



AGENDA
CITY OF GLENWOOD SPRINGS
Planning and Zoning Commission
Regular Meeting
OCTOBER 28, 2025
Council Chambers, First Floor
101 W. 8TH STREET
6:00 PM

1 Attendance Instructions

- A. This meeting is held in person as well as via Zoom.
Join at: <https://us02web.zoom.us/j/86380550264>
Or Dial: 719-359-4580,
253-215-8782 US (Tacoma) 346 248 7799 US (Houston)
Webinar ID: 863 8055 0264
International numbers available: <https://us02web.zoom.us/u/kbEVpOzwHL>

2 Roll Call

3 Comments from citizens appearing for items not on the agenda

4 Conflicts of Interest

5 New Items

- A. Planning File 25-25 Code Amendment Regarding Restaurant Drive-Through Use in the Resort (RE) District
- B. Planning File 50-25 Code Amendment Regarding Fire and Emergency Services and Police Impact Fees
- C. Strategic Housing Plan 2025 Yearly Report Update

6 Commissioner Comments

7 Director Comments

- A. November 6, 2025 City Council Joint Work Session Topics
- B. Staffing Update

8 Adjournment



Planning and Zoning Commission Staff Report

Date	October 28, 2025
Planning File Number	CDA-000109-2025
Request	Consideration of a Code Amendment to allow a drive through restaurant use by Special Use Permit review in the Resort (RE) Zoning District.
Applicant	City of Glenwood Springs
Owner	Not applicable (N/A)
Location	Applies Citywide
Zone	Resort (RE) District
Staff	Emery Ellingson, Senior Planner

ACTION ITEM

According to Section 070.060.040(c)(1), the Code Amendment process allows for the review and approval of changes to the text of Title 070 of the *Glenwood Springs Municipal Code* (GSMC or Code) to respond to “...*changed conditions or changes in public policy, or to advance the general welfare of the City.*” Per Section 070.060.040(c)(3)d of the Code, the Planning and Zoning Commission (Commission) is the recommending body for Code Amendment applications and City Council is the deciding body. In reviewing a Code Amendment, Planning and Zoning Commission must adhere to the approval criteria outlined in *Section 070.060.040(c)(d)3 Approval Criteria*, which are analyzed by staff below.

Action 1 – Code Amendment – Consideration of a Code Amendment to allow a drive-through restaurant use by Special Use Permit review in the RE Resort Zoning District.

Staff recommendation: Staff recommends **approval** of the Code Amendment with the findings page 9 of the staff report.

BACKGROUND

The Official Zoning Map divides parcels in the City into 15 districts per Section 070.020 of the Code. *Table 30.1* outlines the districts in which various land uses are permitted by right, by special use permit, prohibited, or are subject to specific standards per Section 070.030.020(a) in *italics* below.

Permitted Uses by Right

(1) Permitted Uses by Right. A "P" designation in a cell within Table 030.1 indicates that the use is allowed by right in the respective zoning district. Permitted uses are subject to applicable standards in the Code but otherwise do not need any special approval. Building permits, development approvals, or other approvals may be needed to fully exercise and execute that use but the use itself does not need any additional approval or review.

Special Use Permit Required

(2) Special Use Permit Required. An "S" designation in a cell within Table 030.1 indicates that the use is allowed in the respective zoning district only with approval of a special use permit pursuant to Subsection 070.060.050(e), Special Use Permit. A special use is one that can be approved on a case-by-case basis through the Special Use Permit (SUP) review process which enables "...the City to evaluate proposed development and land uses that have unique or widely varying operating characteristics or features" and "...to ensure compatibility with surrounding areas and to adequately mitigate for anticipating impacts" per Section 070.060.050(e)(1). The Commission is the deciding body on Special Use Permit applications and per the following approval criteria provided in Section 070.060.050(e)(3)e.2:

- i. The use will be compatible with the surrounding area;*
- ii. The impacts of the use on surrounding areas have been adequately minimized;*
- iii. The use will be consistent with the general purpose and intent of this Code;*
- iv. The use will comply with all applicable standards of this Code;*
- v. The use is in conformance with the Comprehensive Plan and other City plans and policies;*
and
- vi. The use minimizes adverse impacts to the health, safety, and welfare of the inhabitants of the surrounding areas and the City.*

Prohibited Use

(3) Prohibited Use. A blank cell in Table 030.1 indicates that the use is prohibited in the respective zoning district. Prohibited uses are not allowed within a given zoning district nor can one be approved through the Variance process.

Use-Specific Standards

(4) *Use-Specific Standards.* Regardless of whether or not a use is allowed by right or with approval of a special use permit, additional standards may be applicable to that use. Use specific standards are applicable in any given zone district to address peculiarities or nuisances associated with a land use such as odor, noise, light, air quality, density, or other state and federal requirements, etc.

Current Proposal

The proposed Code Amendment relates to a particular use, “restaurant, with drive-through,” within the RE District. As seen in the table below, a drive-through restaurant is currently prohibited in the Resort (RE) District and is allowed in only the Mixed-Use M1, Mixed-Use Regional (M3), Commercial (CO) and Hillside Preservation (HP) Districts as a Special Use.

Table 030.1: Table of Allowed Uses

P = permitted by right S = special use permit required Blank = use prohibited

Use Category	Use Type	Districts →														Use-Specific Standards	Required Minimum Parking	
		RR	RL	RM1	RM2	RH	RT	M1	M2	M3	CO	RE	I1	I2	IN			HP
	Restaurant						S	P	P	P	P	P	S	P		S		1 per 200 square feet
	Restaurant, with drive-through							S		S	S					S		1 per 200 square feet

Snippet of GSMC Table 030.1

A restaurant is a use by right in most zoning districts where commercial activities occur. Whereas, drive-throughs are generally a Special Use as they can generate certain negative impact on adjacent properties such as traffic, noise, lighting etc. which warrant additional review. Further analysis of the potential impacts is discussed below. The uses are defined by Section 070.070.020(c)(3) of the Code as follows:

Restaurant: *A commercial establishment where food and beverages are prepared, served, and consumed primarily within the principal building*

Restaurant, with Drive-Through: *A commercial establishment where food and beverages are prepared, served, and consumed either within the principal building, or ordered by customers at a walk-up or drive-up counter to be consumed on or offsite.*

Recently, the City received an inquiry regarding a potential Rezoning of a parcel from RE to M1 to accommodate the “restaurant, with drive-through” use. However, staff determined that processing a Code Amendment to add the land use as a special review use within the RE as a simpler path to accommodate the request while preserving the intent of said district while limiting the potential for impacts of a number of uses permitted within the M1 District.

The Code Amendment would apply to three areas zoned RE which include nine separate parcels, varying in location and size. To date, seven of the nine parcels have developed and contain a mix of commercial and residential uses as described in the table and map below.



PROPERTY	AREA	USE
1	23,870 square feet	Multi-family residential
2	162,740 square feet	Senior living, assisted living, and memory care



PROPERTY	AREA	USE
3	446,490 square feet	Commercial (Iron Mountain Hot Springs)
4	50,000 square feet	Commercial (Iron Mountain Hot Springs)
5	42,722 square feet	Multi-family Residential/Commercial (Caverns Village)
6	118,221 square feet	Hotel
7	118,221 square feet	Hotel
8*	164,067 square feet	Vacant (Proposed hotel)**
9*	32,488 square feet	Vacant (Proposed restaurant)***

*These two parcels were created from one larger parcel through a minor subdivision which was approved in September 2025.

**Approved Major Site and Architectural Plan for a 96,000 square foot hotel, July 18, 2024.

***No development plans have been approved for this restaurant; however, the hotel applicant has indicated intent to develop a drive through restaurant.

APPROVAL CRITERIA AND ANALYSIS

Section 070.060.040(c)(3)d.3 of the Code, outlines the approval criteria (listed in *italics* below) the Commission and City Council shall consider in the review of a Code Amendment application. Staff analysis follows each criteria.

<p style="text-align: center;">Approval Criteria GSMC 070.060.040(c)(3)d.3.i</p>	<p style="text-align: center;">Compliance Yes</p>
<p><i>i. Is consistent with the Comprehensive Plan and other City policies;</i></p> <p>Analysis: Numerous policies/actions outlined in the <i>2023 Glenwood Springs Comprehensive Plan</i> (Comp Plan) and depicted in <i>bold italics</i> below relate to the proposed Code Amendment.</p> <p>Action 3.1 Retain Glenwood Springs’ role as a regional commercial hub.</p> <p>This Code Amendment will allow for more flexibility in commercial development making Glenwood Springs more competitive in retaining its role as the regional commercial hub.</p> <p>Action 3.3 Attract and retain diverse business and industries</p> <p>This Code Amendment will make available more locations for drive-through concepts which allowing for new restaurants within the community.</p> <p>The proposed Code Amendment is also consistent with the recommendations outlined in the <i>City of Glenwood Springs Economic Development Strategy</i> (2018).</p> <p>Maintain national brands along with walkable downtown shopping. Maintaining these shopping experiences is important to retaning a regional consumer preference. (page 35)</p> <p>Many national chains, especially fast-casual type restaurants like Chipotle, Panera Bread, Sweetgreen and others have moved towards expanding their drive-through service. Allowing drive-throughs in RE District may help attract new national or regional brands which strengthen regional consumer preference towards the City.</p>	

The City’s in-town visitor experience and local character includes a diverse retail mix and should be expanded by inviting diverse retailers, as well inviting friendly competition between similar goods. Providing choice through variety, rather than meeting a need, attracts larger numbers – a reason why different fast food restaurants tend to congregate around the same corner or competing restaurants.

Finding: Staff finds that the Code Amendment application complies with Section 070.060.040(c)(3)d.3.i of the Code as it is consistent with the Comp Plan.

Approval Criteria 070.060.040(c)(3)d.3.ii	Compliance Yes
<p><i>ii. Does not conflict with other provisions of this Code or other provisions in the Glenwood Springs Municipal Code;</i></p> <p>Analysis: The proposed amendment does not conflict with other provisions of this Code and actually aligns with existing land uses already allowed as a Special Use within the RE zone district.</p> <p>Finding: Staff finds that the Code Amendment application complies with Section 070.060.040(c)(3)d.3.ii of the Code as it does not conflict with the provisions thereof.</p>	

Approval Criteria 070.060.040(c)(3)d.3.iii	Compliance Yes
<p><i>iii. Is necessary to address a demonstrated community need;</i></p> <p>Analysis: Allowing flexibility is necessary to address a demonstrated community need and desires <i>retain the City’s role as a regional commercial, attract and retain diverse business and maintain national brands as discussed above.</i> Allowing the use in the RE District will provide additional opportunity for economic development without the City losing the ability to review potential site specific impacts and drive-through restaurant locations through the rigorous SUP process.</p> <p>Finding: Staff finds that the Code Amendment application complies with Section 070.060.040(c)(3)d.3.iii by addressing a demonstrated community need.</p>	

Approval Criteria 070.060.040(c)(3)d.3.iv	Compliance Yes
<p><i>iv. Is necessary to respond to substantial changes in conditions and/or policy; and</i></p> <p>Analysis: In the past few years, the restaurant marketplace has seen a substantial shift as more brands have developed a stronger carryout and drive-through business. Drive-</p>	

throughs are no longer exclusive to fast food restaurants. Staff finds that allowing this use via special review will help to expand the commercial possibilities and allow for the City’s zoning standards to keep up with changes in marketplace conditions and demand for drive through restaurant uses.

Finding: Staff finds that the Code Amendment application complies with Section 070.060.040(c)(3)d.3.iv as it responds to changes in market conditions.

<p style="text-align: center;">Approval Criteria 070.060.040(c)(3)d.3.v</p>	<p style="text-align: center;">Compliance Yes</p>
<p><i>v. Is consistent with the general purpose and intent of this Code.</i></p> <p>Analysis: Staff finds that this Code Amendment is consistent with of the Code per Section 070.010.030 “...to protect the public health, safety, and welfare of the City and to implement the policies, goals, and strategies adopted by the City of Glenwood Springs, including those set forth in the Glenwood Springs Comprehensive Plan.” The proposal implements specific policies outlined in the Comp Plan and <i>Economic Development Strategy</i> while protecting safety and general welfare via the SUP review process.</p> <p>The prohibition of a drive-through restaurant is inconsistent with the purpose and intent of the RE District’s purpose “...to accommodate high-intensity commercial development with flexibility in terms of allowable uses and dimensional standards to accommodate for primary and accessory resort development uses” per Section 070.020.130(a) of the Code. Based on this intent, a drive through restaurant is compatible with the intended uses of this district. In addition, the RE District allows drive-throughs for banks and personal services. The proposal to allow the use through the SUP review process is consistent with the intent of this Code as this matches how the use is regulated in other zoning districts across the City.</p> <p>Finding: Staff finds that the Code Amendment application complies with Section 070.060.040(c)(3)d.3.v as it consistent with the purpose and intent of the Code.</p>	

PUBLIC NOTICE AND COMMENT

The Code Amendment was noticed in the *Glenwood Springs Post Independent* on October 13 and 20, 2025 per the requirements of Section 070.060.030. Public comments regarding the potential code change are included in the packet.

ACTION ALTERNATIVES AND STAFF RECOMMENDATION

The Planning and Zoning Commission may recommend approval, approval with conditions, or denial of the Code Amendment to City Council. The Commission may also continue the hearing with a request for specific information necessary to determine compliance with the Code and city goals and policies.

Action 1 – **Code Amendment** – Consideration of a Code Amendment to allow a drive-through restaurant use by Special Use Permit review in the RE Resort Zoning District.

Staff Recommendation

Staff has reviewed the Code Amendment application and find that it complies with the approval criteria outlined in Section 070.060.040(c)(3)d.3 of the Code. Therefore, we recommend **approval** thereof as outlined in the suggested motion below.

Suggested Motion to Approve

*I move to recommend **approval** of Planning File CDA-000109 2025, to City Council, incorporating staff's findings, because the application meets the approval criteria for a Code Amendment.*

Suggested Findings:

1. Is consistent with the Comprehensive Plan and other City policies;
2. Does not conflict with other provisions of this Code or other provisions in the Glenwood Springs Municipal Code;
3. Is necessary to address a demonstrated community need;
4. Is necessary to respond to substantial changes in conditions and/or policy; and
5. Is consistent with the general purpose and intent of this Code.

