities widely recognized as having well developed park systems). Analog communities (also known as case study) methodology has two distinct benefits, particularly with regard to the generation of parks/open space systems.

First, the technique allows potential developers of a park system to visit a neighboring community and experience their system first hand. This is the ultimate qualitative evaluation of park system numbers. For this report, RPI used the park systems of Ouray and Boulder Colorado for the analog communities. Ouray and Boulder are widely regarded as having excellent park systems with Boulder consistently gaining national level recognition for its parks infrastructure.

Second, this technique helps Towns acquire relatively accurate ongoing maintenance costs – which are a critical, although often overlooked, consideration when deciding on the level of park infrastructure to develop.

Projected Change

The projected residents for Ridgway in 2010 was multiplied by the hypothetical park system to yield the acreage of new parks needed to achieve a proposed level of service. **(Figure XII)** In addition to the initial expense of purchasing additional parks and open space, the City would have to fund the ongoing operations costs of the additional ~1 acre of in-Town parks.

Figure X. Ridgway Parks System

Park Types	N. Standards	N. Standards per capita	Existing Ridgway standards per capita (LOS)	Acquisition / Development Costs per unit	New Facilities Needed	Total Acquisition/ Development Costs	Maintenance/operating Costs per unit*	Total Maintenance/operating costs (annualized)	Total new Outlay
Mini Park	1.5 acres per 1000	0.0015	??	\$ 257,678		\$ -	\$ -	\$ -	\$ -
Community Park	2.5 acres per 1000	0.0025	0.0056	\$ 257,678	0.7	\$ 180,375	\$ 1,962	\$ 1,373	\$ 180,375
Natural Areas/open space	1 acre per 1000	0.0015	0.0202	\$ 257,678	0.42	\$ 108,225	\$ 545	\$ 229	\$ 108,225
Athletic Parks							\$ -	\$ -	\$ -
Tennis Courts	1 per 2000	0.0005	0.0056	\$ 27,000	0.14	\$ 3,780	\$ 1,962	\$ 275	\$ 3,780
Soccer/Softball Field	1 per 4000	0.0003	0.0014	\$ 108,000	0.07	\$ 7,560	\$ 7,847	\$ 549	\$ 7,560
Soccer/Football Fields	1 per 4000	0.0003	0.0028	\$ 108,000	0.07	\$ 7,560	\$ 3,924	\$ 275	\$ 7,560
Trails	8.5' per capita^	8.5	??	\$ 2	2380	\$ 4,760	\$ -	\$ -	
Biking Trails/ 8' concrete	7.5 per capita	7.5	14.5	\$ 4	2100	\$ 8,400	\$ 1	\$ 1,594	\$ 8,400
TOTAL						\$ 320,659		\$ 4,295	\$ 315,899

Figure XI. 2010 New Park / Open Space Costs per Unit

	Total Demand Units	Capital outlay	Cost per demand unit	Operating costs	Cost per demand unit
Existing	713			\$ 47,083	\$ 66
2010	993	\$ 315,899	\$ 318	\$ 51,378	\$ 52

Fiscal Implications

The cost of acquiring an additional ~1 acre of parks and open space is difficult to estimate, but with a conservative estimate of approximately \$257,000 per acre (in Town lot purchase) this translates into \$320,659. When operations and built costs are factored in, the total first year costs for this proposed park system exceeds \$315,000. Of course, the acquisition costs make up the bulk of the total costs and oftentimes municipalities can defer this significant expense by purchasing land with grant monies or accepting donations. Maintenance costs can also be significant depending on the amount of park use.

Considerations & Recommendations

- Ridgway should consider generating a comprehensive parks planning document
- Be aware of the busy state highway while planning park locations – maintenance costs rise with park use, due to the leisure drive aspect of the scenic byway, many people may stop and utilize a park that was originally intended to meet local citizen needs
- Extensively landscaped community parks can require significant amounts of water (hundreds of thousands of gallons) for irrigation during the summer months – this may put a severe strain on the water plant if treated water is used – a raw water system is an economical solution
- Open space is a benign land use – it generates few impacts and few revenues, but it has proven to increase property values on land that is proximal to it
- Park acquisitions funding is more marketable to funding agencies if a proposed park is fulfilling a unique niche (such as regional facility) or is in some way connected to a regional park system (e.g. regional trail connectivity).
- Park revenue raising is very straightforward, revenue systems may be generated using the methodology outlined above.

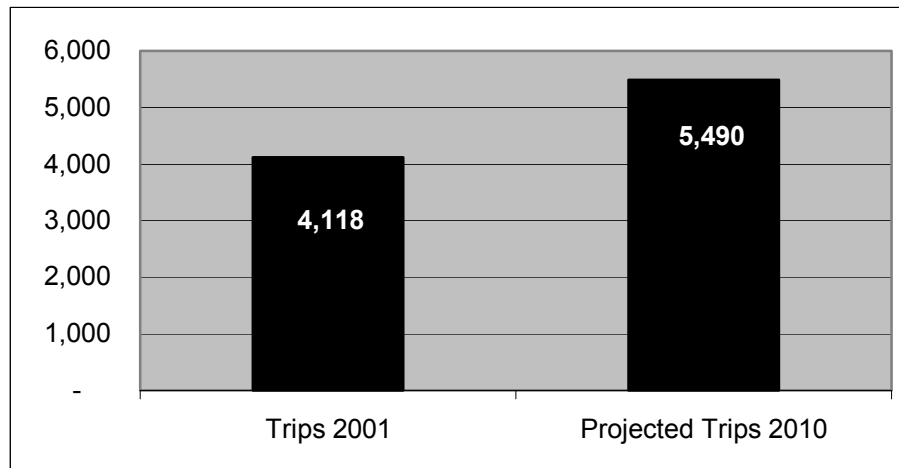
STREETS

Introduction

Increased traffic is one of the most noticeable effects of growth, particularly considering Ridgway's small size and a location that

geographically constrains the flow of traffic. New land uses nearly always cause new traffic. When someone builds a home on a vacant residential lot, additional traffic is generated by the residents in the house, whether they are full-time or part-time residents. If a Town does not have a grocery store, and one moves in, it will produce traffic where none existed before. The incremental increase in land uses in turn leads to an incremental increase in traffic. Land uses require site-specific improvements to accommodate on-site traffic, however, they also contribute to impacts on the overall streets system by adding more to the total traffic in Town. This incremental addition of more traffic to a streets system will eventually lead to the need for streets capacity improvements at key intersections and streets throughout Town, in addition to increasing the need for maintenance.

Figure XII. Existing and Projected Trips in Ridgway



The purpose of this analysis is to estimate existing traffic and project 2010 traffic and apply a calculated cost per traffic unit to the projections and generate a projected cost for streets maintenance and capital improvements.

Methodology

Traffic impact analysis consists of three basic steps: 1) inventory the type and intensity of land uses, 2) generate the average daily trips associated with the inventory of land uses using the Institute of Transportation Engineers Trip Generation Manual (the 'ITE') and, 3) use the average daily trip generation as the means for assigning fiscal impacts to the inventory of land uses. **See figure XII.**

The first step in the methodology was to consider 2000 residential unit counts and 2010 projections and combine them with non-residential employee and square feet of floor area for both the existing 2000 inventories and 2010 projections. The land use inventories and projections, when applied to the trip generation formulas in the ITE, produce the total average daily trip generation for Ridgway in 2000 and the projected average daily trip generation in 2010. Adjustments were then made to these raw trip generation figures to account for walking and biking, and out-commuting, to avoid double counting any trips. Dividing the 2000 streets operations budget by the total trips yielded a cost per trip for operations. The projected 2010 streets operations budget projections was obtained by multiplying projected 2010 trips by the 2000 cost per trip. The capital improvements costs necessary by 2010 were divided by the projected trips in 2010 to obtain a cost per trip for capital improvements.

Projected Change

Ridgway land uses in 2000 produce 4118 Average Daily Trips (ADT). The projected land uses in 2010 (accounting for the projected increase in residential units and non-residential land use) will increase the ADT in

The projected land uses in the coming decade will swell the ADT in Ridgway from 4118 in 2000 to 5490 in 2010, an overall increase

Ridgway from 4118 to 5490, an overall increase of 33%.

Fiscal Implications

The cost per ADT for streets operations is currently \$36 per year. Given the adjusted trip generation rates, that means a single family residence costs the Town \$173 annually for streets operations and maintenance. The operations/maintenance cost for non-residential land uses varies with the land use type and intensity. Given the cost per trip, the projected 2010 trips, and CPI inflation estimates, the total streets budget for 2010 is projected to increase from \$148,735 in 2000 to \$211,133 in 2010.

Figure XIII. Street Maintenance Costs & Revenues

2000 Operations for Costs for Streets	\$	148,735
2010 Operations for Costs for Streets	\$	211,133
Annual Operations Cost per Trip	\$	36
Capital Improvements per Trip 2010	\$	64
Annual Operations Cost/Residential Unit	\$	173
Capital Improvements/Residential Unit	\$	307

Several capital improvements are necessary in the next ten years to keep up with the current level of service for streets including equipment purchases, paving, and the construction of additional capacity at the maintenance facility. **Figure XIV.** summarizes the capital improvements and the per trip cost in 2010 to accomplish those improvements. The cost to accomplish the necessary improvements totals just over \$350,000 (over per \$300 per residential unit).

Figure XIV. Streets Capital Improvements

Equipment	\$ 63,000
Paving	\$ 269,575
Maintenance Facility	\$ 18,763
Total	\$ 351,338

Considerations & Recommendations

- Impacts of development on streets is related to the traffic it generates, so mitigation should be linked to 'trips'
- Streets Capital Improvements are necessary to keep traffic moving and safe
- Streets equipment and maintenance facilities are extremely costly and should always be considered in streets capital improvements planning
- Trails planning should be thought of as transportation options planning to encourage residents to use the trails instead of getting in their cars.

LAW ENFORCEMENT

Introduction

The Ridgway police department, like any other Town service, must increase its resources as the Town grows. The police department is affected by 3 different trends: growth in resident population, growth in commercial activity, and growth in highway traffic. In order to fully anticipate increased demand for law enforcement services, the Town must track the changes in these trends. The purpose of this analysis is to isolate the demand on the police department that is related to residential and non-residential land uses and project the increased demand on the department based on the projected increase in these land use types.

Methodology

The Ridgway Marshal estimates that half of the police department's resources are dedicated to law enforcement (mainly traffic law enforcement and accidents) on State Highways 550 and 62. An increase in traffic on the highways will increase the demand for highway law enforcement. The traffic growth rate was calculated based on Colorado Department of Transportation historic traffic count data. This analysis focuses on impact of development, so the 2010 projections only apply to the portion of the police department's demand linked to residential and non-residential land uses. The increase in demand was projected according to the increase in population and non-residential employees in addition to the increase related to increased highway traffic.

Projected Change

Ridgway has a significantly higher level of service in terms of police officers per capita (3.4 per 1000 of population as opposed to the national standard of 2 officers per 1000 population). This reflects the extra resources required for a small Town at the intersection of 2 busy highways.

