

AGENDA ITEM #2.

Scott L. Ford

Council Report / February 6, 2018

Thursday, January 25th

Combined Law Enforcement Facility

Attended the meeting and received updates as to the status of various legal agreements, design and construction issues. Meeting conducted by the MV5 the Owners' Representative on this project. Also, at the meeting was Kathi.

Thursday, January 25th

URAAC Monthly Meeting

Attended the monthly URAAC meeting. Lively discussion about the future of the activities planned and unique features of the TIF that will result in funds being generated by both the School District and YVHA recent voted on mill levy a portion being re-directed to the Mountain Area. The essence of this meeting was reported in the newspaper in the Friday, 26th issue.

The Urban Renewal Authority Board (city council) likely has a host of policy decisions it needs to make regarding the future of proposed activities in the mountain area, impact the TIFs are having on fellow government entities and the possibility of repaying the debt off earlier than scheduled. Current scheduled end date is December 31, 2029. Also, at the meeting was Robin.

Other Items:

Summary of meeting that took place with the Fire Protection District.

Attached Pros / Cons / Challenges / Next Steps – Possible Citizens Committee

Follow up to the Economic Impact Survey –

Attached to the City Manager's Report at the January 23rd meeting was an Economic Impact Survey done by RRC Associates for the Colorado High School Cycling League one day event in Steamboat Springs last September (9/17/2017). Was asked by council to review the report from my economic perspective. Summary of that review is attached.

CAST Meeting – March 15th with the Colorado Legislature.

I am planning on going to this meeting and taking Amtrak from Granby to Downtown. Train is enjoyable way to get to downtown Denver and back and the cost of the train ticket is about the same as the parking fee that will be charged by hotels in downtown Denver.

- To Denver on the afternoon of the 14th
- Back to Granby on the morning of 16

Anyone interested in going? \$48 Round Trip / Over age 62 \$43

Likely need to book soon.

RE: Economic Impact of Colo. High School Cycling League (September 17, 2017)

Fellow City Council Members –

As a follow-up to our discussion of January 23rd, I agreed to review the High School Cycling League Economic Impact Survey prepared by RRC and Associates. I am familiar with RRC’s methodologies and they are familiar with mine.

The key differences in our methodologies is that RRC focuses on gross dollars generated by an event and I focus on the direct/indirect impact of those generated dollars recognizing local spending patterns in the areas of:

- Job creation
- Increases in household income
- Sales tax collection by taxing entity

My analysis simply has a greater level of data category granularity which is often helpful in evaluating the realistic local economic impact of an event.

The key findings –

- A total of 1,386 attendees at were the September 17th event in Steamboat Springs
- The average traveling party was 3.7
- They stayed an average of 1.6 days
- About 70% stayed in paid lodging; 20% camped and the remaining 10% stayed with friends/family and timeshares.
- Each traveling party spent on average \$466 during their stay. That spending was distributed as follows:

Spending Category	Percentage of Total
Lodging	40%
Food/Beverage	37%
Retail	15%
Entertainment/Other	8%

- Direct Impact on Sales Tax Collections by Taxing Entity As a Result of Visitor Spending:

State of Colorado	Routt County	City of Steamboat Springs	Steamboat Springs School Dist. RE-2	Local Marketing District	Lodging Tax for Above Ground Amenities
2.9%	1.0%	4.0%	0.5%	2.0%	1.0%
\$4,862	\$1,677	\$6,706	\$838	\$1,397	\$699

- Direct creation/support of 1.5 jobs measured on an FTE basis paying an average of \$23,511 which is about 25% below the medium earnings for Routt County.

- Direct increase of \$35,266 in household income and corresponding increase of about \$16,000 of local spending by those households.

Sales tax collections by taxing entity because of increase of household spending locally:

State of Colorado	Routt County	City of Steamboat Springs	Steamboat Springs School Dist. RE-2
\$380	\$131	\$619	\$77

- The indirect impact of this increase in local household spending would result in the creation/support of 0.1 job measured on an FTE basis, an increase of about \$2,000 in local household income and about \$900 in additional local spending.

Summary –

- A. The event measured on a direct and indirect basis likely generated about \$7,300 in City sales tax revenue and about \$2,100 in local lodging taxes between the Local Marketing District and Accommodation Tax.
- B. The event resulted in the creation/support of approximately 1.6 jobs measured on an FTE basis. Those jobs are primarily in those industry sectors that support travel/tourism.
- C. The event resulted in an increase of about \$37,000 in household income and \$18,000 of local spending from the increase in household income. (Aggregate household income was \$620.2 million in 2016.)