Suggested Conditions:

None.

Alternative Motion to Deny

Any motion to deny the application shall include findings explaining which approval criteria have not been met. An example motion for denial is provided below.

*I move to recommend **denial** of Planning File **CDA-000109-2025**, to City Council, because the application does not meet the approval criteria for a Code Amendment specifically [ENTER APPLICABLE APPROVAL CRITERIA HERE].*

Motion to Continue

*I move to continue consideration of Planning File **CDA-000109-2025** to [ENTER SPECIFIC MEETING DATE HERE] to gather additional information necessary for a decision.*

ATTACHMENTS

The following attachments are included in the packet:

Proof of Public Notice: Proof of Public Notice being published in the Post Independent

Public Comment: Public comments received regarding the proposed code changes.



INTERIM AD DRAFT

This is the proof of your ad scheduled to run in **Glenwood Springs Post Independent** on the dates indicated below. If changes are needed, please contact us prior to deadline at **(970) 945-8515**.

Notice ID: 1xRvYka2D6QNBpzfNSo3 | **Proof Updated: Oct. 08, 2025 at 02:31pm MDT**
Notice Name: Public Notice Code Amendment RE Zoning

This is not an invoice. Below is an estimated price, and it is subject to change. You will receive an invoice with the final price upon invoice creation by the publisher.

FILER	FILING FOR
Emery Ellingson	Glenwood Springs Post
emery.ellingson@cogs.us	Independent
(970) 384-6472	

Columns Wide:	1	Ad Class: Legals
Total Column Inches:	2.41	
Number of Lines:	29	

10/13/2025: Other	14.67
10/20/2025: Other	10.67
Affidavit Fee	10.00
<hr/>	
Subtotal	\$35.34
Tax	\$0.00
Processing Fee	\$3.53
Total	\$38.87

Please take notice that the Glenwood Springs Planning and Zoning Commission will conduct a public hearing to consider a Code Text Amendment application to Municipal Code Title 070 including but not limited to Section 070.030.020 Table of Allowed Uses, related to adding a restaurant with drive through as a special use permit use in the RE Resort Zoning District.

The Planning and Zoning public hearing will be held on Tuesday, October 28, 2025 at 6:00pm at City Hall, 101 W. 8th Street in Glenwood Springs. Additional information on the application, hearing, and proposed amendments is available for review at the Planning Department by calling (970) 384-6472.

The City of Glenwood Springs ensures meaningful access to City programs, services, and activities to comply with American Disabilities Act and reasonably provides: translation, interpretation, modifications, accommodations, alternative formats, auxiliary aids and services. To request these services, contact Bryana Starbuck, Public Information Officer, bryana.starbuck@cogs.us or 970-309-7521.

PUBLISHED IN THE GLENWOOD SPRINGS POST INDEPENDENT ON MONDAY, OCTOBER 13, 2025 AND MONDAY, OCTOBER 20, 2025.



October 21, 2025

Trent Hyatt and Emery Ellingson
City of Glenwood Springs
101 W. Eight Street
Glenwood Springs, CO, 81601

RE: Support of Code Amendment to RE Zoning

Dear Trent and Emery,

As one of the Ownership Partners of the Courtyard by Marriott and Residence Inn in Glenwood Springs, we are thrilled to be adding the Home2 Suites by Hilton adjacent to these properties and the Glenwood Meadows Retail Center. As you know, the site for this project has been planned for both a 150 key hotel and a 5,000 SF restaurant, and the lots between these two uses have been recently subdivided.

We are strongly convinced that this restaurant will better serve the community, visitors, and hotel guests with the option of a drive-through lane. Many modern restaurants have utilized and embraced drive-through lanes as an essential part of their businesses since the 2020 pandemic. These lanes can function in the traditional aspect but are also frequently used to expedite online orders and app delivery/pickup services. Examples of fast-casual concepts embracing drive-through lanes include Chipotle, Sweetgreen, Starbucks, and Panera Bread.

Our lot is currently zoned with the RE classification, permitting restaurants but prohibiting drive-through lanes. We considered requesting re-zoning of the restaurant lot to an alternate classification such as M1 that would allow these lanes through a special-use-permit, however, we more strongly support a code-amendment to the RE zoning regulations to allow drive-through lanes through special use permit for the following reasons:

- Rezoning the lot to M1 could potentially allow additional use types, some of which might not be appropriate for the location or consistent with the Comprehensive City Plan. Retaining the RE zoning classification would limit potential alternate use-types.
- A code amendment permitting restaurants with drive-through lanes within the RE zoning classification would require the same process as other zoning classifications – approval of an establishment with drive-through lanes through a special-use-permit, to be reviewed and approved by both Planning & Zoning and City Council.
- Restaurant use with drive-through lanes is market driven and can be complimentary to currently permitted uses in the RE zone districts.
- The RE zoning classification allows for food service establishments, which supports and enhances the hotel guest experience and aligns with our development intent – we agree that the use of drive through lanes should be well designed and intentional to best serve the surrounding area, and therefore granted by special-use-permit.

We appreciate your team spearheading this code-amendment effort and would be happy to provide any additional information to help substantiate or support this modification.

Sincerely,

Brian Smith
Director of Development

A handwritten signature in blue ink, appearing to read "B. Smith", is written over a light blue horizontal line.

4949 S NIAGARA ST SUITE 300 DENVER, CO 80237
PHONE (720) 719-8700 • INFO@COPFORDCM.COM



Planning and Zoning Commission Staff Report

Date	October 28, 2025
Planning File Number	50-2025
Request	Consideration of a Code Amendment application regarding fire and emergency services and police impact fees
Applicant	City of Glenwood Springs
Owner	Not applicable (N/A)
Location	Applies citywide
Zone	Applies to all zone districts
Staff	Joseph Deras, Chief of Public Safety Trent L. Hyatt, Director of Economic and Community Development

ACTION ITEM

According to Section 070.060.040(c)(1), the Code Amendment process allows for the review and approval of changes to the text of Title 070 of the *Glenwood Springs Municipal Code* (GSMC or Code) to respond to “...*changed conditions or changes in public policy, or to advance the general welfare of the City.*” Per Section 070.060.040(c)(3)d, the Planning and Zoning Commission (Commission) “...*shall review the Code Amendment application and recommend approval, approval with conditions, or denial to City Council.*”

Action 1 - Code Amendment - consideration of a Code Amendment application regarding a revision to the fire and emergency services fee and the adoption of a police impact fee.

Staff recommendation: Staff recommends **approval** of the Code Amendment with the findings outlined on **page 6** of the staff report.

BACKGROUND

Development within the City results in an increase in employment and population. As a result, there is a need for a proportional increase in services provided by various City departments, including fire and police. Impacts fees imposed by governmental agencies and/or service districts are utilized to address funding shortfalls caused by development in order to pass facility improvement costs along to those responsible.

In the state of Colorado, impacts fees (sometimes referred to as “tap fees” but not in the City) have been used to mitigate the costs of water development since the 1920’s. Today, impacts fees are governed by Senate Bill 01S2-015 and related changes it made to Section 29-20-104.5 of Title 29 of Colorado Revised Statutes (C.R.S). C.R.S allows a one-time impact fee for the cost of facilities needed to maintain service levels. Any fee imposed must be roughly approximate the burden a land use places on the service being provided (essential nexus). Said fees are not available for operations by the service provider.

On July 17, 2025, Chief Joseph Deras, alongside BBC Research & Consulting working on behalf of the City, presented the *Glenwood Springs Fire Impact Fee Study* and the *Glenwood Springs Police Department Impact Fee Study* (included as Attachment 1) to City Council. Said studies evaluate and determine the facilities needed by the fire and police departments and the expected fiscal impacts of associated with the development of differing land uses. The adoption of the related fire and police fees requires a Code Amendment to Title 070 of the Municipal Code in order to apply them to future development proposals. Dedications and impact fees associated with development are addressed in Section 070.040.030(g) of Municipal Code and currently required for parkland, school land, fire and emergency services, and public art.

APPROVAL CRITERIA AND ANALYSIS

Section 070.060.040(c)(3)d.3 of the Code, outlines the approval criteria (listed in *italics* below) the Commission and City Council shall consider in the review of a Code Amendment application. Staff analysis of these criteria follows.

Approval Criteria GSMC 070.060.040(c)(3)d.3.i	Compliance Yes
<i>i. Is consistent with the Comprehensive Plan and other City policies;</i> Analysis: Numerous policies/actions outlined in the <i>2023 Glenwood Springs Comprehensive Plan</i> (Comp Plan) address the need to provide appropriate fire and police level of service as outlined in <i>italics</i> below.	

Public Utilities & Services

6.9 Provide appropriate levels of service for emergency services.

6.9.A Provide appropriate levels of service for emergency services such as police, fire protection, and hazard events services in response to growth.

6.10 Assure appropriate levels of fire protection and emergency medical services.

6.10.A Update development codes and Capital Improvement Plan to address fire prevention and possible new fire substation needs.

Attachment 1 includes the tables depicted at right (Figure II-1. Glenwood Springs Fire Department Current Assets, 2025 and Figure II-1. Glenwood Springs Police Department Current Assets, 2025 respectively) which identify the

Type of Capital Facilities	Replacement Value	Debt Against Asset	Equity Position for Fee Calculation
Buildings and Land			
Station 71	\$7,634,425	- \$0 =	\$7,634,425
Station 72	\$11,106,775	- \$0 =	\$11,106,775
Station 73	\$6,251,370	- \$0 =	\$6,251,370
Training Ground	\$620,000	- \$0 =	\$620,000
Vehicles and Apparatus			
(3) Ambulances	\$1,636,815	- \$0 =	\$1,636,815
(1) Reserve Ambulance	\$469,008	- \$0 =	\$469,008
(2) Engines	\$2,197,054	- \$0 =	\$2,197,054
(1) Reserve Engine	\$1,025,086	- \$0 =	\$1,025,086
(2) Ladder Trucks	\$2,906,619	- \$0 =	\$2,906,619
(2) Tenders	\$1,419,906	- \$0 =	\$1,419,906
Misc. specialty & fleet vehicles & apparatus	\$970,728	- \$0 =	\$970,728
Miscellaneous Equipment			
Equipment including SCBA, PPE, portable, and communications	\$980,285	- \$0 =	\$980,285
Impact Fee Fund			
Fund balance	\$0	- \$0 =	\$0
Total Value of Fire Capital Facilities for Fee Calculation			\$37,218,071

Type of Capital Facilities	Replacement Value	Debt Against Asset	Equity Position for Fee Calculation
Buildings and Land			
Police Department	\$5,075,000	- \$0 =	\$5,075,000
Vehicle Impound Lot	\$304,448	- \$0 =	\$304,448
Vehicles, Apparatus, and Equipment			
Police Department Vehicle Fleet	\$1,804,000	- \$0 =	\$1,804,000
Radar Trailer	\$10,000	- \$0 =	\$10,000
Evidence Container	\$8,000	- \$0 =	\$8,000
AR-15 Patrol Rifles w/ Optics	\$73,675	- \$0 =	\$73,675
Patrol Handguns	\$11,718	- \$0 =	\$11,718
Less Lethal Shotguns	\$2,457	- \$0 =	\$2,457
Extra Firearms Acc ACOGs	\$4,800	- \$0 =	\$4,800
Body Armor - Duty	\$29,700	- \$0 =	\$29,700
Body Armor - Heavy Vests	\$17,526	- \$0 =	\$17,526
Body Armor - Helmets	\$5,750	- \$0 =	\$5,750
Handheld Lidar Unit	\$12,500	- \$0 =	\$12,500
Bola Wrap	\$21,000	- \$0 =	\$21,000
Taser Unit	\$38,985	- \$0 =	\$38,985
Target	\$480	- \$0 =	\$480
Holsters	\$1,196	- \$0 =	\$1,196
Suit	\$1,200	- \$0 =	\$1,200
Body Worn Cameras	\$28,800	- \$0 =	\$28,800
Evidence Trailer	\$12,000	- \$0 =	\$12,000
In-car Camera System	\$33,000	- \$0 =	\$33,000
Radar Units	\$68,000	- \$0 =	\$68,000
AED Units	\$22,800	- \$0 =	\$22,800
Copier	\$2,006	- \$0 =	\$2,006
IT Equipment	\$71,400	- \$0 =	\$71,400
Miscellaneous Officer Equipment	\$125,550	- \$0 =	\$125,550
Total Value of Police Capital Facilities for Fee Calculation			\$7,785,991

facilities used by the fire and police departments. These facilities are then evaluated against the percentage of existing residential and nonresidential square footages to determine the proportional share of each. A fee for each land use is then calculated to determine the fair share of fire and police fees that new development will generate as shown in the tables below (Figure II-5. Summary of Maximum Allowable Impact Fees for Glenwood Springs Fire Department and Figure II-5. Summary of Maximum Allowable Police Impact Fees for Glenwood Springs Police Department of Attachment 1 respectively). Adoption of the proposed Code Amendment accomplishes the Comp Plan action item to update development codes to address appropriate levels of service for fire and police. Specifically, the proposal anticipates costs related to a new fire substation.

Development Type	Impact Fee
Residential	
Single family residential	
Dwellings up to 1,999 SF	\$3,267 per dwelling unit
Dwellings 2,000 to 2,999 SF	\$6,032 per dwelling unit
Dwellings 3,000 to 3,999 SF	\$8,491 per dwelling unit
Dwellings 4,000+ SF	\$12,398 per dwelling unit
Multifamily residential	\$2,793 per dwelling unit
Non-residential	
Retail & Commercial	\$2.69 per square foot
Office	\$2.83 per square foot
Public & Institutional	\$2.25 per square foot
Warehouse & Industrial	\$1.07 per square foot

Development Type	Maximum Allowable Police Impact Fee
Residential	
Single family	\$1,402 per dwelling unit
Multifamily	\$1,030 per dwelling unit
Non-residential	
Retail & Commercial	\$1.03 per square foot
Office	\$0.95 per square foot
Institutional	\$0.72 per square foot
Warehouse & Storage	\$0.10 per square foot
Industrial	\$0.46 per square foot

Finding: Staff finds that the Code Amendment application complies with Section 070.060.040(c)(3)d.3.i of the Code as it is consistent with the Comp Plan.