The 50% portion of police resources will need to increase at a rate of 4.6% annually to keep up with the increase in Highway 550 and 62 traffic. The

National Standard of Level of Service for Law Enforcement Officers per Capita	0.002
Ridgway Law Enforcement Officers per Capita of Peak Population	0.003

other half of police resources will have to increase according to the projected increase of

population plus non-residential employees from 1266 in 2001 to 1655 in 2010.

Fiscal Implications

The increased demand from growth in highway traffic will generate the need for .7 of a full-time police officer by 2010. Similarly, the growth in population and non-residential employees will require .5 of a full-time police officer, for a total of 1.2 police officers by 2010 (see **figure XVII**). Given the current cost for staffing and equipping police officers, this will increase the annual police department from \$164,517 to \$227,605 between 2001 and 2010 (see **figure XV**).

SH 500 and 62 Annual
Traffic Growth Rate

4.6%

Figure XV. Police Officer Resource Allocations

	Percentage	2000 Officers	2010 Officers	Additional Officers Needed
Portion of Police Resources Devoted to Highways	50%	1.5	2.2	0.7
Portion of Police Resources Devoted to Residents and Businesses	50%	1.5	2.0	0.5
Total		3.0	4.2	1.2

Figure XVI. Costs of Staffing Police Department

2001 Total Police Expenditures	\$ 164,517
2010 Total Police Expenditures	\$ 227,605
Police Budget Increase 2000-2010	\$ 63,088

Considerations & Recommendations

- Police services in Ridgway have two demand generators:
 - Residents and Employees
 - Highway Traffic
- A disproportionate increase in Highway traffic could decrease the level of service for residents and businesses if resources are not increased.
- If the Town can establish an exact percentage (via accurate record keeping) of calls devoted to the highways, there may be room for negotiating with the state for additional funding or state patrol of the area.
- Passive devices such as speed bumps or roundabouts can decrease both accidents and diminish the need for patrolling residential streets for speed control.
- Investment in the capital streets improvements will likely decrease local accidents
- Community involvement and education can lesson the demands put on police services as Towns grow.
- Ridgway will continue to grow and with increased population comes increased demand for law enforcement.
- A police department can cover a substantial portion of its operational costs with fine revenues, especially from traffic violations on a busy highway.

WATER

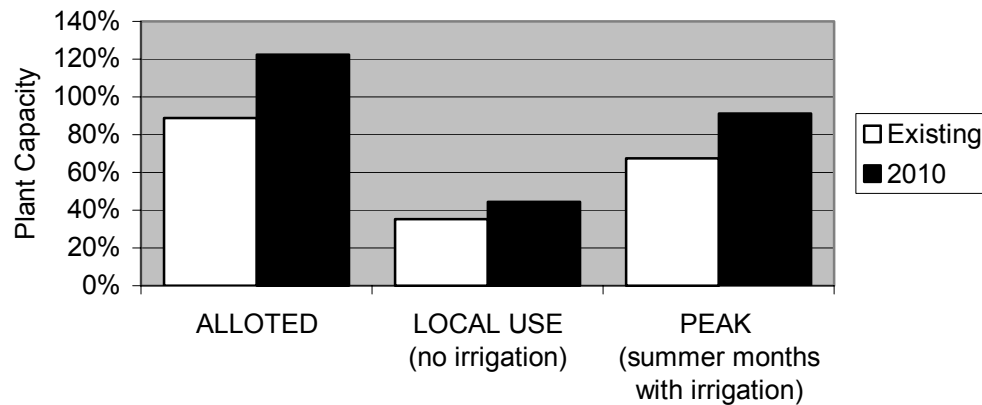
Introduction

Treated water service infrastructure is a major component of every municipal governments budget. This section analyzes existing Ridgway water plant flows and residential and non-residential usage by unit type. Results are reported in three categories (low, mid, high) and projections based on historical and unit usage are projected to 2010.

Given resident populations, peak population approximations, and commercial activity (as defined by employment) RPI was able to discern a number of elements of Ridgway's existing and future treated water usage.

Figure XVII. Ridgway Water Use

Methodology



Fortunately, Ridgway's public works director keeps scrupulous records of water flows within the Town. Consequently, fairly accurate usage scenarios were developed based on peak and off seasons. Peak seasons would include the summer months when the largest number of tourists are in Town and also the highest amounts of water are being used for irrigation purposes. Water flows in the so called "off" or "shoulder seasons" give us a reasonable estimate of simple domestic and commercial usage without the tourist or irrigation influences. The final category of use examined is the quantity of water allotted to each resident or (some) commercial usage for a flat rate every month. This usage is called "allotment" in the following charts. All water production systems must be built for potential peak capacities, and this assumption is inherent in all of RPI's analysis.

Due to the convoluted nature of the fee structure (i.e. differing rates by type of commercial operation – non-residential uses were considered in "gross", or at the most basic fee level. RPI is confident that the fee structure for non-residential usages, developed in cooperation with the Town Engineer, reflects as accurate a pricing structure as can be obtained for those specific uses.

Projected Change

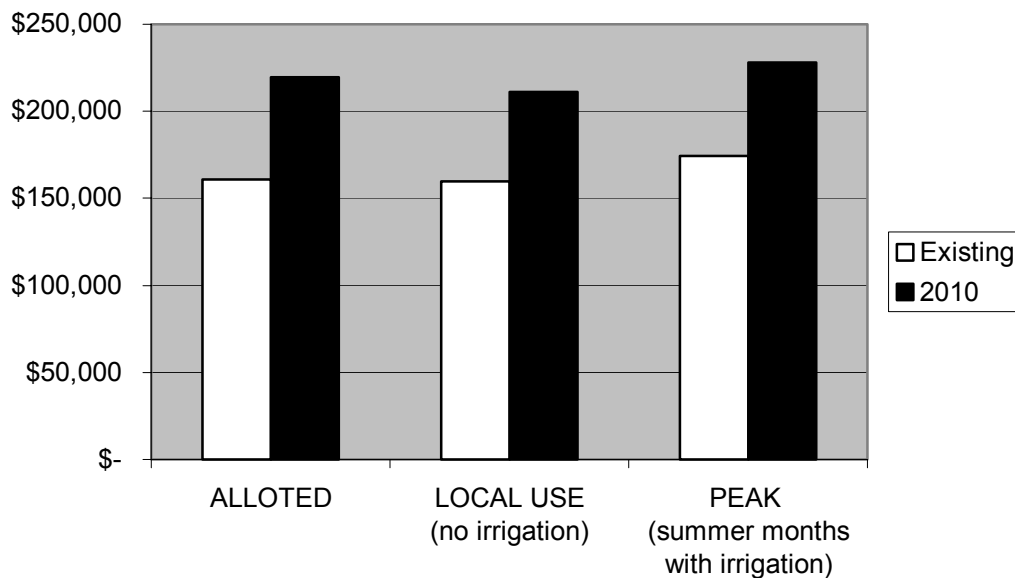
Projected change over the next decade is predicted to be well within the existing plants capacity **IF** Ridgway can limit its treated water use for irrigation purposes. **Figure XVII** clearly demonstrates that Ridgway's existing plant capacity will be severely strained in 2010 peak season if current per capita peak water usage is expended. Interestingly, Ridgway's allotment for treated water, at the flat rate of \$16 for 22,000 gallons would

currently send the plant to nearly 85% capacity and to over 120% capacity in 2010 if all of the Town's residents and business simply decided to use the full allotment. Overall water usage should be expected to increase by approximately 20% by 2010.

Figure XVIII illuminates another issue with Ridgway's current water production and pricing strategy. Although we know from **figure XIX** that the usage varies considerably with the allotted, local use, and peak scenarios – **figure XVIII** demonstrates that the revenues remain relatively flat for all usages. Because water costs fluctuates with gallonage produced, the Town should consider a pricing structure that more closely represents the costs of production.

Figure XIX demonstrates that Ridgway's existing plant, at current production levels, may be adequate until peak populations reach ~1000 people or ~400 units are built.

Figure XVIII. Water Revenue Scenarios



Fiscal Implications

Figure XIX establishes that, given existing trends, Ridgway revenues should outpace expenditures to 2010 with a single significant exception. Costs would begin to slightly exceed revenues if all homeowners and businesses began to utilize the full gallonage allotted to them under the existing fee structure.

Figure XIX. Water Units & Population Capacity Thresholds

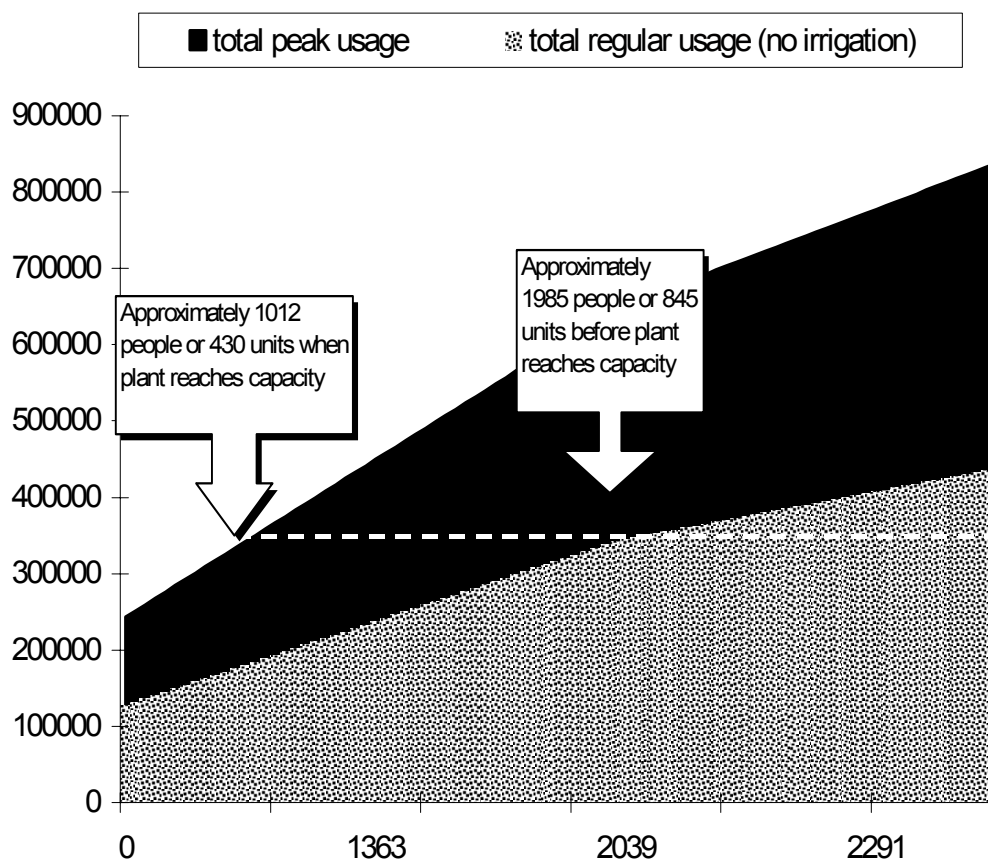
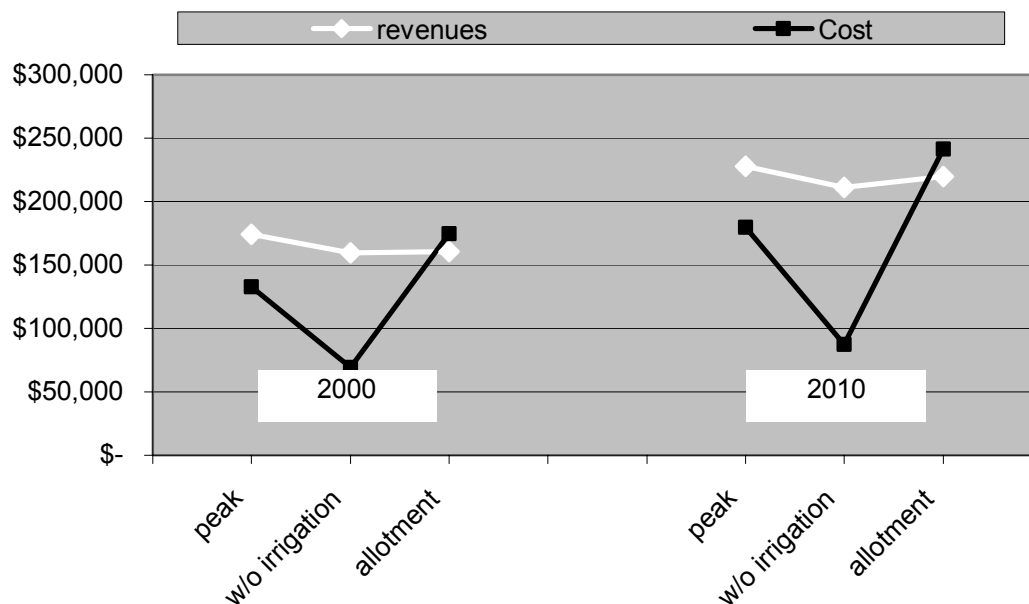