I appreciate being asked to review this event from a local direct/indirect economic impact perspective. I hope this analysis is useful. Happy to answer any questions you may have.

Respectfully,

Scott L. Ford

Notes:

Data sources used in this analysis:

- 2017 Colorado High School Cycling League 2017 RRC Survey Findings specifically for Steamboat Springs
- Routt County Consumer Preference Survey
- Colorado Labor Market wage data for Routt County
- US Census Bureau / American Community Survey Table S2411 & B19025 / Steamboat Springs CCD

Meeting with board members of the Steamboat Springs Area Fire Protection District

When & Where:

Tuesday, January 23rd / Citizens Hall, room 113/114

Who:

Steamboat Fire Protection District Elected Board Members- Randall Hannaway, Karl Gills
City Staff – Mel Stewart; Chuck Cerasoli, Kim Weber, Dan Foote and Gary Suiter
City Council – Lisel Petis and Scott Ford

Purpose:

First meeting to begin exploring the creation/extension of the Steamboat Fire Protection District to include (property/individuals) within the city limits of Steamboat Springs.

Outcome:

There is a willing interest among all parties to explore the creation/extension of the Steamboat Springs Fire Protection District to include property/individuals currently within the boundaries of the city limits of Steamboat Springs.

A very rough agenda outline of what we collectively would like to discuss:

- A. Why the previous ballot measure to consolidate the fire protection district failed?
- B. Pro/Con associated with the creation/consolidation of the fire district
- C. Major Challenges associated with the creation/consolidation of the fire district
- D. Next Steps and Time Line

A - Why the previous ballot measure to consolidate the fire protection district failed?

- The best recollection of those in the room is that it failed because of the distribution of assets and City residents WIIFM, or: What's in It for Me? This is an area that may need more study.
- The City did not say what they would do with the "extra" money / Citizens did not trust giving the City undesignated funds.

B – Pros/Cons of creating/consolidating a Fire Protection District

Pros:

- A. A sustainable funding model based on a property tax mill levy that can accommodate future growth. A property tax is better aligned with this type of service (property values) than sales tax is.
- B. Simplification of governance by eliminating the need for an IGA between two governing bodies. A simpler governance model not based on an IGA.
- C. Fire assets would be off the City's books and be the responsibility of the Fire Protection District
- D. A separate district with a single function vs. a department within the City competing with other City departments for funding.
- E. A property tax funding source is easier to budget for. Not as volatile as sales tax.
- F. Consistent services/message to "community" not just the City.
- G. After "transition" the ownership of assets and future capital improvement needs is clear.
- H. Fire protection services no longer in the city's general fund budget

- I. Fairness factor: District is already paying property tax for these services (as well as sales tax)
- J. - Stable funding source to support new fire station (which increases services to downtown and west)
- K. Second homeowners "paying their fair share"

L.

Cons:

- A. The transfer of assets could result in unanticipated costs to the district thus impacting cash for operations
- B. Acquiring property for a new downtown station could be more complicated and/or expensive if the decision is to place the station on property that is currently owned by the City.
- C. The "Gallagher" effect on commercial properties currently within the City.
- D. The impact of "Gallagher" on the fire protection districts current mil levy.
 - a. Gallagher: effect of property tax on commercial property

C – Major Challenges

- A. Clearly defining a plan for the use of "freed up funds" for the City as fire services are removed from the budget. May need to consider an "offset" as a matter of fairness.
- B. How much funding would a consolidated fire protection district need? Is the current fire protection district mil levy sufficient to support the planned level of increased services?
- C. Even with a successful property tax ballot issue – the funds are delayed a year until received. What is the method to provide cash flow during the transition before property tax funds are received?
- D. From a legal perspective this is not a process that is initiated by City but initiated by the existing fire protection district.
- E. Developing a reason why the citizens of Steamboat Springs would be willing to accept a property tax to pay for a service that they are already receiving.
- F. When would be the best time to ask for a vote? November 2018 or 2019?
- G. What current efforts would be "frozen as the question moves forward?"
- H. Developing a citizens committee to develop/support a ballot initiative.

D – Next Steps

- A. Next meeting is scheduled for February x. Prior to that date Lisel and Scott will get direction from City Council on the possibility of forming a citizen's committee appointed by City Council or to proceed with just the list of players.
- B. Develop a proposed timeline to determine if 2018 or 2019 ballot initiative is feasible.
- C. District to talk to their attorney (in conjunction with Dan) about the logistics merging

Great quote from Lisel – *"A good government plans ahead so the citizens do not have to feel the pain of not planning."*