Approval Criteria 070.060.040(c)(3)d.3.ii	Compliance Yes
<p><i>ii. Does not conflict with other provisions of this Code or other provisions in the Glenwood Springs Municipal Code;</i></p> <p>Analysis: Impact fees are a common practice used to accommodate impacts related to development throughout the City, Colorado, and United States. The Code currently includes numerous dedication and impact fee requirements for applicable to different types of developments. The subject Code Amendment aligns with and strengthens existing impact fee policies.</p> <p>Finding: Staff finds that the Code Amendment application complies with Section 070.060.040(c)(3)d.3.ii of the Code as it does not conflict with the provisions thereof.</p>	

Approval Criteria 070.060.040(c)(3)d.3.iii	Compliance Yes
<p><i>iii. Is necessary to address a demonstrated community need;</i></p> <p>Analysis: Fire and police services are critical to promoting the health, safety, and general welfare of the citizens of the City of Glenwood Springs. The studies included in Attachment 1 help to quantify the costs associated with providing these demonstrated community service needs and determine the proportional share of those costs to existing and proposed development throughout the City.</p> <p>Finding: Staff finds that the Code Amendment application complies with Section 070.060.040(c)(3)d.3.iii of the Code by addressing a demonstrated community need.</p>	

Approval Criteria 070.060.040(c)(3)d.3.iv	Compliance Yes
<p><i>iv. Is necessary to respond to substantial changes in conditions and/or policy; and</i></p> <p>Analysis: Development related increases in population and employment impact our fire and police departments by limiting their ability to maintain the services provided. The cost of facilities required to provide these services also continues to rise. The Code Amendment responds to these the changes by applying a proportional fee to the associated impacts.</p> <p>Finding: Staff finds that the Code Amendment application complies with Section 070.060.040(c)(3)d.3.iv of the Code as it responds to the substanstainal changes in conditiosn.</p>	

Approval Criteria 070.060.040(c)(3)d.3.v	Compliance Yes
<p><i>v. Is consistent with the general purpose and intent of this Code.</i></p> <p>Analysis: Staff finds that this Code Amendment is consistent with of the Code per Section 070.010.030 “...to protect the public health, safety, and welfare of the City and to implement the policies, goals, and strategies adopted by the City of Glenwood Springs, including those set forth in the Glenwood Springs Comprehensive Plan.” The proposal implements specific policies outlined in the Comp Plan while being directly related to the safety and general welfare of the City and intent of the Code to regulate “...the development and use of land based upon the impact of such development or use on surrounding areas or the City.”</p> <p>Finding: Staff finds that the Code Amendment application complies with Section 070.060.040(c)(3)d.3.v as it consistent with the purpose and intent of the Code.</p>	

PUBLIC COMMENT

The Code Amendment was noticed in the *Glenwood Springs Post Independent* on October 17 and 24, 2025 per the requirements of Section 070.060.030. To date, no public comment had been received.

ACTION ALTERNATIVES AND STAFF RECOMMENDATION

The Planning and Zoning Commission may recommend approval, approval with conditions, or denial of the Code Amendment to City Council. The Commission may also continue the hearing with a request for specific information necessary to determine compliance with the Code and city goals and policies.

Action 1 – Code Amendment – Consideration of a Code Amendment to allow a drive-through restaurant use by Special Use Permit review in the RE Resort Zoning District.

Staff Recommendation

Staff has reviewed the Code Amendment application and find that it complies with the approval criteria outlined in Section 070.060.040(c)(3)d.3 of the Code. Therefore, we recommend approval thereof as outlined in the suggested motion below.

Suggested Motion to Approve

I move to recommend approval of Planning File AMEND-0000000XX-2025, to City Council, incorporating *staff's findings, because the application meets the approval criteria for a Code Amendment.*

Suggested Findings:

1. Is consistent with the Comprehensive Plan and other City policies;
2. Does not conflict with other provisions of this Code or other provisions in the Glenwood Springs Municipal Code;
3. Is necessary to address a demonstrated community need;
4. Is necessary to respond to substantial changes in conditions and/or policy; and
5. Is consistent with the general purpose and intent of this Code.

Suggested Conditions:

None.

Alternative Motion to Deny

Any motion to deny the application shall include findings explaining which approval criteria have not been met. An example motion for denial is provided below.

*I move to recommend **denial** of Planning File AMEND-0000000XX-2025, to City Council, because the application does not meet the approval criteria for a Code Amendment specifically [ENTER APPLICABLE APPROVAL CRITERIA HERE].*

Motion to Continue

I move to continue consideration of Planning File AMEND-0000000XX-2025 to [ENTER SPECIFIC MEETING DATE HERE] to gather additional information necessary for a decision.

ATTACHMENTS

1. *Glenwood Springs Fire Impact Fee Study and Glenwood Springs Police Department Impact Fee Study*



City Council
STAFF REPORT
City of Glenwood Springs
July 17, 2025

- Agenda Item:** Public Safety Fee Presentation
- Action Requested:** Consider the implementation of a public safety development fee.
- Department:** Police Department
- Presented By:** Joseph Deras
- Strategic Goals:** Provide Efficient and Responsive City Government
Ensure Public Safety
- Background Info:** BBC Research and Consulting was engaged by the City to provide an analysis and recommendation regarding public safety fees and will be here to present their findings and answer questions. Costs of providing safety and EMS services to residents have been steadily rising as call volumes continue to increase. This creates the need for additional assets in police and fire. The City currently implements a fire impact fee that is recognized in the Fire Equipment Replacement Fund and generates approximately \$100,000 in most years. The estimated revenue from the imposition of these fees will generate an additional \$294,000.
- We currently do not have an impact fee for police. Our consultant is estimating that the City could recognize approximately \$70,000 in the Capital Projects Fund. We will announce any fees to the development community several months before implementation so no revenue is expected in 2025.
- Issues:** Colorado Revised Statute (CRS) defines the circumstances under which a municipality or fire district can impose development fees for public safety. The Supreme Court of the United States has also made rulings relevant to how fees can be imposed. The recommendations made by BBC Consulting are in compliance with these regulations.
- Fiscal Impact:** Impact fees may only be used for additional capital needs. Operating expenses and repairs of existing facilities are not allowed uses. Funds would be received in the Capital Projects Fund for the police department and the Fire Equipment Replacement Fund.
- Legal Review:** Legal will draft an Ordinance should Council decide to move forward with any fees being implemented.
- Staff Recommendation:**



Glenwood Springs Fire Department Impact Fee Study

DRAFT REPORT

Draft Report

May 7th, 2025

Glenwood Springs Fire Department Impact Fee Study

Prepared for

Glenwood Springs Fire Department
101 W. 8th Street
Glenwood Springs, CO 81601

Prepared by

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SECTION I.

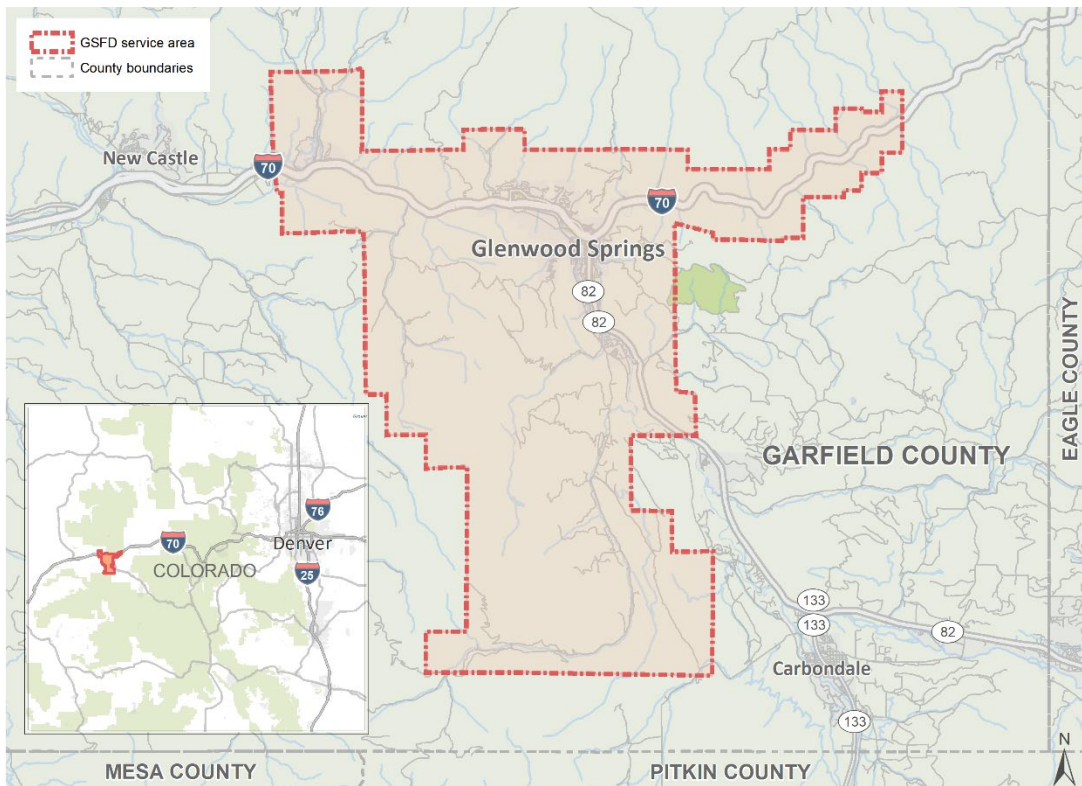
Introduction

Glenwood Springs Fire Department (GSFD or the Department) provides fire suppression, rescue, emergency medical, and other services across southeastern Garfield County, encompassing the City of Glenwood Springs and the surrounding unincorporated areas. The Department serves a mix of urban, suburban, and rural development along the wildland interface.

The City of Glenwood Springs encompasses roughly eight square miles. In addition, the Glenwood Springs Rural Fire Protection District (District) exists for the purpose of affording fire protection services to 64 square miles of unincorporated Garfield County which are situated in the general service area of the City of Glenwood Springs. An Intergovernmental Agreement (IGA) exists between the City and the District in which the City operates both fire departments under one entity known as Glenwood Springs Fire Department.

This report presents the analysis underlying the calculation of proportional development impact fees for GSFD. While this report refers to the unified entity as “the Department,” references to “fire districts” in this report’s introduction reflect general legal and statutory frameworks that apply equally to this entity, which functions much as a typical fire protection district and is subject to the same requirements under Colorado law.

Figure I-1.
Glenwood Springs Fire Department Service Area



Source: BBC Research & Consulting from ArcGIS shapefiles, 2025.

Objectives

Many fire districts in Colorado impose development impact fees for expansion of public infrastructure. Colorado statute and a series of United States Supreme Court decisions dictate the amounts that districts can charge in impact fees and how they can devise, impose, and spend them. Because of those requirements, GSFD retained BBC Research & Consulting (BBC) to prepare a report documenting the calculation of proportional and defensible impact fees to ensure it can maintain its existing service standards as development occurs in its service area.

This report documents BBC's analysis and recommendations for an impact fee that recovers the proportional capital costs associated with new development and in a manner consistent with the Colorado Revised Statutes.

Colorado Impact Fee Requirements

Development impact fees have been used in Colorado going as far back as the 1920s, when cities began charging developers for the water rights required to serve new development.¹ Other states also charged impact fees to new development, and in 1947 one of the first legal challenges to impact fees was filed in Illinois. In that case, the Illinois Home Builders Association sued the Hinsdale Sanitary District over its tap fee. The case was appealed all the way to the Illinois Supreme Court, which ruled that the District's fee was legal so long as the revenues were used for capital expenditures and not operating expenses.²

In Colorado, impact fee requirements were heavily influenced by a 1999 lawsuit between Krupp and the Breckenridge Sanitation District. The case, known as *Krupp v. Breckenridge Sanitation District*, was heard by the Colorado Supreme Court, which ruled that impact fees are legal so long as they meet certain requirements. The requirements defined in the ruling on *Krupp v. Breckenridge Sanitation District* were formally codified by the Colorado Legislature with the passage of Senate Bill 01S2-015, "An Act Concerning Land Development Charges That May Be Imposed by Local Governments."

The Bill, which modified Section 29-20-104.5 of Title 29 of Colorado Revised Statutes, allowed local governments to impose impact fees on new development to fund expenditures on capital facilities needed to maintain existing service standards.³ The impact fees are applicable to a broad set of land uses and can be calculated based on development characteristics of local land uses that roughly approximate each land use's burden on capital facilities. This enabling legislation allowed municipalities to charge a single impact fee to each type of development (e.g., residential, commercial, and industrial) rather than calculating fees on a case-by-case basis.

In 2016, the Colorado Legislature passed House Bill 16-1088, the "Public Service Fairness Act," which granted fire protection districts organized under Article 1 of Title 32, C.R.S., and fire

¹ Lillydahl, J.H, 1987. Impact Fees in Colorado: Economic, Political, and Legal Overview. Presented at A Symposium on Impact Fees, 1987 Conference of the American Planning Association. New York City. Cited in White and Dahl, 2001.

² Carswell, A.T, 2012. The Encyclopedia of Housing, Second Edition. SAGE Publications. p. 385. ISBN 978-1-4129-8958-9. Retrieved 2023-04-03. Cited in Wikipedia, "Impact Fee;" accessed 2023-11-08 at https://en.wikipedia.org/wiki/Impact_fee.

³ Local governments were defined as counties; home rule municipalities; and statutory cities, towns, territorial charter cities.

authorities established under Section 29-1-203.5 the ability to levy impact fees on new development. The bill amended C.R.S. 29-20-104.5, allowing these districts to charge development impact fees as a condition for issuing development permits and to use the revenue for capital facilities supporting fire protection, rescue, and emergency services related to new development. However, fire protection districts were not given unilateral authority to impose these fees; instead, they were required to enter into intergovernmental agreements with county or municipal governments, which would collect and remit the fees on their behalf.