Figure XX. Water Revenues vs. Expenditures



Considerations & Recommendations

Ridgway seems to be in a positive position with its current treatment capacities. However, two issues should be addressed. First, a system for decreasing treated water usage during the peak months can be employed. This system may take any variety of forms including but not limited to: developing a raw water system, raising water costs, landscaping changes (incentives), promoting efficient use of water (perhaps requiring high efficiency fixtures in all new development and remodels). Of all the

Figure XXI. Ridgway Water Usage

Winter Average	120,836	Per unit usage
Residential (62%)	74,918	105
Commercial (38%)	45,918	90
Peak Average	231,429	Per unit usage
Residential (56%)	129,600	182
Commercial (44%)	101,829	200

measures that will extend the useful life of the existing plant capacity – decreasing treated water use for irrigation is likely the most valuable.

Despite significant up-front costs for a raw water system, this will save

significant long-term debt on capital outlays and the ability to maintain relatively low service fees.

Figure XX suggests that the ideal situation for the water plant revenue stream would be to maintain existing fees, eliminate irrigation from the system and substantially lower the allotment (perhaps by half or more). Doing so would allow the fund to develop surplus and pay down quickly the capital costs of a raw water system investment.

85% Capacity Thresholds w/irrigation

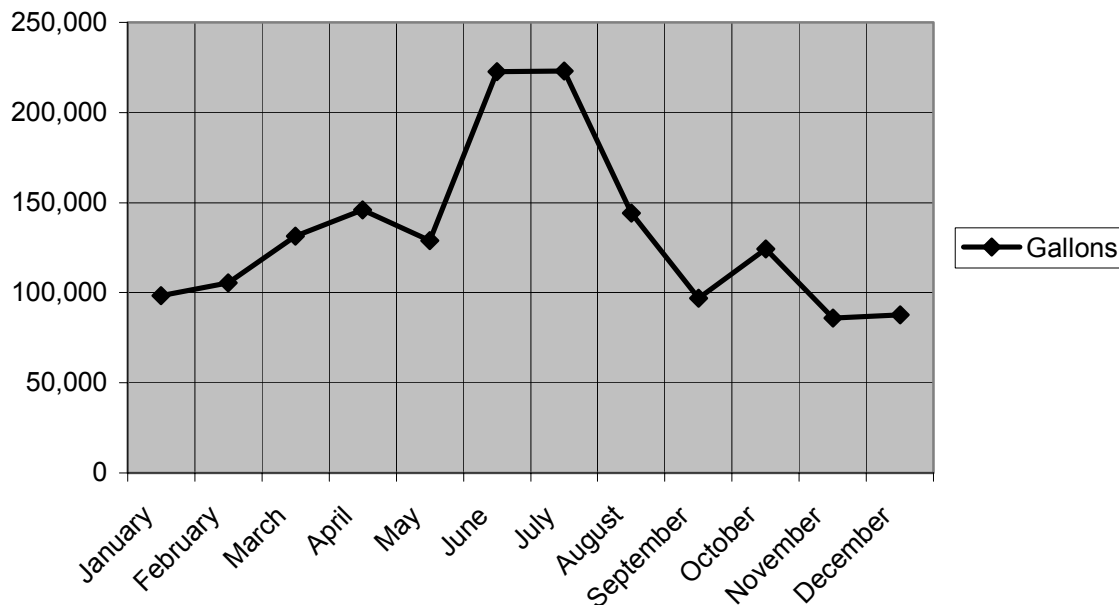
Population	850
Non-Res Units	601

85% Capacity Thresholds w/o irrigation

Population	1687
Non-Res Units	1072

Existing water plant capacity can also be an important lever for justifying phasing of development. Development should not outpace the ability of water infrastructure to serve it; given current growth rates, this should not be an issue over the next decade. However, if growth rates advance significantly, water plant expansion will become necessary. In light of the above, Ridgway should continue to keep records of both daily water plant production and consumption (i.e. at the plant, and at the commercial and residential meters). Accurate record keeping greatly enhances the tracking of trends over time (allowing the generation of an accurate and

Figure XXII. Ridgway Treated Water Flows



balanced fee structure) and facilitates keeping the plant running at highest efficiencies (it also clarifies the actual system leakage).

WASTEWATER

Introduction

Ridgway recently completed a large expansion of its water treatment facilities. Wastewater treatment facilities are a key element of urban infrastructure. High capacity systems allow the densification of existing Town lots and will be among the first considerations of individuals considering large-scale developments at the urban fringe.

Methodology

Wastewater production is essentially a function of treated water use. Typically, 56% of the treated water that flows into a home returns to the wastewater system during the winter (non-irrigation) months and 34% returns to the system during the peak (summer) months. The public works director provided RPI with wastewater flow data over a two-year period. Projected wastewater flows were based on .9 of projected treated water flows. However, because the plant has the capacity to accept growth over the next ten years (as projected) the bulk of analysis centered on the existing fee structure and future capacity thresholds for the wastewater treatment plant. Fee analysis is predicated upon the flat monthly fee that is charged for wastewater services and revenues and costs as reported in the Ridgway 2000 Sewer Enterprise Fund budget.

Although absolute maximum capacity of Ridgway's treatment plant is 190,000 gallons/day this report performs all calculations with 160,000 gallons/day – approximately 85% capacity.

Projected Change

Figure XXIII. Ridgway Sanitation Flows

Residential + Commercial						
No irrigation		Daily average water flow	Daily average sewage flow	Cost to treat	Revenues	% of capacity
	2000	115,844	64,873	149	47	41%
	2010	146,479	82,028	188	60	51%

Peak						
	2000	222,695	75,716	174	55	47%
	2010	300,879	102,299	235	74	64%

Cost per gallon	\$ 0.0014	Does not include debt service
Revenue per gallon	\$ 0.0007	Fee revenue
	\$ 0.0024	All revenues

State law requires that a wastewater treatment facility must begin construction to increase capacity when the flows reach 95% of capacity. Facilities are required to submit a “pre-design report” when the facility reaches 80% of capacity.

Considerations & Recommendations

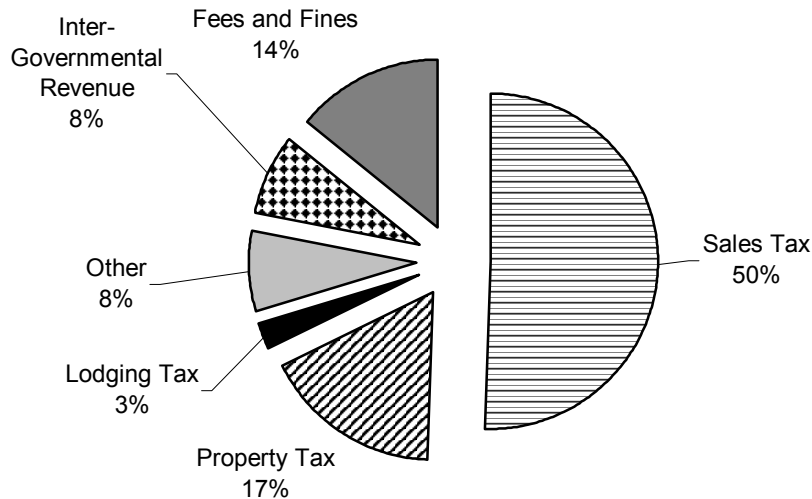
Ridgway’s treatment facility, given current growth rates, will be adequate for the foreseeable future. There are two issues to be addressed with the fee structure however. First, the actual monthly fee paid by water users is roughly half of the actual cost to treat the water. Fortunately, the enterprise fund receives funding from a mill levy and a steady income from tap fees both from current development

2010 GENERAL FUND REVENUE PROJECTIONS

Introduction

Sales tax and property tax constitute nearly 70% of the general fund revenue. Other significant sources include: inter-governmental revenue, lodging tax, and fees and fines. The purpose of this analysis is to project, based on past trends, each of these revenue sources into 2010. In the following section, revenues will be compared to expenditures in a 2010 fiscal summary of the general fund Town departments.