In May 2024, the Colorado Legislature significantly expanded the authority of fire protection districts by passing SB24-194, the “Special District Emergency Services Funding Act.” This law eliminates the requirement for intergovernmental agreements, allowing fire protection districts to impose and collect impact fees directly within their jurisdictions. Additionally, SB24-194 authorizes both fire and ambulance districts to levy a sales tax, subject to voter approval, to generate additional revenue for district services.

To comply with current Colorado law, any development impact fees charged by a fire protection district must:

- Be a one-time charge imposed on new development;
- Quantify the reasonable impacts of proposed development on existing capital facilities and establish the impact fee or development charge at a level no greater than necessary to defray such impacts which are directly related to proposed development;
- Be reasonably related to the overall cost of capital. Fees must be fairly calculated and rationally based. Mathematical exactitude is not required, however, and the particular mode adopted by the district in assessing the fee is generally a matter of that district’s discretion;
- Ensure no impact fee or other similar development charge shall be imposed to remedy any deficiency in capital facilities that exists without regard to the proposed development; and
- Ensure that impact fees adopted by a local government do not require individual landowners to provide any site-specific dedication or improvements that meet the same need for capital facilities for which the district’s impact fee is imposed.

Because the setting of rates and fees involves many questions of judgment and discretion, districts have the flexibility to choose the most appropriate rate-setting method so long as it uses reasonable assumptions and logic in the basis of calculating the development impact fee schedule.

U.S. Supreme Court Decisions

In *Sheetz v. County of El Dorado* (2024), the U.S. Supreme Court unanimously ruled that impact fees are subject to the Takings Clause of the Fifth Amendment of the U.S. Constitution. The two most notable court decisions that are used to analyze takings clause cases are often referred to as *Nollan* and *Dolan*⁴.

Guidance from these decisions requires that there be an "essential nexus" between the exaction/fee and the state interest being advanced by that exaction. In the more recent *Dolan v. City of Tigard* (1994) decision, the U.S. Supreme Court held that in addition to an essential nexus, there must be a "rough proportionality" between the proposed exactions and the project impacts that the exactions are intended to mitigate. In *Dolan*, the court further states that rough proportionality need not be derived with mathematical exactitude but must demonstrate some relationship to the specific impact of the subject project:

*"We think a term such as 'rough proportionality' best encapsulates what we hold to be the requirements of the Fifth Amendment. No precise mathematical calculation is required, but the city must make some sort of individualized determination that the required dedication is related both in nature and extent to the impact of the proposed development."*⁵

Over the past two decades since *Dolan*, many fire districts have imposed impact fees; thus, there now is a broad set of common practices when considering how best to reflect these judicial and statutory requirements in fee design efforts.

Fee Applicability

As noted above, fire districts can only use impact fee revenue to cover the costs of any necessary expansion of capital facilities that are required to serve new development. In addition, fee amounts can only be set in a manner that is proportional to the cost of capital facility expansion needed to maintain—but not improve—existing standards of service.

Capital facilities. *Capital facilities* are the physical component of public services. Under Colorado statute, the definition of *capital* can include all equipment that has at least a five-year lifetime. It does not include personnel or any operational elements of service costs, even in circumstances where new staff are required to operate new facilities. Capital facilities generally include buildings, apparatus, vehicles, office furniture, and other support facilities.

⁴ *Nollan v. California Coastal Commission*, 483 U.S. 82; 1987 and *Dolan v. City of Tigard* (1994) 114S.Ct. 2309.

⁵ *Dolan v. City of Tigard* (1994) 114S.Ct. 2309.

Nature of capital investments. Not all capital facility costs are associated with community growth or with the expansion of capacity. Most fire districts make investments in capital facilities not because of growth pressures but for the repair and replacement of existing capital. For example, fire districts often make capital investments related to:

- *Repair and replacement of existing facilities*, such as annual building maintenance or replacing a roof;
- *Betterment of existing facilities*, such as introducing new services or improving existing capital facilities without increasing service capacity; and
- *Facilities expansions*, such as expanding an existing building to accommodate growing personnel requirements.

Fire districts are not allowed to account for such investments as part of impact fee calculations nor are they allowed to expend impact fee funds on such investments.

Capital Standards

In designing impact fees, fire districts must determine the appropriate capital standards applicable to each category of infrastructure. Facility standards can vary widely between districts. Whereas some states have legislation that describes such criteria with great specificity, other states—like Colorado—use more general standards. There are two primary approaches for calculating capital standards.

Capital buy-in approach. Capital standards can be estimated using the replacement value of specific capital facilities and the qualified equipment necessary for each category of capital facilities. For example, a city of 2,500 homes with a 20,000 square foot recreation center that has a replacement value of \$5 million would have a recreation center standard of 8 square feet per housing unit (i.e., $20,000 \text{ square feet} / 2,500 \text{ homes} = 8 \text{ square feet per home}$) and a replacement value of \$250 per square foot (i.e., $\$5 \text{ million} / 20,000 \text{ square feet} = \$250 \text{ per square foot}$). Thus, each existing residence would have an embedded recreational investment of \$2,000 per home (i.e., $\$250 \times 8 \text{ square feet} = \$2,000 \text{ per home}$), representing the community's recreational facility standard, which is what a developer could be charged for recreational facilities for each new unit.

One important dimension of the capital buy-in approach is the use of the replacement value of each asset. As mentioned earlier, the purpose of impact fees is to maintain the current level of service. Therefore, the value of each asset should be assessed by its current functionality, not its dollar value. For example, even if a dump truck were purchased in 1980 and its present resale value is less than \$10,000, the replacement value for that dump truck would be equal to the market rate of a new unit that performs the same function as the original vehicle.

If capital standards are defined using a capital buy-in approach, then calculations of those standards must account for any debt that applies against the relevant capital facilities. Because current residents are already responsible for that debt, it would be duplicative and inappropriate to charge developers impact fees that also include that debt.

Plan-based approach. Fire districts can also use a *plan-based approach* to set capital standards, which relies on capital improvement or other specific plans to estimate the value of capital required to serve future development. A plan-based approach requires forecasts of residential and commercial growth and detailed data on capital expansion plans and costs. Plan-based approaches must focus on expansion-related projects or the expansion portion of projects rather than betterment or replacement projects.

Other Considerations

Over time, some consensus has emerged on how best to ensure that impact fees comply with state statutes and court rulings. Many of the factors that fire districts must consider in designing fees appropriately are described above, but BBC also presents other considerations to be made:

- **Land use allocation.** Courts have indicated that all forms of development that have facility impacts—that is, residential, industrial, and commercial developments—must pay their fair share of expansion costs. If one type of development is exempted from fees, then fees may not be sufficient to cover expansion costs that result from new development.
- **Use specificity.** Impact fee calculations vary between different forms of land use. When compelling evidence is available that the forms, sizes, or uses of particular types of development will result in substantially different demands for fire protection services, then a district's impact fees should reflect that information.
- **Fund balance.** A fire district's impact fee fund balance represents cash investments the existing community has made in capital expansion. When utilizing the capital buy-in approach for calculating development impact fees, these cash investments are combined with capital facilities valuations to arrive at the total capital investment that the community has made.
- **Redevelopment.** The application of impact fees raises questions about how to deal with the redevelopment of existing properties. The redevelopment of a residence—even if it involves full scraping—does not lead to an increase in service demands, because it is still one residential unit with no implications for service delivery costs or capital needs. In contrast, the redevelopment of a larger lot into multiple homes would be assessed an impact fee based on the net number of new residential units, because there would be clear implications for service delivery and capital needs. Commercial redevelopment would be subject to the same considerations.
- **Waivers.** Fire districts should not waive fees unless the funds are reimbursed from other sources such as the general fund or other contributions by the developer to system expansion that meets or exceeds the calculated fees.
- **Timing.** Fees should be assessed at the time that building permits are issued.
- **Updates.** Impact fee calculations should be updated periodically to account for changes in costs and asset values. Most fire districts update their fees every year using an inflation multiplier and conduct updates to their impact fee studies every three to five years.

SECTION II.

Impact Fee Derivation

As described in Section I, there are several types of information that fire protection districts must consider to appropriately set their development impact fees, including determining capital standards. BBC used data from various sources to make appropriate considerations in calculating development impact fees for Glenwood Springs Fire Department.

- **Capital standards.** BBC used GSFD’s current investment in capital facilities as the basis for determining capital standards for the fee update – known as the capital buy-in approach. We obtained the information directly from the Department. The valuation included estimates of investments in land and buildings, vehicles and apparatus, and miscellaneous equipment. Calculations of capital standards must also account for any debt that exists in connection with relevant infrastructure. At the time of this study, GSFD does not have any debt outstanding against its facilities.
- **Land use allocation.** It is important for fire districts to determine how impact fees should be allocated according to land use so that all forms of development pay their fair share of expansion costs. Although GSFD does not maintain a database of relevant land use, data from the Garfield County Assessor’s Office indicates that approximately 66 percent of current development in GSFD’s service area is for residential purposes while 34 percent is for non-residential.¹ BBC used this distribution to allocate the total value of capital facilities between residential and non-residential development.
- **Use specificity.** To the extent possible, impact fees should reflect the degree to which different forms, sizes, and uses of particular types of development will result in different demands for fire protection services. For residential development, square footage serves as a proxy for demand due to the relative uniformity of residential structures and activity. For non-residential development—where service demand varies substantially based on building use and intensity—the fee calculation uses employment generation rates to reflect occupancy intensity.
- **Fund balance.** When using the capital buy-in approach, the balance of a fire district’s impact fee fund must be combined with capital facilities valuations to arrive at the total capital investment. GSFD does not currently maintain a balance in its impact fee fund.
- **Proportionality.** By using GSFD’s current investment in capital facilities to derive capital standards and then setting fee rates to replace the current standards of facility investment, BBC has ensured that proportionality has been reasonably and fairly derived. New growth is simply replicating its proportional share of an existing facility standard. Existing standards will be the standards to which new growth will be held accountable.

¹ Non-residential development includes retail, commercial, office, institutional, industrial, and warehouse space.

GSFD Budget

Property tax revenues for GSFD’s general fund are collected through the tax mill levies of properties that are within the tax authority areas for either the City of Glenwood Springs or the Glenwood Springs Rural Fire Protection District.

The Department’s 2024 Annual Report shows the Department had a budget of \$5.2 million in 2024.² In any given year, operating budgets are generally allocated to personnel costs—including salaries, benefits, incentives, and administration—as well as supplies, maintenance, and normal operational costs.

Property tax revenue that funds GSFD’s operating budget will continue to be dedicated to the Department’s ongoing operational expenses and may not be sufficient to fund the Department’s growth-related capital facilities needs. With impact fees, new development pays for an equitable share of new facilities and existing taxpayers will not be responsible for subsidizing growth. In addition, GSFD’s general operating funds can be reserved for other, non-growth-related uses.

Impact Fee Calculations

BBC’s methodology for updating GSFD’s impact fee includes the following tasks:

1. Quantify the capital facilities investment needed to maintain current level of service;
2. Develop estimates of GSFD’s current land use and service demand pattern; and
3. Calculate the fire protection capital costs per unit of development (per residential dwelling unit or per square foot of non-residential development).

Capital facilities investment. A conservative method of establishing GSFD’s current level of service for fire protection is to quantify its financial investment in capital facilities. Specifically, the Department has four types of capital facility-related assets that should be included in a calculation of current facilities investment:

- Buildings and land, including fire stations and accessory structures;
- Major vehicles and apparatus, such as fire engines and specialized vehicles;
- A variety of lifesaving and fire-fighting portable equipment and other property; and
- The balance of the impact fee fund.

Figure II-1 presents GSFD’s current capital facilities and the replacement values included in impact fee calculations. As shown in the last row of Figure II-1, the total replacement value of GSFD’s current capital facilities is approximately \$37.2 million.

² Glenwood Springs Fire Department 2024 Annual Report

**Figure II-1.
Glenwood Springs Fire Department Current Assets, 2025**

Type of Capital Facilities	Replacement Value	Debt Against Asset			Equity Position for Fee Calculation
Buildings and Land					
Station 71	\$7,634,425	-	\$0	=	\$7,634,425
Station 72	\$11,106,775	-	\$0	=	\$11,106,775
Station 73	\$6,251,370	-	\$0	=	\$6,251,370
Training Ground	\$620,000	-	\$0	=	\$620,000
Vehicles and Apparatus					
(3) Ambulances	\$1,636,815	-	\$0	=	\$1,636,815
(1) Reserve Ambulance	\$469,008	-	\$0	=	\$469,008
(2) Engines	\$2,197,054	-	\$0	=	\$2,197,054
(1) Reserve Engine	\$1,025,086	-	\$0	=	\$1,025,086
(2) Ladder Trucks	\$2,906,619	-	\$0	=	\$2,906,619
(2) Tenders	\$1,419,906	-	\$0	=	\$1,419,906
Misc. specialty & fleet vehicles & apparatus	\$970,728	-	\$0	=	\$970,728
Miscellaneous Equipment					
Equipment including SCBA, PPE, portable, and communications	\$980,285	-	\$0	=	\$980,285
Impact Fee Fund					
Fund balance	\$0	-	\$0	=	\$0
Total Value of Fire Capital Facilities for Fee Calculation					\$37,218,071

Source: Glenwood Springs Fire Department; BBC Research & Consulting, 2025.

Current land use. BBC used the current pattern of development in GSFD’s service area as the first step for allocating capital facilities costs between residential and non-residential land uses. Figure II-2, on the following page, presents the breakdown of units and square footage for residential and non-residential development, based on current data from the Garfield County Assessor. As shown in Figure II-2, the majority of the development in the service area is residential (45.8 percent single family residential and 20.0 percent multi-family residential) while 34.2 percent is non-residential.