Figure XXIV. 2001 General Fund Revenue Sources by Type

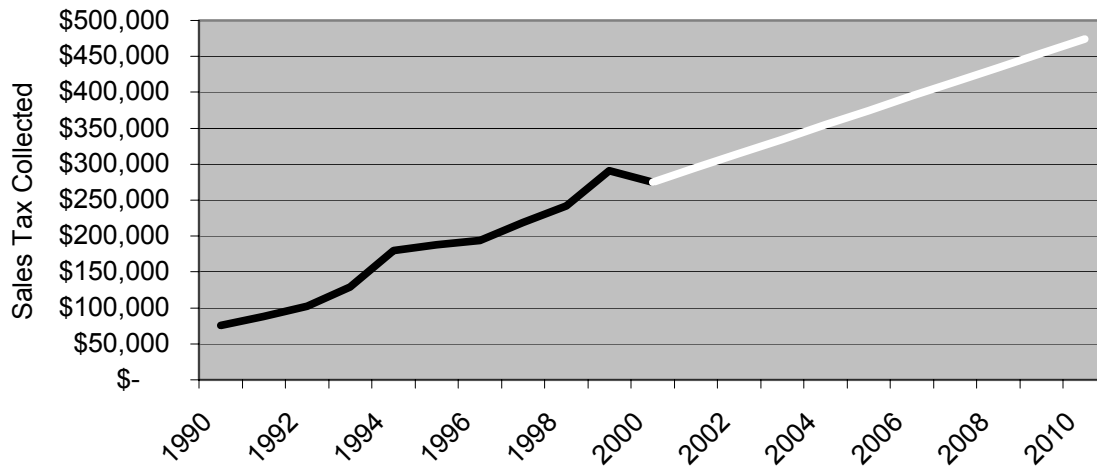


Methodology

The 2010 revenue projections are based on historical trends. Property tax revenues are subject to regulation by State tax law (TABOR and the “5% rule”). Property tax revenue projections include adjustments to account for TABOR limitations (e.g. revenue limits based on inflation and TABOR growth factor). Sales tax revenue increased steadily through the 90’s, with the exception of a single drop in 2000 (see **figure XXV**). The projected average annual increase to 2010 of just under \$20,000 should yield annual revenue of nearly \$475,000. Property tax revenue has increased steadily as well.

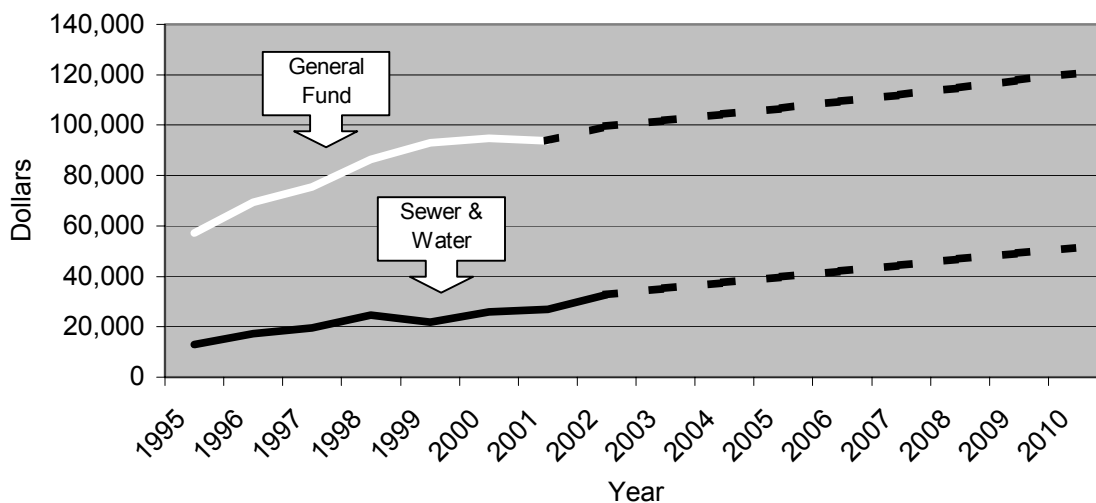
Accounting for TABOR limitations on year-to-year property tax revenue increases, the annual income generated by the general fund mill levy should increase to just over \$120,000 by 2010. The TABOR adjustments

Figure XXV. Property Tax Revenue Trends & Projections



involve a projected decrease in the existing 6.937 mill levy in order to comply with the limitations imposed on property tax revenue collections. Also included in figure XXVI are the past trends and projections for the 2-mill sewer/water bond. Projections on this bond do not include TABOR adjustment since it is an enterprise fund and therefore exempt from TABOR.

Figure XXVI. General Fund & Enterprise Fund Revenue Projections



FISCAL SUMMARY: THE BOTTOM LINE FOR RIDGWAY GENERAL FUND DEPARTMENTS

Introduction

The projected annual 2010 expenditures for general fund departments and the 2010 projected general fund revenues calculated above allow a final analysis of the projected fiscal condition of the general fund. The capital facility needs also inform this analysis by totaling the capital investment costs necessary to maintain the existing level of service.

Fiscal Summary of the General Fund in 2010.

The 2010 outlook for annual operations looks positive for Ridgway. Largely due to the projected increase in sales tax revenue, Ridgway should have about a \$100k year-end surplus in 2010. See **figure XXVII** for a summary of the expenditures by department, the revenues and the annual balance for 2000 and 2010. The expenditures summarized in

Figure XXVII. Summary of Expenditures & Revenues

	Administrative Expenditures	Law Enforcement Expenditures	Streets Expenditures	Total General Fund Expenditures	General Fund Revenues	Year-End Balance
2001	\$ 257,119	\$ 164,517	\$ 136,615	\$ 558,251	\$552,550	\$ (5,701)
2010	\$ 336,042	\$ 227,605	\$ 211,133	\$ 774,780	\$876,272	\$101,492

figure XXVII only cover the cost of maintaining the current level of service for operations, not capital improvements.

The Town will need to accomplish a significant amount of capital facilities improvements in order to maintain the current level of service through 2010.

Figure XXVIII. Capacity Related Capital Improvements

Streets	\$ 351,338
Administration/Police	\$ 51,659
Total	\$ 402,996

Recommendations and Considerations

- The general fund operations budget should have a surplus annually if trends continue as they have.
- What has gone right in Ridgway?
 - While property tax revenues are still subject to TABOR limitations, voters “De-Bruced” from overall TABOR spending limits. Had the Town not done this, much of the projected increase in sales tax revenue would have to be refunded.
 - Town has grown a good reserve (over \$400,000). A strong reserve can help mitigate circumstances that might otherwise be a fiscal disaster (e.g. a major drop in retail sales due to national tourism decline, irreparable breakdown of a key piece of equipment, etc.)
 - The Town has received many grants and donations in the form of parks and open space and to conduct planning processes.
- What could go wrong?
 - A drop in sale tax revenue growth due to a larger scale tourism slump could substantially injure the general fund in a short period.
 - Continued or accelerated taxable sales ‘leakage’ to Montrose retail or to new retail development in Ouray County could result in long-term fiscal problems. Absent efforts to capture a healthy portion of local spending, Ridgway’s resident population will generate many impacts on Town services and facilities without benefiting community businesses and sales tax coffers with local spending.
 - Rapid development, particularly rapid residential development without a proportionate increase in non-residential development, can cause Town revenues and expenditures to go out of balance.
- How can Ridgway keep general fund revenues growing?
 - Encourage retail growth (especially local resident serving retail).
 - Educate citizens about fiscal reality in case the Town needs to vote to tax themselves at some point in the future.
 - Keep good records and analyze the trends in order anticipate fiscal problems before they occur!
- While the reserves accrued during the 2000-2010 budget years would probably cover the capital facilities expenditures, the reserve

should be saved for emergencies while other revenue sources explored to cover capital improvements.

- The excise tax will not cover the costs associated with all new development because it only applies to *new* residential subdivisions. The capital facilities demand generated by all commercial development and the development of the large number of platted lots in Town will essentially go unmitigated under the current excise tax application. Were this tax revised to include all residential building permits it would most likely cover all general fund department capital facilities demand generated by the residential sector. If it were further broadened to apply to commercial development according to employees generated, the excise tax would certainly cover general fund department capital facilities costs generated by new growth.

Conclusions and Recommendations

Maintaining a designated level of service as Ridgway grows will cost Ridgway in two ways:

1. Ongoing operations and maintenance
2. Capacity building capital improvements

Funding strategies will need to be designed with this fact in mind. Following is a brief discussion of some the funding strategies and their characteristics, advantages and disadvantages.

Increasing Sales and Property Tax Revenues

Increasing general fund tax revenues is probably the best long-term solution for increased operations costs associated with forthcoming growth and possibly providing funding for some limited capital improvements costs. This can be accomplished in two ways:

1. Voting to increase sales and/or property tax rates
2. Developing the Commercial Sector

While neither of these methods is simple, it may be worth the effort because the resultant revenue is consistent year-to-year and not directly linked to new development (as with development fees or taxes).

Impact Fees

While impact fees do not require a vote, they do have limitations. Governments or districts can only use impact fees for building capital facilities capacity made necessary by new development, not for existing deficiencies or operations. Funds from impact fees must be 'earmarked' for defined capital improvements. Impact fees are subject to rigorous legal standards: demonstration of need, rational nexus, and rough proportionality. No Colorado enabling legislation currently exists securing their imposition but many communities currently have impact fees in place that are considered legal. In short, while impact fees can be a quick source of revenue absent voter approval, they are limited in their application and can be difficult to administer.

Excise Taxes

Excise taxes require a vote of the people. Excise taxes are generally deposited in the general fund and can be used for capital improvements, operations, debt, or deficits. Different rates can be applied to different types of development, if, for example, Ridgway decides that it wants to give commercial development a break so as not to discourage its development. The Excise Tax would be a good fit for Ridgway's capital improvements, and would allow some flexibility in collections, expenditures, and administering.

The combination of an aggressive effort to develop the commercial sector to cover ongoing operations costs and an excise tax funding strategy for future capital improvements would allow the Town and the Districts to maintain the existing level of service while the Town could expand its services (such as a parks/open space program).

Part II. River Park PUD

RIVER PARK P.U.D. BUILDOUT

Introduction

While the development of the PUD is governed by three triggered phases, this analysis focuses on the impacts generated by development at full buildout. Full-buildout is simply the maximum allowable development under the approved plat and zoning. Development impact analyses reveal the true development implications and fiscal legacy of a subdivision approval. Market forces or other unforeseen variables may prevent the full buildout of the PUD, or significantly slow the pace of its development. Nonetheless, the Town has granted approval that creates the potential for the full-buildout of RPPUD and its fiscal consequences. A development impact analysis of the entire subdivision at full buildout may allow Ridgway to make policy changes to avoid some of the potential negative consequences of RPPUD and to better mitigate the impacts of future subdivisions and developments.

RESIDENTIAL BUILDOUT

The residential buildout of RPPUD was a simply a matter of totaling the units allowed on the approved preliminary plat. **Figure XXIX** summarizes the residential buildout by unit type.

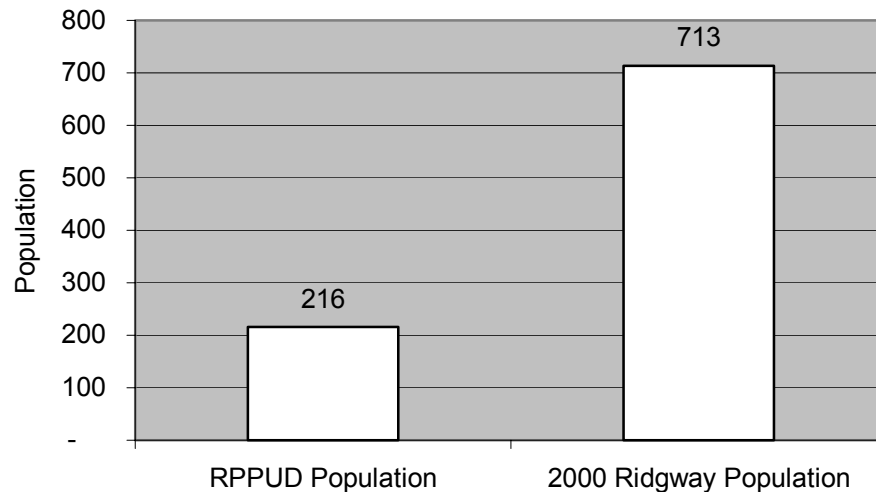
Figure XXIX. RPPUD Residential Buildout Unit Types by Number

All Phases Residential Buildout		
	Lots	Units
Single Family	63	63
Duplex	11	22
Triplex	1	3
Fourplex	1	4
Total	76	92

Residential Population

Residential population was calculated by multiplying the units at buildout (92) by the current residents per household in Ridgway (2.3). The population of RPPUD will be 216 at buildout, or about 30% of the 2000 population in Ridgway.

Figure XXX. 2000 Ridgway Population & RPPUD Population at Full Buildout



Light Industrial Buildout

Assessing the impacts associated with non-residential development requires two main inputs: average daily trips and non-residential employees. Non-residential land use type and intensity are the primary variables necessary to calculate trips and employees. Therefore, the buildout calculations involved two steps: 1) calculating total square footage and 2) calculating the mix of land uses.

The first step in calculating the total square footage was the theoretical subdivision of blocks into 6,000 square foot lots (minimum lot size under I-1 and I-2 zoning). Each of the potential lots was then assumed to have a 3000 sq. ft. building on it. The zoning allows 5000 sq. ft. per lot without special review, but this would be too large for an average building, especially in light of the 50% maximum lot coverage rule and parking requirements. 3,000 sq. ft. represents a good average building size given the zoning. See **figure XXXI** for a summary of the sq. ft. calculations.

Figure XXXI. Square Foot Buildout of Light Industrial Zone District

All Phases Light Industrial			
Zone District	Lot Area (Sq. Ft.)	# of Potential Lots	Potential Floor Area
I-1	444,991	70	210,000
I-2	119,388	13	39,000
Total	564,379	83	249,000

The next step was to establish a mix of land uses to fill the 249,000 sq. ft. of potential floor area in the light industrial portion of RPPUD. The primary assumption that underlies the land use mix projections is that the existing market will play itself out in the non-residential land uses to the extent that zoning allows it. Of the non-residential land use sectors used in the 2010 portion of this report, the uses allowed in the I-1 and I-2 zone districts either by right or as a conditional use are as follows:

1. Construction
2. Government/Institutional
3. Industrial
4. Office/Professional Services
5. Retail

The proportions of these land uses in the PUD were determined by a three-step calculation. First, the percentage that each sector contributed to the 2001-2010 job growth in all of those sectors was calculated. This calculation represents a market projection for those jobs. Then in the second step, these job projections were converted into square feet based on the 17-community survey cited earlier in this report. Then a percentage of total calculation was performed on the square footages by sector. This percentage represents the proportionate increase in land uses by sector. In the final step, these percentages were then multiplied by the 249,000 sq. ft. of potential floor area to obtain the land use mix by square footage of each sector in the light industrial portion of the PUD.

In more general terms, the future land use market was calculated and then applied to the PUD according to uses and square footage allowed in the PUD. See **figure** for a summary of the results.

Figure XXXII. Breakdown of Market Sector in Light Industrial Zone

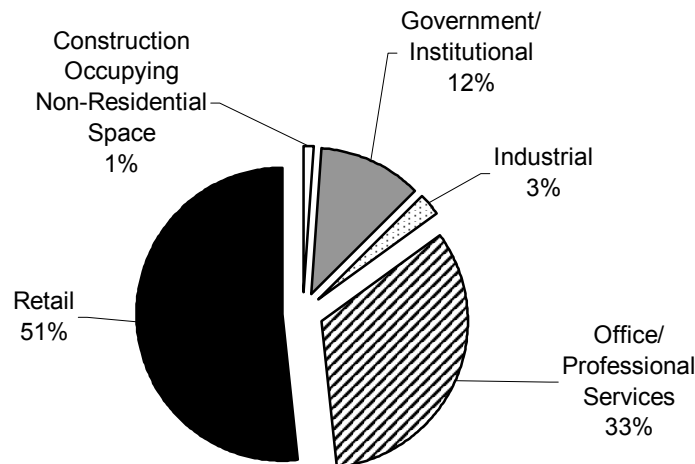
Land Use Type	Market Growth Percentage	PUD Non-Residential Employees	PUD Sq. Ft. Breakdown
Construction Occupying Non-Residential Space	1%	11	2,452
Government/Institutional	12%	112	28,665
Industrial	3%	14	6,547
Office/Professional Services	33%	273	82,448
Retail	52%	388	128,888
Total Non-Residential	100%	798	249,000

This process also generated the PUD non-residential employee calculations, which is a primary input.

Considerations & Recommendations

Retail makes up over half of the square footage of the PUD at buildout (see **figure XXXIII**). This is simply a reflection of the projected market demand for retail land use. Currently in both the I-1 and I-2 zone districts, retail is listed as a conditional use, requiring P&Z approval. The assumption here is that the demand for retail space will not be hampered by the public process

Figure XXXIII. Square Footage by Sector at Buildout of RPUD Light Industrial requirements



TOWN ADMINISTRATION

Introduction

The purpose of this analysis is to project the impacts of RPPUD on the Town administration.

Methodology

The methods for calculating the costs of RPPUD on administration are the same as those in the 2010 projections.

Projected Change

The demand units consist of population plus non-residential employees. RPPUD is projected to have a total of 1014 demand units (216 of which is population and the rest non-residential employees).

Fiscal Implications

Ridgway currently spends about \$257,000 annually on administrative operations. Given that the population plus the non-residential employees equals 1266, the cost per demand unit is \$203. Applying this to the projected demand units of 1014 in RPPUD, the projected cost for supplying the existing level of service will cost just under \$206,000 annually. Essentially, this means that Ridgway will need to hire 2-3 more administration employees. See **figure XXXIV** for details:

Figure XXXIV. Ridgway Administration Operations Summary

Estimated RPPUD Admin Employees	3
Current Sq. Ft. Per Employee	250
Demand for Sq. Ft. Town Hall Space Generated by RPPUD	789
Office Facilities Replacement Cost/Sq. Ft.	\$ 103
Cost of Town Hall Space to Accommodate RPPUD Demand	\$ 81,510
Cost per Demand Unit	\$ 80
Cost per Residential Unit	\$ 185

The addition of employees to administration will require additional Town Hall space. Each Town hall employee needs 250 sq. ft. of space, which will cost over \$81,000. See **figure XXXV** for details.

Figure XXXV. Administration Capital Improvements Necessitated by RPPUD

2001 Total Administrative Budget	\$ 257,119
Annual Cost Per Demand Unit	\$ 203
RPPUD Population	216
RPPUD Non Residential Employees	798
RPPUD Total Demand Units	1014
Annual RPPUD Admin Cost	\$ 205,923

LAW ENFORCEMENT

Introduction

The purpose of this analysis is to projected the demand on the police department generated by the residential and non-residential land uses in RPPUD.

Methodology

The methodology for this analysis is identical to that used in the 2010 projections, with the exception that it focuses only on demand generated by the projected population and non-residential employees. This analysis does not include projections for increased demand related to increased highway traffic.

Projected Change

Police resources will have to increase according to the projected population plus non-residential employees in RPPUD (1014).

Fiscal Implications

The current level of service for police officers per capita or non-residential employees is 12 per 1000. RPPUD population and non-residential employees will require 1.2 full-time police officers (see **figure XXXVI**). Given the current cost for staffing and equipping police officers, this will cost the police department from \$65,880.

Figure XXVI. Cost of Staffing a Police Officer

Current Police Officers per Demand Unit of Residential and Commercial Development	0.0012
RPPUD Population	216
RPPUD Non Residential Employees	798
Demand for Officers Generated by RPPUD	1.2
Annual Cost for Staffing and Equipping RPPUD Demand for New Officers	\$ 65,880
Annual Cost per Demand Unit	\$ 65
Annual Cost per Residence	\$ 149

FIRE & AMBULANCE

Introduction

The Ridgway Fire and Ambulance District provides fire service to area residents and property and to travelers on the State highways. The district provides all of these services with a relatively small budget, in large part because of the local volunteers and support that form the backbone of the District. Since the Fire District must respond to such a wide range of demands, it should be especially vigilant about tracking trends in order to properly plan for increased demand. The purpose of this analysis is to isolate the important elements of growth that affect demand for fire and ambulance services and then project them to estimate the resources necessary to meet that demand.

Methodology

The fire district responds to three different types of calls relevant to projecting growth in demand:

1. Calls to residences inside the district
2. Calls to non-residential properties within the district
3. Calls to motor vehicle accidents (MVA's)

The fire district rarely has to respond to MVA calls, because they are only called when the accident involves a fire. Therefore, the demand on the fire district is related almost exclusively to residential and non-residential property within the district. The Ouray County Assessor's office provided a count of the demand units in the fire district (residential units plus

commercial structures). This count, coupled with 2001 fire district budget allowed the calculation of a cost per demand unit for operations, capital facilities, and equipment expenditures. This cost was then applied to the RPPUD residential units plus commercial building site buildout figures to obtain a total cost for providing fire services to the residential and light industrial portions of the RPPUD.

Projected Change

Currently the Fire District contains 639 residential units and 79 commercial structures, for a total of 718 demand units. RPPUD will have 92 residential units and 83 commercial buildings for a total of 175 demand units at buildout. Fire district resources both for operations and capital improvements will have to increase accordingly.

Fiscal Implications

The current cost for fire district operations is 73\$ per residential unit or commercial structure. Given the 175 fire district demand units projected for RPPUD, Fire District operations will cost a total of about \$12,700 annually.

Figure XXXVII. Fire & Ambulance Operations Costs

Annual Operations Costs	\$ 52,100
Total Residential Units and Commercial Buildings in Fire District	718
Operations Cost per Residential Unit or Commercial Building	\$ 73
RPPUD Residential Units and Commercial Buildings	175
Annual Operations Cost for RPPUD	\$ 12,698

Figure XXXVIII. Fire & Ambulance Capital Costs

Average Annual Capital Facilities Expenditures	\$ 117,138
Total Residential Units and Commercial Buildings in Fire District	718
Capital Facilities Cost per Residential Unit or Commercial Building	\$ 163
RPPUD Residential Units and Commercial Buildings	175
Annual Capital Facilities Cost for RPPUD	\$ 28,550

Fire protection is a capital intensive service. Most of the fire district spending goes towards capital improvements (currently around \$120,000 annually). The new demand units in RPPUD will generate the need for additional capital facilities and equipment. The current expenditure per demand unit for capital facilities is \$163 per demand unit per year. The 175 new demand units in RPPUD will require an additional \$28-\$29,000 in capital facilities and equipment annually.