Figure II-2.
Residential and Non-residential Square Footage in the GSF D Service Area, 2025

Development Type	Unit Count	Total Square Footage	Percent of Total Square Footage
Residential	5,918	9,800,474	65.8%
Single family residential	3,250	6,818,841	45.8%
Dwellings up to 1,999 SF	1,672	2,184,192	14.7%
Dwellings 2,000 to 2,999 SF	1,011	2,439,662	16.4%
Dwellings 3,000 to 3,999 SF	395	1,341,848	9.0%
Dwellings 4,000+ SF	172	853,140	5.7%
Multifamily residential	2,668	2,981,633	20.0%
Non-residential	762	5,088,977	34.2%
Retail & Commercial	437	3,299,414	22.2%
Office	140	575,928	3.9%
Public & Institutional	111	791,437	5.3%
Warehouse & Industrial	74	422,198	2.8%

Source: Garfield County Assessor; BBC Research & Consulting, 2025.

The \$37.2 million of fire capital facilities value (Figure II-1) is allocated across residential and non-residential development based on the relative share of total square footage in the Department’s service area (Figure II-2). Allocating costs between residential and non-residential development based on existing square footage provides a rational and proportional framework for distributing the costs of firefighting facilities and equipment. Building square footage serves as a measurable indicator of the built environment’s potential demand for fire protection services. Larger structures typically present greater fire risk, all else equal, in addition to requiring more time and personnel to inspect or suppress fires and may involve more complex response protocols. As such, square footage offers a reliable and consistent proxy for estimating system demand.

Within the Department’s service area, residential uses comprise approximately 65.8 percent and non-residential uses comprise 34.2 percent of the built environment. Of the \$37.2 million in fire capital facilities value, \$24.5 million is allocated to residential development and \$12.7 million is allocated to non-residential development.

Residential impact fee calculation. The methodology for calculating residential impact fees is based on square footage of dwelling units. This approach is appropriate because fire protection service demand from residential uses generally scales with the size and complexity of the structure. Residential buildings also tend to exhibit relatively consistent patterns in construction type, layout, and use, making square footage a reasonable and reliable proxy for the level of service required.

The residential share of the fire capital facilities value—\$24.5 million—is allocated across categories of residential development based on each category’s share of total residential square footage. This allows the calculation of tiered residential fees, where smaller units pay lower fees

and larger homes pay higher fees to reflect relative demand. Figure II-3 presents the maximum impact fees for residential development within the Department’s service area.

**Figure II-3.
Maximum Allowable Residential Impact Fees for GSFD**

Calculation of Residential Impact Fees					
	Residential Share of Fire Capital Value [A]	Residential Land Use Distribution [B]	Costs by Land Use Category [C] = [A] x [B]	Existing Development [D]	Impact Fee (Costs by Land Use Category / Existing Development) [C] / [D]
Single family residential		69.6%	\$17,044,559	3,250	
Dwellings up to 1,999 SF	\$37.2M	22.3%	\$5,462,949	1,672	\$3,267 per dwelling
Dwellings 2,000 to 2,999 SF		24.9%	\$6,098,245	1,011	\$6,032 per dwelling
Dwellings 3,000 to 3,999 SF		13.7%	\$3,354,119	395	\$8,491 per dwelling
Dwellings 4,000+ SF		8.7%	\$2,132,531	172	\$12,398 per dwelling
Multifamily residential		30.4%	\$7,452,969	2,668	\$2,793 per dwelling unit

Source: Glenwood Springs Fire Department; Garfield County Assessor; BBC Research & Consulting, 2025.

As Figure II-3 shows, proposed fees range from \$3,267 to \$12,398 per single family dwelling. As an example, a 2,500-square-foot house has an impact fee of \$6,032 and a multifamily dwelling unit has a fee of \$2,793.

Non-residential impact fee calculation. Non-residential fire impact fees are calculated using the \$12.7 million allocated to non-residential development in conjunction with employment generation rates to reflect use intensity amongst different categories of non-residential land use. While building size remains an important factor in determining the impacts new development has on GSFD’s capital facilities, the intensity and variability of use across non-residential land uses plays a large role in influencing service demand. For example, a 10,000-square-foot storage warehouse would typically generate fewer emergency calls than a similarly sized commercial kitchen, retail store, or medical facility.

The non-residential fee model uses employment generation rates per 1,000 square feet from the *Institute of Transportation Engineers (ITE) Trip Generation Manual* to account for this variability.³ The *ITE Trip Generation Manual*, published by the Institute of Transportation Engineers, provides empirically derived estimates of the number of employees generated by different land uses. Employment generation measures the number of people employed per 1,000 square feet of development. These rates are based on extensive observational studies conducted at thousands of sites across North America and are widely used in transportation planning, traffic impact studies, and land use analysis.

³ ITE Trip Generation Manual 11th Edition, 2021.

While square footage provides a baseline measure of physical scale, it does not capture differences in activity intensity or occupancy patterns that influence fire risk and service needs. ITE employment rates serve as a practical proxy for these factors, reflecting how intensively a property is used. Land uses with higher employment generation rates generally correspond to higher levels of human activity, increasing the probability of fire incidents, medical calls, and other emergency responses. Incorporating employment rates therefore enhances the model's ability to allocate costs in proportion to actual service demand.

As shown in Figure II-4, different non-residential land uses generate differing levels of activity. For example, office development generates 3.3 jobs per 1,000 square feet compared to 1.2 for warehouse and industrial. The non-residential portion of the fire capital facilities value—\$12.7 million—is distributed across development types in proportion to their share of total weighted employment. This produces a cost per square foot that reflects the relative service demands associated with each use and distributes the cost burden in proportion to the demand generated by different types of economic activity and land use.

Figure II-4.
Maximum Allowable Non-residential Impact Fees for GSFD

Calculation of Non-residential Impact Fees						
	Non-residential Share of Fire Capital Value [A]	Employees per 1,000 SF [B]	Existing Development (SF) [C]	Weighted Employment [D] = [B] x [C/1,000]	Share of Total Employment [E] = [D] / Σ[D]	Impact Fee (Total Value x Share of Emp / Existing Development) [A] x [E] / [C]
Non-residential			5,088,977	14,762		
Retail & Commercial		3.1	3,299,414	10,283	69.7%	\$2.69 per square foot
Office	\$12.7 million	3.3	575,928	1,892	12.8%	\$2.83 per square foot
Public & Institutional		2.6	791,437	2,064	14.0%	\$2.25 per square foot
Warehouse & Industrial		1.2	422,198	524	3.5%	\$1.07 per square foot

Note: Retail & Commercial development includes shopping, services, dining, commercial lodging, and similar development types.

Public & Institutional development includes schools, hospitals, clinics, indoor recreation, and similar development types.

Source: Glenwood Springs Fire Department; Garfield County Assessor; ITE Trip Generation Manual 11th Edition, 2021; BBC Research & Consulting, 2025.

The result of allocating the non-residential capital burden in the manner described above resulted in full recovery of costs associated with the fees shown in the rightmost column of Figure II-4. Maximum recommended fees are \$2.69 per square foot for retail & commercial development; \$2.83 per square foot for office space; \$2.25 per square foot for public & institutional development; and \$1.07 per square foot for warehouse & industrial development.

Summary of impact fee results. The results of the residential and non-residential fee calculations for GSFD are summarized in Figure II-5, which presents the maximum allowable impact fees by development type and unit of measurement (per dwelling unit or per square foot). GSFD can choose to charge less than the amounts shown in Figure II-5 in order to meet other strategic objectives of the Department.

**Figure II-5.
Summary of Maximum Allowable
Impact Fees for GSFD**

Source:
Glenwood Springs Fire Department; Garfield County Assessor; ITE Trip Generation Manual 11th Edition, 2021; BBC Research & Consulting, 2025.

Development Type	Impact Fee
Residential	
Single family residential	
Dwellings up to 1,999 SF	\$3,267 per dwelling unit
Dwellings 2,000 to 2,999 SF	\$6,032 per dwelling unit
Dwellings 3,000 to 3,999 SF	\$8,491 per dwelling unit
Dwellings 4,000+ SF	\$12,398 per dwelling unit
Multifamily residential	\$2,793 per dwelling unit
Non-residential	
Retail & Commercial	\$2.69 per square foot
Office	\$2.83 per square foot
Public & Institutional	\$2.25 per square foot
Warehouse & Industrial	\$1.07 per square foot

The impact fees presented in Figure II-5 are designed to ensure that new development contributes fairly and proportionately to the cost of GSFD’s fire protection capital facilities. The total capital valuation is \$37.2 million and represents the Department’s current investment in stations, vehicles, apparatus, and response equipment.

This total cost has been allocated across residential and non-residential development based on the share of existing square footage in the GSFD service area. Within residential development, impact fees are calculated by unit size, using a tiered approach that reflects the proportional service needs associated with different home sizes. For non-residential development, fees are based on employment-weighted demand, using employment rates as a proxy for occupancy intensity and associated land use intensity. The resulting fee structure is equitable and tailored to the unique characteristics of land use within the Department’s boundary.

Impact fee revenue projection. Impact fees will bring revenue to the Department, helping to support necessary facilities expansion as development occurs throughout the service area. This region of Garfield County, including the City of Glenwood Springs and the adjacent unincorporated parts of the County, is a highly desirable place to live and work. As a result, steady development is expected to continue both within and beyond City limits.

The Glenwood Springs 2023 Strategic Housing Plan Update estimates near-term housing demand within the City at approximately 33 units annually. However, as the service area for the Department extends beyond City boundaries to include surrounding unincorporated areas, BBC has doubled the projected housing demand to reflect possible development across the full geographic context.

To estimate potential impact fee revenue, BBC assumes that 50 percent of the annual housing unit demand will be met by new single-family dwellings and 50 percent by new multifamily dwellings. Non-residential development is assumed to grow in line with employment, with an annual growth assumption of approximately 1 percent.

**Figure II-6.
Projected Annual Impact Fee
Revenues for GSFD**

Note:

Estimates of future development are shown in dwelling units for residential development and in square feet for non-residential development.

*The scenario assumes annual demand for 66 new housing units, 50 percent single family homes and 50 percent multifamily dwellings. The scenario also assumes 1 percent annual growth in non-residential development square footage.

Source:

Glenwood Springs Fire Department; Garfield County Assessor; ITE Trip Generation Manual 11th Edition, 2021; Glenwood Springs Strategic Housing Plan, 2023; BBC Research & Consulting, 2025.

Development Type	Projected Annual Growth* (dwelling units or sq. ft.)	Projected Annual Revenue
Residential		
Single family residential		
Dwellings up to 1,999 SF	17	\$55,544
Dwellings 2,000 to 2,999 SF	10	\$60,319
Dwellings 3,000 to 3,999 SF	4	\$33,966
Dwellings 4,000+ SF	2	\$24,797
Multifamily residential	33	\$92,184
Non-residential		
Retail & Commercial	32,994	\$88,608
Office	5,759	\$16,304
Public & Institutional	7,914	\$17,783
Warehouse & Industrial	4,222	\$4,511
Projected annual revenue		\$394,016

As Figure II-6 illustrates, the impact fees proposed in this report could generate approximately \$394,000 annually to enable the Department to build new facilities and purchase equipment needed to maintain service levels as the region grows without placing an undue burden on existing development.

SECTION III.

Summary and Recommendations

The residential and non-residential development impact fees that BBC recommends for GSFD's consideration represent maximum allowable amounts. However, GSFD may choose to adopt fees below these amounts. BBC offers the following recommendations regarding implementation of impact fees for Glenwood Springs Fire Department:

- GSFD should provide the development community with a minimum of three to six months' notice prior to implementing the impact fee schedule. This advance notice ensures developers have sufficient time to adjust project budgets and timelines.
- GSFD should maintain its impact fee fund in an interest-bearing account that is separate and apart from its general fund. All fees collected in accordance with the impact fee schedule shall be deposited and accounted for as required in *Colorado Revised Statutes Title 29, Article 1, Part 8, Section 29-1-803*.
- GSFD should adhere to a written policy governing expenditure of monies from its impact fee fund. Withdrawals from the impact fee fund should only be used to pay for growth-related capital facilities with a service life of five or more years. All proceeds shall be used in conformance with *Colorado Revised Statutes Title 29, Article 20, Part 1, Section 29-20-104.5*.
- GSFD should prohibit the payment of operational expenses with impact fees, including the repair and replacement of existing facilities not necessitated by growth. In cases where GSFD expects new capital facilities to partially replace existing capacity and to partially serve new growth, the Department and its legal counsel should determine, to the best of its ability, what percentage of repair and replacement is necessary to serve new development and should use that as the basis of allocating funding for repair and replacement needs.
- GSFD should update its impact fee studies periodically (e.g., every three to five years) as it invests in additional equipment and facilities and as future development occurs, to ensure its impact fees reflect its existing service standards.
- Between updates, GSFD should adjust its impact fees annually at the start of each year based on the U.S. Bureau of Labor Statistics' Mountain-Plains Information Office's consumer price index for the Mountain-Plains Region.¹
- GSFD should establish a process to address unique scenarios that may require further individualization of impact fees. This process should include a mechanism allowing property owners to present data if they believe the fee, as applied, does not accurately reflect the specific impacts of their development, ensuring compliance with *Sheetz v. County of El Dorado, Cal., 601 U.S. 267 (2024)*.

¹ <https://www.bls.gov/regions/mountain-plains/cpi-summary>

APPENDIX.

Land Use Development Classification

This appendix provides additional detail on how residential and non-residential development types were categorized for the purpose of impact fee calculations. These categories reflect the development pattern of the Department's service area and are used to proportionately allocate capital costs in the fee model.

Residential development was classified into two categories: Single Family Residential and Multifamily Residential. Single Family Residential includes detached housing units on individual parcels, and each dwelling is additionally classified by square footage in the fee model. Multifamily Residential includes residential forms with multiple attached units, such as duplexes, townhomes, apartments, and condominiums.

Non-residential development was grouped into four distinct categories: Retail & Commercial, Office, Public & Institutional, and Warehouse & Industrial. These categories are based on land use characteristics that typically correlate with different levels of service demand, such as building size, activity type, occupancy levels, and public accessibility.

BBC worked with account-level data from the Garfield County Assessor to construct a mapping template shown on the following pages. Several descriptive fields related to property type, occupancy, and built use were used to guide the categorization of the assessor data. In addition, where necessary, individual properties were vetted through map searches and visual review to verify land use classifications that are unclear or atypical in the assessor records.