The Ridgway Fire District is funded by a 3.591 property tax mill levy and specific ownership tax. The projected Fire District revenues from RPPUD sources will fall short of covering the over \$41,000 annual service costs by over \$6,000 annually (see **figure XXXIX**).

Figure XXXIX. Fire & Ambulance Costs & Revenues

Annual Fire District Operations Cost for RPPUD	\$ 12,698
Annual Fire District Capital Facilities Cost for RPPUD	\$ 28,550
Total Annual Fire District Cost for RPPUD	\$ 41,249
Revenue from Property Taxes	\$ 33,202
Specific Ownership Tax Revenue	\$ 1,800
Total RPPUD Fire District Revenues	\$ 35,002

Considerations & Recommendations

- The Fire District mill levy and specific ownership tax share would easily cover operations alone.
- However, the capital-intensive nature of Fire Services renders the recently raised mill levy inadequate.

- An impact fee could cover capital improvements necessitated by new growth.

STREETS

Introduction

RPPUD will generate a substantial amount of traffic and will be the most obvious and dispersed impact associated with the buildout of RPPUD. While the residential portion of the project will produce some of the traffic, most of it will be linked to the light industrial portion of the PUD. The purpose of this analysis is to estimate the traffic generated by RPPUD at buildout and estimate the associated costs in terms of operations and maintenance as well as increased need for infrastructure.

Methodology

Traffic impact analysis consists of three basic steps: 1) inventory the type and intensity of land uses, 2) generate the average daily trips associated with the inventory of land uses using the Institute of Transportation Engineers Trip Generation Manual (the 'ITE') and, 3) use the average daily trip generation as the means for assigning fiscal impacts to the inventory of land uses.

The residential unit buildout and the non-residential buildout estimates by type were applied to the ITE to get raw trip generation figures for the PUD at buildout. Adjustments were then made to these raw trip generation figures to account for walking and biking, out-commuting, and to avoid double counting any trips. The projected streets operations costs associated with the PUD was obtained by multiplying the PUD trips by the operations and maintenance cost per trip (derived in the 2010 Streets projections earlier in the report). The capital improvements costs made necessary by RPPUD were determined based on increasing the dollar value of capital facilities (e.g. streets portion of the maintenance yard), streets equipment, and the value of paved streets in Ridgway, in proportion to the increase in trips generated by RPPUD.

Projected Change

RPPUD at buildout will yield 5,580 average daily trips, about 40% more trips than occur in the entire Town currently. 389 of these average daily trips will be produced by the residential component of the PUD, while the

rest are generated by the non-residential portion of the project. The retail fraction of the projections is the single highest traffic producer (3,300 daily trips) due to the fact that retail has high trip generation rates and that it is projected to occupy about half of the PUD's 249,000 sq. ft. (see **figures XL and XLI** below for a breakdown of trip generation by land use type).

Figure XL. Ridgway Average Daily Trips vs. RPPUD Buildout Trips

Land Use Type	PUD Average Daily Trips
Construction Occupying Non-Residential Space	16
Government/Institutional	251
Industrial	20
Office/Professional Services	1,877
Retail	3,297
Total Non-Residential	5,461

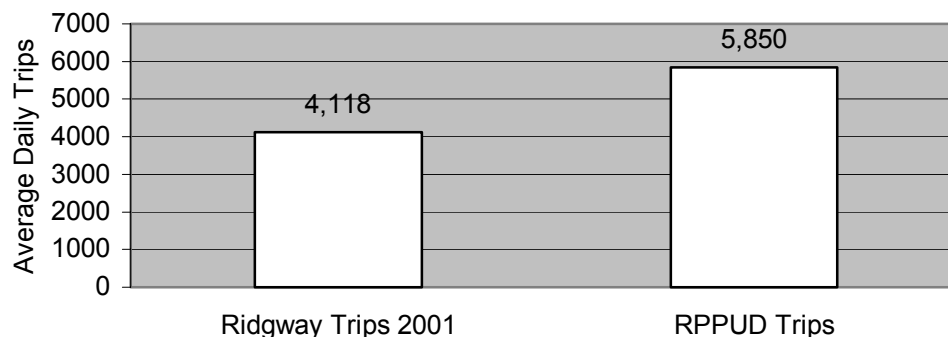
Figure XLI. Unit Type Trip Generation

Residential Unit Type	Units	Adjusted Trip Generation
Single Family	63	304
Duplex	22	65
Triplex	3	9
Fourplex	4	12
Total	92	389

Fiscal Implications

As noted earlier in the report, the cost per ADT for streets operations is currently \$36 per year. Given the adjusted trip generation rates, that

Figure XLII. RPPUD Total Average Daily Trips



means a single family residence costs the Town \$173 annually for streets operations and maintenance. The operations/maintenance cost for non-residential land uses varies with the land use type and intensity. Given the total trips generated by the PUD at buildout (5,850), the added cost of operations and maintenance on the existing streets system will cost just over \$211,000 annually. Additional operations and maintenance costs of just under \$13,000 annually will also be created by the additional 1.5 miles of paved streets in the PUD. **Figure XLIII** summarizes the results of this analysis.

Figure XLIII. Costs per Trip

Operations Cost per Trip 2000	\$ 36
RPPUD Trips	\$ 5,850
Additional Street Miles Maintenance Costs	\$ 12,830
Annual Operations Costs Generated by RPPUD Traffic (2000 dollars)	\$ 224,126

Several capital improvements will necessary to keep up with the current level of service for streets as the PUD builds out. These improvements include equipment purchases, paving, and the construction of additional capacity at the maintenance facility. **Figure XLIV** summarizes the capital improvements and the per trip cost for the PUD to accomplish those improvements. The cost to accomplish the necessary improvements totals just over \$400k (\$70 per trip which would mean \$334 per residential unit). These capital improvments cover only the incremental improvements made necessary by the buildout of the PUD on the entire streets system. They do not cover the site specific improvments to Railroad Street and its intersection with SH 62 (discussed below).

Figure XLIV. Streets Capital Improvements

Equipment Value	\$ 124,750
Maintenance Yard Value	\$ 120,545
Paved Street Value	\$ 21,125
Total Capital Facilities Value	\$ 266,420
Cost Per Trip for Capital Facilities	\$ 70
Capital Facility Costs for RPPUD	\$ 407,026
Capital Facility Costs per Residential Unit	\$ 334

Considerations & Recommendations

- Since RPPUD is projected to produce more traffic than the entire Town does currently, in addition to creating more street miles, the

operations and maintenance costs for PUD traffic alone will be more than the entire current streets budget.

- The PUD will generate the need for over \$400,000 in capital improvements at buildout or the Streets infrastructure will decay.
- Streets equipment and maintenance facilities are extremely costly and should always be considered in streets capital improvements planning
- The trails obtained during the PUD process are largely internal trails. Future planning efforts should create a trails network that mitigates traffic by encouraging transportation options as well as providing recreational opportunities.

If the I-1 and I-2 buildout according to the existing land use market, the traffic generation will average 22 trips daily per 1000 sq. feet (that's 66 per lot compared to 9.57 for single family homes). Therefore, in terms of traffic impacts as they relate to traffic generated, the PUD Development Agreement (Reception # 174439) does not address traffic impacts equitably. 13 (A.) (4) of this document states:

Unless otherwise determined by the Town (with any appropriate consent of the properties subject to this agreement) the aggregate assessments computed for the PUD and SMPA shall be allocated among the various lots and blocks pro rata on a per "unit" basis...

It goes on to define a light industrial unit as a 6500 sq. ft. commercial lot. The problem comes from the differences in trip generation between residential and non-residential units as illustrated in the example above. Most of the non-residential uses allowed in the I-1 and I-2 zones would generate more traffic per lot than a residential unit would. **Therefore, we suggest the following approach to assessing fair share payments for RR St. and intersection improvements:**

1. Determine traffic capacity of proposed improvements in terms of daily trips (e.g., 6000 daily trips)
2. Estimate the cost of the improvements (e.g., \$60,000) to get a cost/trip of developing that capacity (10\$)
3. Use the ITE *at building permit* to estimate trips generated by the structure and proposed use and charge accordingly
4. For example, a 3000 sq. ft. light industrial use would generate 22 ADT, for a fee of \$220.

RPPUD GENERAL FUND REVENUE PROJECTIONS

Introduction

Sales tax and property tax constitute nearly 70% of the general fund revenue. Other significant sources include intergovernmental revenue, lodging tax, and fees and fines. The purpose of this analysis is to project the revenues generated by RPPUD at buildout. In the following section, the revenues will be compared to the expenditures in a fiscal summary of the impact of RPPUD on general fund Town departments.

Methodology

The revenue projections are based on current per capita, per unit, or per non-residential employee revenues depending on the particular nature of the revenue source. Sales tax revenue projections involved first establishing a sales tax per non-residential employee in taxable sectors figure by dividing the 2000 Sales Tax revenues by the 2000 non-residential employees in taxable sectors. This sales tax per non-residential employee in taxable sectors figure was then multiplied by the RPPUD employees in taxable sectors (e.g. retail) to obtain an annual sales tax revenue projection for the PUD.

Important Note on Sales Tax Revenue Projections: A Town official pointed out in the presentation of this information that these retail projections do not account for the sales tax generated by the additional spending of the new residents occupying the PUD. The residents of RPPUD could potentially generate \$60,000 per year in sales tax revenue. Presumably the bulk of this spending would occur in commercial establishments outside of the PUD. However, this is only *potential* revenue based on current resident spending patterns. RPI is not convinced that Ridgway's existing commercial base is large enough to prevent this money from "leaking" to commercial service sectors (e.g. Montrose). Furthermore, any commercial activity outside of the PUD would also generate additional fiscal impacts on the Town, which are not accounted for in this analysis. Revenues would be attributed to the PUD without accounting for the impacts associated with the activities that generated the revenues. Therefore, for the purposes of this analysis, only the revenues generated by the taxable activity inside of the PUD was included in the revenue projections.

Property tax revenue projections are based existing mill levies applied to present average residential unit assessed valuations and assessed valuations of non-residential square footage.

Other revenues (highway users tax, specific ownership tax, fees and fines, etc.) were derived first by calculating the 2000 revenue per demand unit (residential unit, per capita, or per non-residential employee revenues depending on the nature of the revenue source). This ratio was then multiplied by the projected growth in demand units in RPPUD to project the revenue at buildout.

Projected Change

RPPUD, with 388 employees in taxable sectors, should produce just under \$280,000 in sales tax revenue annually at buildout (see **figure XLV**).

Figure XLV. RRPUD Sales Tax Revenues

2000 Sales Tax Revenue/Job in Taxable Sectors	\$ 720
PUD Jobs in Taxable Sectors	388
Projected PUD Sales Tax Revenue (annual)	\$ 279,175

See the note in the Methodology section above regarding this projection. As summarized in **figure XLVI**, property in the PUD should yield about \$64,000 per year given the existing assessment rate (9.74% for residential, 29% for commercial) and the existing general fund mill levy (6.937 mills).