The mapping template included in this appendix provides examples of how typical property descriptions were mapped to the categories utilized in this fee study. These mappings are intended as a reference template to clarify how the categories are commonly applied. They are not intended to serve as a comprehensive or prescriptive guide, but rather to illustrate the approach used in leveraging assessor data to tailor the fee structure.

**Figure A-1.
Development Classification Mapping**

Building Type Field Options	Class 1 Description Field Options	Class 2 Description Field Options	BBC Classification Options
Commercial			
	COMMERCIAL CONDOS IMPROVEMENTS	CONDOS-IMPROVEMENTS	Retail & Commercial Office
		EXEMPT/NONRES CHARITABLE - IMPS	Retail & Commercial Public & Institutional
	CONDO LAND	CONDO LAND	Retail & Commercial
	DUP/TRIPLEX IMPROVEMTS	DUP/TRIPLEX LAND	Multifamily Residential
		MULTI-UNITS(4-8)-IMPRVMTS	
	EXEMPT- POLITICAL SD MULTI FAMILY- IMPS	EXEMPT- POLITICAL SD MULTI FAMILY- LAND	Public & Institutional
	EXEMPT/NONRES CHARITABLE - IMPS	COMMERCIAL CONDOS IMPROVEMENTS	Office
			Public & Institutional
		EXEMPT/NONRES CHARITABLE-LAND	Retail & Commercial
			Office
			Public & Institutional
			Retail & Commercial
	EXEMPT/NONRES CHARITABLE-LAND	EXEMPT/NONRES CHARITABLE - IMPS	Public & Institutional
	EXEMPT/NONRES RELIGIOUS-IMPS	EXEMPT/NONRES RELIGIOUS-LAND	
	EXEMPT/NONRES RELIGIOUS-LAND	EXEMPT/NONRES RELIGIOUS-IMPS	
	EXEMPT/NONRES SCHOOLS-LAND	EXEMPT/NONRES SCHOOLS - IMPS	
	EXEMPT/RES CHARITABLE-IMPS	EXEMPT/NONRES CHARITABLE - IMPS	
		EXEMPT/RES CHARITABLE-LAND	
	EXEMPT/RES SCHOOLS-IMPS	EXEMPT/RES SCHOOLS-LAND	
	EXEMPT-COUNTY-IMPS.	EXEMPT-COUNTY-LAND	
	EXEMPT-COUNTY-LAND	EXEMPT-COUNTY-IMPS.	
	EXEMPT-POLITICAL SD-IMPS.	EXEMPT-POLITICAL SD-LAND	
	EXEMPT-POLITICAL SD-LAND	EXEMPT-POLITICAL SD-IMPS.	
	EXEMPT-STATE-IMPS-NONRES	COMMERCIAL CONDOS IMPROVEMENTS	
		EXEMPT-STATE-LAND-NONRES	
	EXEMPT-STATE-LAND-NONRES	EXEMPT-STATE-IMPS-NONRES	
		MERCHANDISING-IMPROVEMENT	
	LODGING-IMPROVEMENTS	LODGING-LAND	Retail & Commercial
		MULTI-UNITS(9 +)-IMPRVMTS	
	LODGING-LAND	LODGING-IMPROVEMENTS	
		MULTI-UNITS(9 +)-LAND	
		RECREATION-LAND	Multifamily Residential
		SINGLE FAM.RES.-LAND	
	MANUFCTRD.HOUSNG PRK-LAND	MULTI-UNITS(4-8)-IMPRVMTS	
		SPEC.PURPOSE-LAND	Single Family Residential
	MERCHANDISING-IMPROVEMENT	DUP/TRIPLEX IMPROVEMTS	Retail & Commercial
		MERCHANDISING-LAND	
		SINGLE FAM.RES-IMPROVEMTS	Office
	MERCHANDISING-LAND	MERCHANDISING-IMPROVEMENT	
		SINGLE FAM.RES.-LAND	Retail & Commercial
		SPEC.PURPOSE-LAND	Multifamily Residential
	MULTI-UNITS(4-8)-IMPRVMTS	MULTI-UNITS(4-8)-LAND	
		SINGLE FAM.RES-IMPROVEMTS	
			Retail & Commercial

Source: Garfield County Assessor; BBC Research & Consulting, 2025.

Figure A-1, continued.
Development Classification Mapping

Building Type Field Options	Class 1 Description Field Options	Class 2 Description Field Options	BBC Classification Options
Commercial			
	MULTI-UNITS(4-8)-LAND	MULTI-UNITS(4-8)-IMPRVMTS	Retail & Commercial
	MULTI-UNITS(9 +)-IMPRVMTS	DUP/TRIPLEX IMPROVEMTS	Multifamily Residential
		MULTI-UNITS(9 +)-LAND	
		OFFICES-IMPROVEMENTS	Office
			Retail & Commercial
	MULTI-UNITS(9 +)-LAND	MULTI-UNITS(9 +)-IMPRVMTS	Multifamily Residential
			Retail & Commercial
	MULTI-USE(3 OR MORE)-LAND	MULTI-USE(3 OR MORE)-IMPS	Multifamily Residential
		SPEC.PURPOSE-IMPROVEMENTS	Retail & Commercial
	OFFICES-IMPROVEMENTS	OFFICES-LAND	Office
		WAREHOUSE/STORAGE-IMPS.	
	OFFICES-LAND	OFFICES-IMPROVEMENTS	
		SPEC.PURPOSE-IMPROVEMENTS	
	RECREATION-LAND	RECREATION-IMPROVEMENTS	Public & Institutional
			Retail & Commercial
	SINGLE FAM.RES-IMPROVEMTS	SINGLE FAM.RES.-LAND	Retail & Commercial
		WAREHOUSE/STORAGE-LAND	Warehouse & Industrial
	SPEC.PURPOSE-IMPROVEMENTS	OFFICES-IMPROVEMENTS	Office
		SINGLE FAM.RES-IMPROVEMTS	Retail & Commercial
		SPEC.PURPOSE-LAND	Office
	SPEC.PURPOSE-LAND	SINGLE FAM.RES.-LAND	Retail & Commercial
		SPEC.PURPOSE-IMPROVEMENTS	
	WAREHOUSE/STORAGE-IMPS.	WAREHOUSE/STORAGE-LAND	Warehouse & Industrial
	WAREHOUSE/STORAGE-LAND	SINGLE FAM.RES.-LAND	
		WAREHOUSE/STORAGE-IMPS.	
Condo			
	CONDOS-IMPROVEMENTS	EXEMPT-POLITICAL SD RES-IMPS	Multifamily Residential
	EXEMPT/RES CHARITABLE-IMPS	EXEMPT/RES CHARITABLE-IMPS	
	EXEMPT-POLITICAL SD RES-IMPS	CONDOS-IMPROVEMENTS	
	EXEMPT-POLITICAL SD-IMPS.	EXEMPT-POLITICAL SD-IMPS.	
	TOWNHOME IMPROVEMENT	TOWNHOME LAND	
Multifamily			
	DUP/TRIPLEX IMPROVEMTS	MULTI-UNITS(4-8)-IMPRVMTS	Multifamily Residential
	LODGING-IMPROVEMENTS	MULTI-UNITS(9 +)-IMPRVMTS	
	LODGING-LAND	MULTI-UNITS(9 +)-LAND	
	MANUFCTRD.HOUSNG PRK-LAND	MULTI-UNITS(4-8)-IMPRVMTS	
	MULTI-UNITS(4-8)-IMPRVMTS	DUP/TRIPLEX LAND	
		MULTI-UNITS(4-8)-LAND	
		SINGLE FAM.RES-IMPROVEMTS	
	MULTI-UNITS(4-8)-LAND	MULTI-UNITS(4-8)-IMPRVMTS	
	MULTI-UNITS(9 +)-IMPRVMTS	DUP/TRIPLEX IMPROVEMTS	
		MULTI-UNITS(9 +)-LAND	
		OFFICES-IMPROVEMENTS	

Source: Garfield County Assessor; BBC Research & Consulting, 2025.

Figure A-1, continued.
Development Classification Mapping

Building Type Field Options	Class 1 Description Field Options	Class 2 Description Field Options	BBC Classification Options
Multifamily			
	MULTI-UNITS(9 +)-LAND	MULTI-UNITS(9 +)-IMPRVMTS	Multifamily Residential
	SINGLE FAM.RES-IMPROVEMTS	MULTI-UNITS(4-8)-IMPRVMTS	
	SPEC.PURPOSE-IMPROVEMENTS	SINGLE FAM.RES.-LAND	
		SPEC.PURPOSE-LAND	
Mobile			
	EXEMPT MANUFACTURED HOUSING	EXEMPT MANUFACTURED HOUSING	Single Family Residential
	EXEMPT-POLITICAL SD-IMPS.	EXEMPT-POLITICAL SD-IMPS.	
	FARM MOBILE HOME	FARM MOBILE HOME	
	MANUFCTRD.HOUSING-IMPRVMT	MANUFCTRD.HOUSING-IMPRVMT	
Residential			
	1 AC TO L/T 5 AC	1 AC TO L/T 5 AC	Single Family Residential
	DUP/TRIPLEX IMPROVEMTS	DUP/TRIPLEX LAND	Multifamily Residential
		MULTI-UNITS(4-8)-IMPRVMTS	
		SINGLE FAM.RES-IMPROVEMTS	Single Family Residential
	DUP/TRIPLEX LAND	DUP/TRIPLEX IMPROVEMTS	Multifamily Residential
		LODGING-LAND	Retail & Commercial
	EXEMPT/NONRES CHARITABLE-LAND	EXEMPT/NONRES CHARITABLE - IMPS	Public & Institutional
	EXEMPT/NONRES RELIGIOUS-IMPS	EXEMPT/NONRES RELIGIOUS-LAND	
	EXEMPT/NONRES RELIGIOUS-LAND	EXEMPT/NONRES RELIGIOUS-IMPS	
	EXEMPT/RES CHARITABLE-IMPS	EXEMPT/RES CHARITABLE-LAND	
	EXEMPT/RES CHARITABLE-LAND	EXEMPT/RES CHARITABLE-IMPS	
	EXEMPT/RES RELIGIOUS-IMPS	EXEMPT/RES RELIGIOUS-LAND	
	EXEMPT-COUNTY RES-IMPS	EXEMPT-COUNTY RES-LAND	
	EXEMPT-COUNTY-IMPS.	EXEMPT-COUNTY-LAND	
	EXEMPT-POLITICAL SD-LAND	EXEMPT-POLITICAL SD-IMPS.	
	FARM/RANCH RESIDENCE-IMPS	OTHER BLDGS.-AGRICULTURAL	
	IMPROVEMENT NOT INTEGRAL TO AG OPERATION	LAND NOT INTEGRAL TO AG OPERATION	Single Family Residential
		OTHER BLDGS.-AGRICULTURAL	Retail & Commercial
	LODGING-LAND	LODGING-IMPROVEMENTS	
	MANUFCTRD.HOUSNG PRK-LAND	SPEC.PURPOSE-LAND	Single Family Residential
	MULTI-UNITS(4-8)-IMPRVMTS	MULTI-UNITS(4-8)-LAND	Multifamily Residential
	MULTI-UNITS(9 +)-IMPRVMTS	MULTI-UNITS(9 +)-LAND	
	OFFICES-IMPROVEMENTS	OFFICES-LAND	Office
		SINGLE FAM.RES-IMPROVEMTS	
	OFFICES-LAND	OFFICES-IMPROVEMENTS	Single Family Residential
	OTHER BLDGS.-AGRICULTURAL	FARM/RANCH RESIDENCE-IMPS	
	SINGLE FAM.RES.-LAND	SINGLE FAM.RES-IMPROVEMTS	Multifamily Residential
	SINGLE FAM.RES-IMPROVEMTS	MANUFCTD.HOUSING-LAND	
		MULTI-UNITS(4-8)-IMPRVMTS	Single Family Residential
		SINGLE FAM.RES.-LAND	
		SPEC.PURPOSE-LAND	Single Family Residential
	SPEC.PURPOSE-IMPROVEMENTS	SINGLE FAM.RES-IMPROVEMTS	
	SPEC.PURPOSE-LAND	SPEC.PURPOSE-IMPROVEMENTS	Warehouse & Industrial
	WAREHOUSE/STORAGE-LAND	SINGLE FAM.RES.-LAND	
		WAREHOUSE/STORAGE-IMPS.	

Source: Garfield County Assessor; BBC Research & Consulting, 2025.



Glenwood Springs Police Department Impact Fee Study

DRAFT REPORT

Draft Report

April 7th, 2025

Glenwood Springs Police Department Impact Fee Study

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SECTION I.

Introduction

Within a community, the construction of a new home, business, or facility brings with it people—residents, workers, customers—who rely on public services to ensure their safety and wellbeing. For police departments, this growth translates into greater demand for patrols, response capacity, vehicles, and facilities. If no new capital facilities are added to match the scale of new development, the quality and responsiveness of public safety services may decline.

Impact fees are one-time charges on new development that ensure new residents and businesses contribute a fair share to the capital investments needed to maintain community safety. These fees are proportional payments that help ensure the police department can serve a growing population without shifting the financial burden to existing taxpayers.

This report presents the analysis underlying the calculation of proportional development impact fees for the City of Glenwood Springs Police Department (GSPD). Like many police departments in Colorado, GSPD faces growing service demands from population and employment increases. Unlike roads or utilities, where demand may be driven by physical development patterns or square footage, the demand for public safety services is more closely related to the presence of people who visit, live, or work in the region. The methodology for this study centers on population and employment as the primary indicators of police service demand.

Development impact fees are a legally supported mechanism to address capital expansion requirements in a way that is equitable and proportional. This report documents the methodology, assumptions, and calculations used to derive impact fees for GSPD.

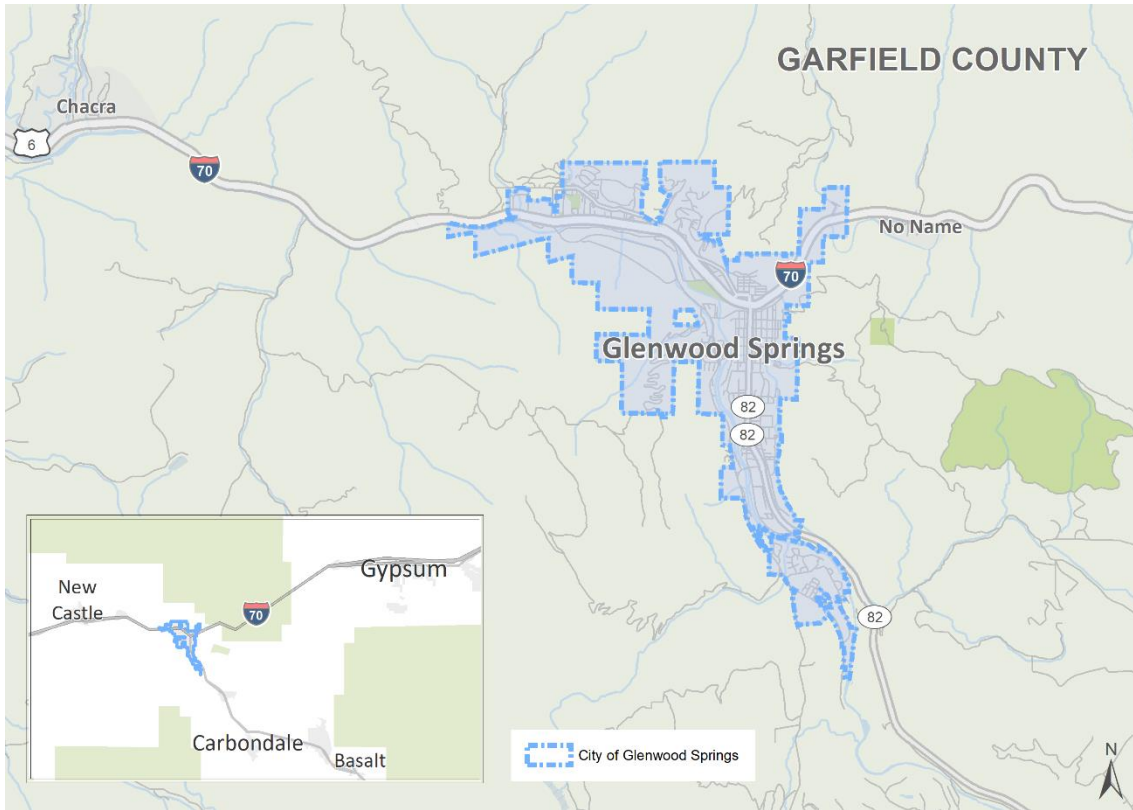
Background

The City of Glenwood Springs is the county seat of Garfield County and located along I-70 and CO-82 in the Roaring Fork Valley. The City has a population of approximately 10,000 residents¹ and is known for its natural amenities, recreation, and regional economic significance, serving as a commercial and service hub for nearby communities. In 2023, the largest single employer in Glenwood Springs was Valley View Hospital—which provides medical services to the City and wider region—followed by several national retail outlets (Walmart, Lowe’s, Kroger, Target); Colorado Mountain College; Roaring Fork School District; Glenwood Hot Springs Resort; Glenwood Caverns; and the City of Glenwood Springs.² Figure I-1 shows the City’s municipal boundary and location within Garfield County.

¹ U.S. Census Bureau American Community Survey (ACS) 2023 5-Year Estimates.

² City of Glenwood Springs, Colorado, Annual Comprehensive Financial Report, 2023.

Figure I-1.
City of Glenwood Springs Municipal Boundary



Source: BBC Research & Consulting from ArcGIS shapefiles, 2025.

The City serves as a hub of employment, residential activity, and civic amenities, and is both a destination and gateway for visitors and tourists.

The GSPD provides residents, commuters, and visitors with vital public safety services. Many Colorado communities impose development impact fees for expansion of capital facilities using a suite of fees with separate charges for individual facilities categories, such as police. The amount that a community can charge in impact fees and the manner in which these fees can be devised, imposed, and spent is dictated by Colorado statute and more generally by a series of United States Supreme Court decisions. In light of these design and implementation requirements, the City retained BBC to prepare this report documenting the calculation of maximum allowable impact fees consistent with the Colorado Revised Statutes.

Colorado Impact Fee Requirements

Development impact fees have been used in Colorado going as far back as the 1920s, when cities began charging developers for the water rights required to serve new development.³ Other states also charged impact fees to new development and in 1947, one of the first legal challenges

³ Lillydahl, J.H, 1987. Impact Fees in Colorado: Economic, Political, and Legal Overview. Presented at A Symposium on Impact Fees, 1987 Conference of the American Planning Association. New York City. Cited in White and Dahl, 2001.

to impact fees was filed in Illinois. In that case, the Illinois Home Builders Association sued the Hinsdale Sanitary District over its tap fee. The case was appealed all the way to the Illinois Supreme Court who ruled that the District's fee was legal so long as the revenues were used for capital expenditures and not operating expenses.⁴

In Colorado, impact fee requirements were heavily influenced by a 1999 lawsuit between Krupp and the Breckenridge Sanitation District. The case, known as *Krupp v. Breckenridge Sanitation District*, was heard by the Colorado Supreme Court, who ruled that impact fees are legal so long as they meet certain requirements. The requirements defined in the ruling on *Krupp v. Breckenridge Sanitation District* were formally codified by the Colorado Legislature with the passage of Senate Bill 01S2-015, "An Act Concerning Land Development Charges That May Be Imposed by Local Governments."

The Bill, which modified Section 29-20-104.5 of Title 29 of Colorado Revised Statutes, allowed local governments to impose impact fees on new development to fund expenditures on capital facilities needed to maintain existing service standards.⁵ The impact fees are applicable to a broad set of land uses and can be calculated based on development characteristics of local land uses that roughly approximate each land use's burden on capital facilities. This enabling legislation allowed municipalities to charge a single impact fee for each type of development (e.g., residential, commercial, and industrial) rather than calculating fees on a case-by-case basis so long as they meet the following criteria:

- Be a one-time charge imposed on new development;
- Quantify the reasonable impacts of proposed development on existing capital facilities and establish the impact fee or development charge at a level no greater than necessary to defray such impacts directly related to proposed development.
- Be reasonably related to the overall cost of capital. Fees must be fairly calculated and rationally based. Mathematical exactitude is not required, however, and the particular mode adopted by the entity assessing the fee is generally a matter of that entity's discretion;
- Ensure no impact fee or other similar development charge shall be imposed to remedy any deficiency in capital facilities that exists without regard to the proposed development;
- Be imposed and collected by a local government using a publicly promulgated fee schedule and details of collection; and

⁴ Carswell, A.T. 2012. *The Encyclopedia of Housing*, Second Edition. SAGE Publications. p. 385. ISBN 978-1-4129-8958-9. Retrieved 2023-04-03. Cited in Wikipedia, "Impact Fee"; accessed 2023-11-08 at https://en.wikipedia.org/wiki/Impact_fee.

⁵ Local governments were defined as counties; home rule municipalities; and statutory cities, towns, territorial charter cities.

- Ensure that impact fees adopted by a local government do not require individual landowners to provide any site-specific dedication or improvements that meet the same need for capital facilities for which the impact fee is imposed.

Because the setting of rates and fees involves many questions of judgment and discretion, municipalities have the flexibility to choose the most appropriate rate-setting method so long as it uses reasonable assumptions and logic in the basis of calculating the development impact fee schedule.

U.S. Supreme Court Decisions

In *Sheetz v. County of El Dorado* (2024), the Supreme Court ruled that impact fees are subject to the takings clause. The two most notable court decisions that are used to analyze takings clause cases are often referred to as *Nollan* and *Dolan*⁶.

Guidance from these decisions requires that there be an "essential nexus" between the exaction/fee and the state interest being advanced by that exaction. In the more recent *Dolan v. City of Tigard* (1994) decision, the U.S. Supreme Court held that in addition to an essential nexus, there must be a "rough proportionality" between the proposed exactions and the project impacts that the exactions are intended to mitigate. In *Dolan*, the court further states that rough proportionality need not be derived with mathematical exactitude but must demonstrate some relationship to the specific impact of the subject project:

*"We think a term such as 'rough proportionality' best encapsulates what we hold to be the requirements of the Fifth Amendment. No precise mathematical calculation is required, but the city must make some sort of individualized determination that the required dedication is related both in nature and extent to the impact of the proposed development."*⁷

Over the past two decades since *Dolan*, many communities have imposed impact fees; thus, there now is a broad set of common practices when considering how best to reflect these judicial and statutory requirements in fee design efforts.

Fee Applicability

As noted above, cities can only use impact fee revenue to cover the costs of any necessary expansion of capital facilities that are required to serve new development. In addition, fee amounts can only be set in a manner that is proportional to the cost of capital facility expansion needed to maintain, but not improve, existing standards of service.

Capital facilities. *Capital facilities* are the physical component of public services. Under Colorado statute, the definition of *capital* can include all equipment that has at least a five-year lifetime. It does not include personnel or any operational elements of service costs, even in

⁶ *Nollan v. California Coastal Commission*, 483 U.S. 82; 1987 and *Dolan v. City of Tigard* (1994) 114S.Ct. 2309.

⁷ *Dolan v. City of Tigard* (1994) 114S.Ct. 2309.

circumstances where new staff are required to operate new facilities. Capital facilities generally include buildings, apparatus, vehicles, office furniture, and other support facilities.

Nature of capital investments. Not all capital facility costs are associated with community growth or with the expansion of capacity. Most municipalities make investments in capital facilities not because of growth pressures but for the repair and replacement of existing capital. For example, cities often make capital investments related to:

- *Repair and replacement of existing facilities*, such as annual building maintenance or replacing a roof;
- *Betterment of existing facilities*, such as introducing new services or improving existing capital facilities without increasing service capacity; and
- *Facilities expansions*, such as expanding an existing building to accommodate growing personnel requirements.

Communities are not allowed to account for such investments as part of impact fee calculations nor are they allowed to expend impact fee funds on such investments.

Capital Standards

In designing impact fees, a city must determine the appropriate capital standards applicable to each category of capital. Capital facility standards can vary widely between communities. Whereas some states have legislation that describes such criteria with great specificity, other states—like Colorado—use more general standards. There are two primary approaches for calculating capital standards.

Capital buy-in approach. Capital standards can be estimated using the replacement value of specific capital facilities and the qualified equipment necessary for each category of capital facilities. For example, a city of 2,500 homes with a 20,000 square foot recreation center that has a replacement value of \$5 million would have a recreation center standard of 8 square feet per housing unit (i.e., 20,000 square feet/2,500 homes = 8 square feet per home) and a replacement value of \$250 per square foot (i.e., \$5 million/20,000 square feet = \$250 per square foot). Thus, each existing residence would have an embedded recreational investment of \$2,000 per home (i.e., \$250 x 8 square feet = \$2,000 per home), representing the community's recreational facility standard, which is what a developer could be charged for recreational facilities for each new unit.

One important dimension of the capital buy-in approach is the use of the replacement value of each asset. As mentioned earlier, the purpose of impact fees is to maintain the current level of service. Therefore, the value of each asset should be assessed by its current functionality, not its dollar value. For example, even if a dump truck was purchased in 1980 and its present resale value is less than \$10,000, the replacement value for that dump truck would be equal to the market rate of a new unit that performs the same function as the original vehicle.

If capital standards are defined using a capital buy-in approach, then calculations of those standards must account for any debt that applies against the relevant capital facilities. Because

current residents are already responsible for that debt, it would be duplicative and inappropriate to charge developers impact fees that also include that debt.

Plan-based approach. Cities can also use a *plan-based approach* to set capital standards, which relies on capital improvement or other specific plans to estimate the value of capital required to serve future development. A plan-based approach requires forecasts of residential and commercial growth and detailed data on capital expansion plans and costs. Plan-based approaches must focus on expansion-related projects or the expansion portion of projects rather than betterment or replacement projects.

Other Considerations

Over time, some consensus has emerged on how best to ensure that impact fees comply with state statutes and court rulings. Many of the factors that communities must consider in designing fees appropriately are described above, but BBC also presents other considerations to be made:

- **Allocation by land use.** Courts have indicated that all forms of development that have capital facility impacts—that is, residential, industrial, commercial, and institutional developments—must pay their fair share of capital expansion costs. If one type of development is exempted from fees, then fees may not be sufficient to cover expansion costs that result from new development.
- **Use specificity.** Impact fee calculations vary between different forms of land use. When compelling evidence is available that the forms, sizes, or uses of particular types of development will result in substantially different demands for public services, then a city's impact fees should reflect that information.
- **Fund balances.** Fund balances represent cash investments the existing community has made into various capital expansion categories. When utilizing the capital buy-in approach for calculating development impact fees, these cash investments are combined with capital facilities valuations to arrive at the total capital investment that the community has made.
- **Redevelopment.** The application of impact fees raises questions about how to deal with the redevelopment of existing properties. The redevelopment of a residence—even if it involves full scraping—does not lead to an increase in service demands, because it is still one residential unit with no implications for service delivery costs or capital needs. In contrast, the redevelopment of a larger lot into multiple homes would be assessed an impact fee based on the net number of new residential units, because there would be clear implications for service delivery and capital needs. Commercial redevelopment would be subject to the same considerations.
- **Waivers.** Municipalities should not waive fees unless the funds are reimbursed from other sources such as the general fund or other contributions by the developer to system expansion that meet or exceed the calculated fees.
- **Timing.** Fees should be assessed at the time that building permits are issued.
- **Updates.** Impact fee calculations should be updated periodically to account for changes in costs and asset values. Most communities update their fees every year using an inflation multiplier and conduct updates to their impact fee studies every three to five years.

SECTION II.

Impact Fee Derivation

As described in Section I, there are several types of information that municipalities must consider to appropriately set their development impact fees, including determining capital standards. BBC used data from various sources to make appropriate considerations in developing police impact fees for the City of Glenwood Springs.