Figure XLVI. RRPUD Property Tax Revenues

	Assessed Value per Unit/ Sq. Ft.	PUD Units/Sq. Ft.	PUD Assessed Valuation	Current Mill Levy	Property Tax Revenues
Residential	\$ 13,149	92	\$ 1,209,734	0.006937	\$ 8,392
Non-Residential	\$ 32	249000	\$ 8,036,045	0.006937	\$ 55,746
TOTAL			\$ 9,245,779		\$ 64,138

Important Note: Many properties will most likely remain vacant for extended periods of time during the buildout of RPPUD, which means it will produce revenues, but have no impacts. For illustrative purposes, let's assume that lots in the light industrial portion of the project are vacant for an average of 10 years. Under the current real estate market and Town tax structure, all of the vacant lots in the PUD combined would yield a total of \$83,000 in property taxes—with few or no associated impacts.

Figure XLVII. General Fund Revenues Generated by RPPUD:

Annual Revenues	
Sales Tax	\$ 279,175
Property Tax	\$ 82,630
Other Revenues	\$ 30,033
Total Annual Revenues	\$ 391,837

FISCAL SUMMARY: THE BOTTOM LINE FOR RIDGWAY GENERAL FUND DEPARTMENTS

Introduction

The projected annual RPPUD expenditures for general fund departments and the RPPUD projected general fund revenues calculated above allow a final analysis of the projected fiscal condition of the general fund. The capital facility needs also inform this analysis by totaling the capital investment costs necessary to maintain the existing level of service.

Fiscal Implications

The annual operations will result in about a \$100,000 annual budget deficit. See **figure XLVIII** for a summary of the expenditures by department, revenues, and annual balance. Expenditures summarized in **figure XLVIII** only cover the cost of maintaining the current level of service for operations, not capital improvements.

Figure XLVIII. RPPUD Ongoing Operations Expenditures vs. Revenues for General Fund Departments

Administrative Expenditures	Law Enforcement Expenditures	Streets Expenditures	Total General Fund Expenditures	General Fund Revenues	Year-End Balance
\$ 205,923	\$ 65,880	\$ 224,126	\$ 495,929	\$ 391,837	\$ (104,092)

Ridgway will need to accomplish almost \$500,000 in capital facilities improvements in order to maintain the current level of service given the residential and non-residential development in RPPUD.

Figure IL. Capacity Related Capital Improvements

Streets	\$ 407,026
Administration	\$ 81,510
Total Capital Improvement Costs	\$ 488,537
Building Permit Revenues	\$ 117,900
Excise Tax Revenues	\$ 138,000
Total One-Time Revenues During Buildout	\$ 255,900
Balance	\$ (232,637)

Building permits (applicable to the entire PUD) and excise tax revenues (only applies to residential units) are the only one-time during buildout revenues generated by development in Ridgway. The projected revenue from these sources falls short of paying for capital facilities costs by over \$232,000.

Considerations & Recommendations

What can Ridgway do to prevent a net annual loss on RPPUD?

- Definitely allow (and perhaps encourage) retail uses in the PUD
- Consider making retail a use-by-right addressed specifically in the performance standards in I-1& I-2
- Encourage and plan for transportation options to reduce traffic in and out of the PUD
- Continue to improve administration efficiency
- Invest in time saving equipment and facilities
- Keep up with automation opportunities (billing, records, etc.)
- Ask voters to raise sales and property tax rates

Thoughts on the construction industry and RPPUD light industrial zones:

Construction is really the only growing manufacturing industry in the Ouray County area. RPPUD could be extremely useful for construction related businesses for warehousing, cabinet making, offices, spa dealers, plumbing and heating operations, etc.. However, currently only 5% of construction related activity in Ridgway actually occupies commercial space, while the other 95% is based in private residences. If Ridgway wants the light industrial portion of the PUD to fill out with actual

industry, construction is a likely candidate, given the current economic climate. Two factors that may facilitate occupation of space in the light industry-zoning district include:

1. Tax incentives
2. Home occupation regulations

Tax incentives usually take the form of property tax discounts over a certain period. Home occupations regulations would control construction based businesses activities in residential areas. Such regulations will either push construction businesses into zone districts where the activities are allowed or outside of Ridgway altogether.

LIBRARY

Introduction

The Ridgway Library provides access to books, other media, reference materials, and computers for all citizens to use. Currently, Ridgway's library has about 8768 items available, 8,000 of which are books and 669 of which are other items such as videotapes and audio recordings.

Methodology

The demand for library circulation items is related to the population of the service area. Demand for library materials is often expressed in volumes (and other media) per capita. The national planning standard for populations the size of Ridgway is 11.36 volumes per capita. The demand for library materials generated by RRPUD buildout is calculated by dividing the circulation materials by the population and deriving a volumes per capita level of service. Multiplying the volumes per capita by the projected population growth yielded the additional demand for library materials.

Books and other items are priced at standard rates. Square footage for building space is calculated at current market rates.

Projected Change

Figure L. Library Materials

	Qty.	Colorado Standards per capita	Existing Items per capita	Sq. ft. per item	New quantity needed	Additional sq. ft. needed	Materials cost	Building cost
	New Building				PUD Addition			
Books	8099	13.8	11.36	0.43	2454	1063	\$ 61,339	\$ 95,702
Other Materials	669	n/a	0.94	0.43	203	88	\$ 4,053	\$ 7,905
Total	8768				2656	1151	\$ 65,392	\$103,607
Grand Total							\$169,000	

Fiscal Implications

Adding square footage to the new library building and purchasing materials will cost the library \$169,000 up front. Again, this is assuming that the existing level of service will be maintained. Ongoing operations costs are over \$31,000. The existing library mill levy will only cover 1/3 of these expenses and would be unable to cover any of the capital expenses.

Figure LI. Library Property Tax Revenue Projection

Mill Levy	0.001
RPPUD Assessed Valuation	\$ 9,245,779
Annual Property Tax Revenue	\$ 9,246

Figure LII. Library Costs per Demand Unit

	Total Demand Units	Capital outlay	Cost per demand unit	Operating costs	Cost per demand unit
PUD Buildout	216	\$ 169,000	\$ 782	\$ 31,409	\$ 145

Considerations & Recommendations

Existing levels of service will decay if the PUD builds out and additional revenue sources are not acquired. Because the new library will accommodate a high level of service with regard to space available in the library (nearly ½ sq. ft. per book) the district may choose to invest in new materials and not build new space to house them-this would significantly lower the assessed cost per demand unit. Even with this mitigation, the mill levy is probably inadequate to cover long term operating expenses. Like the police department, libraries can recoup some small amount of revenue through fines and nominal user fees. However, the district may consider raising the mill levy 1 point after construction of the new property is completed. Another option that is feasible in a Town the size of Ridgway, is to have the school district contribute funds to the operations of the library, possibly even combining resources.

SCHOOLS

Introduction

The residential portion of RPPUD will generate students in the Ridgway School District. The purpose of this analysis is to project the number of students that will live in the PUD at buildout compare the costs of educating these students to the school district revenues generated by the PUD. Also included is an analysis of the school land dedication requirements as they relate to the dedications from the PUD as part of the approval process.

Methodology

The school land dedication requirements are based on a student yield per residential unit of .33 students/unit. This number is quite accurate given the current number of students enrolled divided by the current number of residential units in the district (provided by Ouray County Assessor's Office) which results in a student per household ratio of .31 students/unit.

The property tax revenue projections are based upon applying the School District mill levy to the assessed valuation of the subdivision while the specific ownership tax revenue projections were based on a per capita average revenue figure. Local and state share of student funding ratios were obtained from the Colorado Department of Education web page. This

breakdown is important for understanding the impacts of this development in terms of property taxes.

Projected Change

The .33 student yield provided by the school district, when multiplied by the number of unit (92) produces a total student yield of 30.4 students.

Fiscal Implications

The current per pupil funding for the Ridgway School District is \$7564 per year. Given the student yield of 30.4 students, the total cost for educating RPPUD students at full buildout is just under \$230,000 per year, 54% of which will be covered by local revenues (property tax and specific ownership tax) and the rest picked up by the State. The property tax revenues (about \$189,000/year) will easily cover the local share of funding the students produced in the PUD (\$124,483/year). This is in large part due to the non-residential portion of the project, which produces property tax revenues, but does not produce any students.

Figure LIII. RRPUD School Expenses

Projected RPPUD Residential Units	92
Student Yield	30.4
Total Cost for Educating RPPUD Students	\$ 229,643
State Share of Total Cost	\$ 105,160
Local Share of Total Cost	\$ 124,483
Property Tax Revenue (annual)	\$ 188,956

The land dedication requirement for residential development as adopted by the School district are .067 acres per student or, given the .33/unit student yield, .022 acres per unit. Therefore, given the 92 units in RPPUD the acreage for land dedication is 2 acres under this formula (about \$127,000 for a cash in lieu value). The actual land dedication in the approval process was one lot in the subdivision with an area of around .2 acres and a cash in lieu value of \$45,000. Clearly, the school district did not get what their land dedication formulas require. It would cost the school district over twice what the lot in the subdivision is worth to buy land to accommodate the students generated by the subdivision. Taxpayers will eventually have to subsidize that shortfall.

Considerations & Recommendations

- The property taxes generated by the PUD at buildout should cover the local share of educating Ridgway students on an annual basis.
- The land dedication obtained during the subdivision approval process is less than half of what the school district needs according to the school land dedication requirements formula

AFFORDABLE HOUSING

Introduction

Affordable housing is emerging as a critical issue all over the West, and Ridgway is no exception. The Town required 10 deed restrict affordable housing units as part of the approval of RPPUD, which is a remarkably pro-active step for a Town the size of Ridgway. The purpose of this section is to put the housing crunch in Ridgway into perspective as a regional economic phenomenon and to look at RPPUD in light of this larger scale issue.

Important Trends

Two main trends contribute to the level of affordability of housing

1. The Housing Market (i.e. the cost of housing)
2. Household incomes (rising, falling, stagnant?)

In Ridgway, these two trends portend an accelerating affordable housing crunch. **Figure LIV** below summarizes the annual growth rates of change for housing and household median income.

Figure LIV. Housing Expenses vs. Local Income

1991-1999 Average Annual Increase in Residential Unit Value	1989-2000 Average Annual Increase in Median Household Income
25.4%	3.1%

Clearly, if the household income continues to grow at the same slow rate relative to housing prices, free market housing will simply become increasingly out of the reach of working locals.

Regional job growth is also an important trend with respect to affordable housing. An increase in the market for jobs in Ouray County will tend to draw new residents into the community, who need housing, either inside

or outside of the County. The additional demand for housing inside the County tends to drive up the price, leaving some Ouray County employees no choice but to commute from more affordable communities such as Montrose and even as far as Delta. This pattern is certainly occurring because of the rapid job growth (402 new jobs/year!) and the costly real estate in San Miguel County. A drive from Telluride to Ridgway on a weekday afternoon is enough to prove that there is some significant commuting between Ouray County and Telluride. The job growth will draw new residents to the area who will seek housing, and will thereby increase the demand on a limited supply of modest priced homes, thus driving up the price. It will be increasingly important for Ridgway to keep an eye on regional job growth. Many unsuspecting communities have already experienced seemingly irreversible damage to their affordable housing markets due to job growth in nearby unaffordable resort/second home communities.

Figure LV. San Miguel and Ouray County Job Growth

	San Miguel County Jobs	Ouray County Jobs
1989	2952	1300
1999	6976	2116
New Jobs/Year	402	82

The Rural Resort Region is an organization founded in '93 that works on issues like affordable housing in resort regions. They have been working on revenue sharing programs between Vail, Eagle County, and Lake County to resolve some equity issues. Lake County (mostly Leadville) serves as a bedroom community to Vail, and receives all of the impacts associated with residential development, but none of the advantages that the employment center gets (e.g. sales tax, property tax, real estate tax). Revenue sharing may be one way to make resort communities accountable for their impacts that reach well beyond their political boundaries. In any case, Ridgway must keep a sharp eye on the trends in San Miguel County if it wants to avoid becoming a bedroom community.

RPPUD and Affordable Housing

Resorts and other communities that have undertaken affordable housing programs usually require affordable housing mitigation for any kind of development that increases employment. In Pitkin County, commercial developments must provide housing (or cash in lieu) for 100% of the employees generated. The reason for this is that if new jobs are created,

they must be filled by someone, and if that someone cannot afford to live in Town, they must commute thereby generating traffic and adversely affecting “down-valley” communities. This approach was applied to RPPUD and is summarized in **figure LVI**:

Figure LVI. Employees Housed vs. Employees Generated in RPPUD

Ridgway Employees/Household	2.0
Employees Housed by PUD Affordable Housing	20
Employees Generated by Buildout of Light Industrial Portion	798

The PUD will create almost 800 employees while the deed restricted units will only house 20 employees. This will be somewhat off-set by the fact that, for the foreseeable future, the free market housing in RPPUD will serve as affordable housing to some residents. If Ridgway wants to break into the realm of affordable housing mitigation, it is crucial to constantly think about the jobs-housing balance. An affordable housing requirement formula may be the best way to affect the affordable housing market in the context of specific developments (e.g. x affordable housing units required for every x free market units).

Recommendations and Conclusions

- Keep a sharp eye on San Miguel and Ouray County job growth as it relates to housing in Ridgway. Perhaps even conduct community surveys to find out where Ridgway residents are working.
- Communicate with San Miguel County and try to find ways to make them accountable for impacts of the job growth occurring in their communities.
- In any land use approval process, always consider the jobs-housing balance.
- Consider enacting an affordable housing development requirement (e.g. x affordable housing units required for every x free market units)
- The construction phases of projects generate considerable impacts as well – these numbers can be roughly calculated, however mitigating them can be difficult.

PARKS & OPEN SPACE

Introduction

Although RRPUD dedicated parks and trail systems to the public this section of the report analyzes the new demand generated by the new residents and costs associated with maintaining existing service levels.

Methodology

Methodology is the same as that found in the 2010 projections.

Projected Change

New residents in the RRPUD will stimulate demand for almost five new acres of open space, a new tennis court, and possibly an additional soccer field and additional mile of bike trail.

Fiscal Implications

As noted in the previous section on parks, land acquisition costs for parks and open space are extremely high. RPI's calculations assume a worst case scenario wherein the Town is forced to assimilate in-Town lots for park space. By this method, land costs for the new space surpass \$1.3 million. Ongoing operating expenses are a function of on site facilities (e.g. open space is self maintaining while football fields or abundant landscaping may be labor intensive) but are projected to be modest in comparison.

Figure LVII. RRPUD Park Demand

Park Types	N. Standards per capita	Existing Ridgway standards per capita (LOS)	Acquisition / Development Costs per unit	New Facilities Needed	Total Acquisition/ Development Costs	Maintenance/operating Costs per unit*	Total Maintenance/operating costs (annualized)	Total new Capital Outlay
Mini Park	0.0015	??	\$ 257,678		\$ -	\$ -	\$ -	\$ -
Community Park	0.0025	0.0047	\$ 257,678	1.02	\$ 262,231	\$ 2,336	\$ 2,377	\$ 262,231
Natural Areas/open space	0.0015	0.0170	\$ 257,678	3.66	\$ 944,030	\$ 649	\$ 2,377	\$ 944,030
Athletic Parks								
Tennis Courts	0.0005	0.0056	\$ 27,000	1.21	\$ 32,718	\$ 1,962	\$ 2,377	\$ 32,718
Soccer/Softball Field	0.0003	0.0014	\$ 108,000	0.30	\$ 32,718	\$ 7,847	\$ 2,377	\$ 32,718
Soccer/Football Fields	0.0003	0.0028	\$ 108,000	0.61	\$ 65,436	\$ 3,924	\$ 2,377	\$ 65,436
Trails	8.5	0	\$ 2	0.00	\$ -	\$ -	\$ -	
Biking Trails/ 8' concrete	7.5	14.5	\$ 4	3132.00	\$ 12,528	\$ 1	\$ 2,377	\$ 12,528
TOTAL					\$ 1,349,661		\$ 14,264	\$ 1,349,661

As a result of the high acquisition costs and Ridgway's high level of service for parks, the costs per demand unit are quite high at \$7314 per individual (\$17,188 per residence). Operating costs are more reasonable at \$284 per individual. These costs make several assumptions: 1) worst case land purchasing scenario 2) that the dedicated lands in the subdivision are deemed inadequate for public use and therefore are not credited to the system 3) that Ridgway will maintain its current level of service. These are severe assumptions – see considerations and recommendations.

Figure LVIII. Parks Cost Per Demand Unit

	Total Demand Units	Capital outlay	Cost per demand unit	Operating costs	Cost per demand unit
PUD Buildout	216	\$ 1,579,747	\$ 7,314	\$ 61,347	\$ 284

Figure LIX. RRPUD Parks Land Dedication

	Need Generated	Dedicated by Subdivision
Parks	1.21	2.32
Open space	4.36	1.47

Considerations & Recommendations

The demand unit costs for the PUD are exceptionally high and it seems unlikely that they would be politically or economically feasible in any case. Consequently, the Town must make a series of decisions regarding the parks system. If the current level of service is to be maintained, other acquisition measures must be utilized. These methods might include seeking grants for land purchase, requiring a defined quantity of land dedication from all new subdivisions, cash in lieu, or soliciting for land donations.

Another option is to allow the level of service to degrade somewhat. Given Ridgway's existing high service levels, this may not affect the Towns park system in any appreciable way.

The Town may consider the following:

- Requiring land dedications or cash-in-lieu in all new subdivisions on a per capita basis
- Charging user fees to organized, regular users of the park systems (such as soccer or softball teams) to help cover ongoing operations costs
- Developing a comprehensive parks master plan to establish levels of service
- Consider the quality of trails and public spaces dedicated within the boundaries of subdivisions---are they really accessible or desirable to the public at large, or are they primarily serving the subdivision? Do the trails have connectivity to outside trail networks? Does the subdivision have a plan for maintaining the trails or will that onus fall to the Town?

WATER & WASTEWATER

Introduction

Because the water and wastewater systems operate as enterprise funds, there is little to add to the analysis given in the water and wastewater sections found in part I of this report. However, this section will serve to illustrate the magnitude (which is significant given the large quantity of non-residential square footage found in the PUD) of the PUD on these systems.

Methodology

Methodology is essentially the same as that found in the 2010 projections found in part I of this report.

Projected Change

RRPUD will consume between 17-19% of wastewater plant capacity when built out. The subdivision will use slightly over 7% of the water plants capacity.

Fiscal Implications

The fiscal implications are the same as in the previous analysis. The fees charged do not equal the costs. See water and wastewater sections in part I of this report.

Considerations & Recommendations

Figure LX. RRPUD % Water Plant Utilization

Existing	23.5%
PUD Buildout	7.1%

Figure LXI. RRPUD Sewage Flows

Residential + commercial						
No irrigation		Daily water flow	Sewage flow	Cost to treat	Revenues	% of capacity
	Existing	120,836	67,668	97	49	42%
	PUD	47,729	26,728	38	19	17%
Peak						
	Existing	231,429	78,686	113	57	49%
	PUD	91,412	31,080	45	23	19%

Cost per gallon	0.0014	Does not include debt service
Revenue per gallon	0.0007	Fee revenue
	0.0024	All revenues

EVALUATION OF THE RIDGWAY EXCISE TAX

Introduction

The purpose of this analysis is to evaluate the ability of the Ridgway excise tax to cover the costs of capital facilities and equipment investments made necessary by RPPUD at buildout. While the excise tax can be used for operations, debt, and any general fund function, this analysis will compare the amount of the tax to the costs of capital facilities development. The primary reason for this is that both the capital facilities costs and the excise tax collection occur one time during buildout, and therefore the excise tax is more appropriately applicable to capital facilities investment.

Residential Capital Facilities Cost vs. Excise Tax Revenues

RPPUD developers are required to pay the \$1500/unit excise tax at final plat for every unit except for 6 affordable housing units. The purpose of this section is to evaluate whether or not the amount of the excise tax is sufficient to cover capital improvement costs for Town departments, so the analysis will be on a per unit basis. The fiscal analysis the impacts of RPPUD on Ridgway General Fund departments concluded that capital facilities and administration improvements for streets and administration total \$334 and \$185 respectively. Parks, open space, and trails capital

improvements were estimated to be \$14,370 per residential unit, which includes land acquisition costs and development. Most likely, Ridgway will have to find other means to acquire parks and open space land, either through dedications, donations, grants, etc.. It is unlikely that a fee equivalent to about 1/3 of the cost of a Town lot would be feasible for parks. Therefore, acquisition costs were eliminated from this analysis, leaving only the development costs, which amount to \$1,527 per unit. The excise tax, even when parks acquisition costs are eliminated, falls short of meeting the per unit costs of capital facilities development by over \$500 per unit.

Figure LXII. Capital Facilities Cost per Residential Unit

Streets	\$ 334
Administration	\$ 185
Parks (Development Only)	\$ 1,527
Total Capital Facilities Cost Per Residential Unit	\$ 2,046
Excise Tax per Unit	\$ 1,500
Residential Unit Shortfall	\$ 546

Probably the most limiting element of the excise tax is that it only applies to residential development. All commercial development goes completely unmitigated in terms of up front fees for capital facilities development.

The other limiting factor is that the excise tax only applies to units in new subdivisions. In terms of fiscal development impacts, there is very little difference between a new residence on a platted Townsite lot and a lot in RPPUD, but the Townsite lots do not have to pay the excise tax.

Recommendations and Considerations:

- Consider increasing the excise tax by \$550.
- The excise tax should apply to *all* residential unit development at building permit to both old and new subdivisions alike.
- Town officials should consider establishing a formula and applying the fee to commercial development, which currently goes unmitigated.