- **Capital standards.** BBC used the City's current investment in police capital facilities as the basis for determining capital standards for the fee (i.e., the capital buy-in approach). We obtained that information directly from the GSPD. The valuation included estimates of investments in buildings, vehicles, and durable equipment. Calculations of capital standards must account for any debt that exists in connection with relevant capital facilities. At the time of this study, the City of Glenwood Springs does not carry any debt against the police capital facilities described in this report.
- **Land use allocation.** It is important for communities to determine how impact fees should be allocated according to land use so that all forms of development (residential and non-residential) pay their fair share of expansion costs. In this study, the capital cost of police facilities is first divided between residential and non-residential development using a functional population approach. This model captures the way that different segments of the population occupy the City throughout the day, ensuring a proportional allocation of cost based on actual patterns of use.
- **Use specificity.** To the extent possible, impact fees should reflect the degree to which different forms, sizes, and uses of particular types of development will result in different demand for public services. For Glenwood Springs, this is addressed in two ways. Residential fees are tiered based on housing type and average household size, while non-residential fees vary by employment density across development types. These distinctions ensure that development which generates more frequent or intense service demand bears a corresponding share of police service costs.
- **Fund balance.** When using the capital buy-in approach, the balance of the police impact fee fund must be combined with capital facilities valuations to arrive at the total capital investment. With this study, GSPD is establishing impact fees for the first time and so does not have a current impact fee fund balance.
- **Proportionality:** By using GSPD's current investment in capital facilities to derive capital standards and then setting fee rates to replace the current standards of facility investment, BBC has ensured that proportionality has been reasonably and fairly derived. New growth is simply replicating its proportional share of an existing facility standard. Existing standards will be the standards to which new growth will be held accountable.

Impact Fee Calculations

The calculation of residential and non-residential police impact fees for Glenwood Springs is detailed within this section.

Current investment in police facilities. The first step in calculating the impact fees is to determine the value of Glenwood Springs’ current investment in police capital facilities. This includes buildings, vehicles, protective gear, communications systems, and other essential equipment used to deliver public safety services. The analysis uses a cost recovery—or capital buy-in—approach, which assumes that new development should replicate its proportional share of GSPD’s existing capital investment in facilities. Figure II-1 presents GSPD’s total capital facilities valuation (\$7.8 million). GSPD does not currently have debt against its facilities.

Figure II-1.
Glenwood Springs Police Department Current Assets, 2025

Type of Capital Facilities	Replacement Value	Debt Against Asset	Equity Position for Fee Calculation
Buildings and Land			
Police Department	\$5,075,000	-	\$0 = \$5,075,000
Vehicle Impound Lot	\$304,448	-	\$0 = \$304,448
Vehicles, Apparatus, and Equipment			
Police Department Vehicle Fleet	\$1,804,000	-	\$0 = \$1,804,000
Radar Trailer	\$10,000	-	\$0 = \$10,000
Evidence Container	\$8,000	-	\$0 = \$8,000
AR-15 Patrol Rifles w/ Optics	\$73,675	-	\$0 = \$73,675
Patrol Handguns	\$11,718	-	\$0 = \$11,718
Less Lethal Shotguns	\$2,457	-	\$0 = \$2,457
Extra Firearms Acc ACOGs	\$4,800	-	\$0 = \$4,800
Body Armor - Duty	\$29,700	-	\$0 = \$29,700
Body Armor - Heavy Vests	\$17,526	-	\$0 = \$17,526
Body Armor - Helmets	\$5,750	-	\$0 = \$5,750
Handheld Lidar Unit	\$12,500	-	\$0 = \$12,500
Bola Wrap	\$21,000	-	\$0 = \$21,000
Taser Unit	\$38,985	-	\$0 = \$38,985
Target	\$480	-	\$0 = \$480
Holsters	\$1,196	-	\$0 = \$1,196
Suit	\$1,200	-	\$0 = \$1,200
Body Worn Cameras	\$28,800	-	\$0 = \$28,800
Evidence Trailer	\$12,000	-	\$0 = \$12,000
In-car Camera System	\$33,000	-	\$0 = \$33,000
Radar Units	\$68,000	-	\$0 = \$68,000
AED Units	\$22,800	-	\$0 = \$22,800
Copier	\$2,006	-	\$0 = \$2,006
IT Equipment	\$71,400	-	\$0 = \$71,400
Miscellaneous Officer Equipment	\$125,550	-	\$0 = \$125,550
Total Value of Police Capital Facilities for Fee Calculation			\$7,785,991

Source: Glenwood Springs Police Department, 2025.

Functional population allocation. Next, the \$7.8 million police capital facilities cost is allocated between residential and non-residential development using a functional population model. This model measures demand by considering how people (residents and workers) spend their time in the community across a typical day. Residents and employees utilize police services during the hours they are present in Glenwood Springs – residents primarily during mornings and evenings at home, and workers (including in-commuters) during daytime business hours.

By acknowledging patterns of time spent in residential versus non-residential settings, the functional population model apportions an appropriate share of the police facilities costs to residential development and to non-residential development in line with relative demand on police services. Figure II-2 presents the functional population calculation.

Figure II-2.
City of Glenwood Springs, Functional Population Allocation

Population Group	Residential Demand		Non-residential Demand	
	Hours per Person per Day	Total Daily Hours	Hours per Person per Day	Total Daily Hours
Total residents	9,970			
Employed residents	5,579			
<i>Working within Glenwood Springs</i>	1,916	15	28,740	9
<i>Working outside of Glenwood Springs</i>	3,663	15	54,945	
Non-working residents	4,391	20	87,820	4
<hr/>				
Non-residents employed in Glenwood Springs (in-commuters)	7,445			9
<hr/>				
Total employed in Glenwood Springs	9,361			
<hr/>				
Total daily demand hours			171,505	101,813
Total daily share of demand			62.7%	37.3%
Share of police capital facilities valuation			\$4,885,651	\$2,900,340

Source: U.S. Census Bureau ACS 5-Year Estimates, 2023; OnTheMap Inflow/Outflow Analysis, 2022; BBC Research & Consulting, 2025.

As shown in Figure II-2, residents of Glenwood Springs are allocated 15 hours per day in residential settings in the City. Those working within the City are additionally allocated 9 hours per day in a non-residential setting. Non-working residents are allocated 20 hours per day in residential and 4 hours per day in non-residential settings, and commuters into Glenwood Springs (who work within the City but live elsewhere) are allocated 9 hours per day in non-residential settings.

Overall, the functional population model allocates 62.7 percent of police service demand (or, \$4.9 million of the total \$7.8 million capital facilities valuation) to residential development and 37.3 percent of service demand (or, \$2.9 million of the total \$7.8 million capital facilities valuation) to non-residential development.

Residential impact fee calculation. As stated above, the residential share of GSPD’s capital cost is calculated by multiplying the total value of police facilities (\$7.8 million) by the residential share percentage derived from the functional population model (62.7 percent). This results in \$4.9 million in capital costs attributed to residential development.

BBC transformed this value into a per-resident cost by dividing the \$4.9 million cost by the residential population of Glenwood Springs.¹ As shown in Figure II-3, the police facilities cost per resident is \$490.

**Figure II-3.
Maximum Allowable Police Impact Fees for Residential Development**

	Population [A]	Police Capital Facilities Cost per Resident [B]	Est. Dwelling Units [C]	Household Size [D] = [A]/[C]	Police Impact Fee per Dwelling Unit [B] x [D]
Total residential	9,970				
<i>Single family residential</i>	6,955	\$4.9 million / 9,970 residents = \$490	2,431	2.86	\$1,402
<i>Multifamily residential</i>	3,015		1,435	2.10	\$1,030

Source: U.S. Census Bureau ACS 5-Year Estimates, 2023; BBC Research & Consulting, 2025.

Figure II-3 also presents the dwelling unit estimates within the City. BBC calculated household size for single-family and multifamily dwellings by dividing the population for each group by the corresponding number of dwelling units. The average household size for a single-family home is 2.86 people while the average household size for a multifamily dwelling unit is 2.10 people.

To translate this into a per-unit impact fee, BBC used average household size as a proxy for demand, distinguishing between single-family and multifamily units. Although housing unit size can vary, residential development tends to follow relatively consistent patterns of occupancy and use, particularly when compared with the diversity of non-residential land uses.

Applying this cost to each housing type yields the maximum allowable impact fee shown in Figure II-3: \$1,402 for a single-family unit (\$490 x 2.86) and \$1,030 for a multifamily unit (\$490 x 2.10).

¹ Population refers to residents living in typical residential development types (e.g., single family or multifamily dwellings) and does not include group quarters such as dormitories.

Non-residential impact fee calculation. The non-residential share of GSPD’s capital facilities cost is calculated by multiplying the total value of police infrastructure (\$7.8 million) by the non-residential share derived from the functional population model (37.3 percent). This results in \$2.9 million of capital costs attributed to non-residential development. To distribute this cost across various land uses, BBC used employment density—defined as square feet per job—as a proxy for service demand. Because police service needs are primarily driven by the presence and activity of people rather than the size of buildings, this approach allows the fee to reflect relative service burden more accurately than square footage alone.

**Figure II-4.
Maximum Allowable Police Impact Fees for Non-residential Development**

Development Type	Est. Workers [A]	Police Capital Facilities Cost per Worker [B]	Employment Density (sq. ft. per job) [C]	Police Impact Fee per Sq. Ft. [B] x [C]
Retail & Commercial	2,771		302	\$1.03
Office	2,556	\$2.9 million / 9,361 workers = \$310	326	\$0.95
Institutional	3,321		430	\$0.72
Warehouse & Storage	279		2,953	\$0.10
Industrial	435		676	\$0.46
Total	9,361			

Source: U.S. Census Bureau ACS 5-Year Estimates, 2023; OnTheMap Inflow/Outflow Analysis, 2022; ITE Trip Generation Manual 11th Edition, 2021; BBC Research & Consulting, 2025.

Glenwood Springs’ employment base comprises 9,361 total jobs allocated across five development categories² (shown in Figure II-4). Dividing the \$2.9 million non-residential capital cost by total jobs yields a per-worker police capital cost of \$310. This per-worker cost is then divided by the employment density of each development type³ (in square feet per worker) to derive a cost per square foot. The result is a scaled fee that charges higher fees for development with greater use intensity (such as retail and office environments) than low-density uses like warehouses. This ensures that fees are proportionate to demand for police services.

The resulting maximum allowable non-residential impact fees are: \$1.03 per square foot for retail & commercial development; \$0.95 per square foot for office space; \$0.72 per square foot for institutional space (such as schools or hospitals); \$0.10 per square foot for warehouse & storage development; and \$0.46 per square foot for industrial development.

² Direct data linking jobs to the physical type of building or development setting they occupy are not available. While data sources such as the Census Bureau and the Bureau of Economic Analysis report on occupation or industry classifications, they do not indicate the type of building in which people work. To approximate employment by development type, BBC used job counts by NAICS industry sector from the Census Bureau’s OnTheMap Inflow/Outflow analysis for Glenwood Springs. These industries were then mapped to the five non-residential development categories used in the fee model—Retail & Commercial, Office, Institutional, Warehouse & Storage, and Industrial—based on a reasoned allocation. For example, jobs in the Health Care and Social Assistance industry were attributed 70 percent to Institutional and 30 percent to Office, reflecting typical patterns of physical location for such services.

³ Employment densities were derived from the ITE Trip Generation Manual 11th Edition.

Summary of impact fee results. The results of the residential and non-residential fee calculations are summarized in Figure II-5, which presents the recommended fees by development type and unit of measurement (per dwelling unit or per square foot).

**Figure II-5.
Summary of Maximum Allowable
Police Impact Fees for GSPD**

Source:
Glenwood Springs Police Department, 2025; U.S. Census Bureau ACS 5-Year Estimates, 2023; OnTheMap Inflow/Outflow Analysis, 2022; ITE Trip Generation Manual 11th Edition, 2021; BBC Research & Consulting, 2025.

Development Type	Maximum Allowable Police Impact Fee
Residential	
Single family	\$1,402 per dwelling unit
Multifamily	\$1,030 per dwelling unit
Non-residential	
Retail & Commercial	\$1.03 per square foot
Office	\$0.95 per square foot
Institutional	\$0.72 per square foot
Warehouse & Storage	\$0.10 per square foot
Industrial	\$0.46 per square foot

The City can choose to charge less than the amounts shown in Figure II-5, but it must apply discounts uniformly to all land use categories.

Impact fee revenue projection. Impact fees will bring revenue to the GSPD, helping to support necessary facilities expansion as development occurs in the community. The City’s future growth is subject to real constraints, including the physical limitations of surrounding topography and the capacity of existing water and infrastructure systems.⁴ However, Glenwood Springs remains a highly desirable place to live and work, and is expected to continue experiencing steady development over time.

The Glenwood Springs 2023 Strategic Housing Plan Update outlines possible future housing unit demand in the City, estimated at approximately 33 units annually in the near-term future.⁵ To help illustrate the potential fiscal impact of the recommended impact fees, BBC estimated annual impact fee revenue using the City’s development projections.

To support the estimate, BBC conservatively assumes that 50 percent of the annual housing unit demand will be met by new single family dwellings and 50 percent by new multifamily dwellings, and that non-residential development increases with employment growth, with an annual growth assumption of approximately 1 percent.

As shown in Figure II-6, on the following page, proportional impact fees for new development would generate an estimated \$70,000 per year for GSPD to use on capital expansion, given the parameters outlined above.

⁴ Glenwood Springs Comprehensive Plan Update, 2023.

⁵ Glenwood Springs Strategic Housing Plan Update, 2023.

**Figure II-6.
Projected Annual Police Impact
Fee Revenues for GSPD**

Note:

Projected development is shown in dwelling units for residential development and in square feet for non-residential development.

*The scenario assumes annual demand for 33 new housing units, 50 percent single family homes and 50 percent multifamily dwellings. The scenario also assumes 1 percent annual growth in non-residential development square footage.

Source:

Glenwood Springs Police Department, 2025; U.S. Census Bureau ACS 5-Year Estimates, 2023; OnTheMap Inflow/Outflow Analysis, 2022; ITE Trip Generation Manual 11th Edition, 2021; Glenwood Springs Strategic Housing Plan, 2023; BBC Research & Consulting, 2025.

Development Type	Projected Annual Growth* (dwelling units or sq. ft.)	Projected Annual Revenue
Residential		
Single family residential	17	\$23,834
Multifamily residential	17	\$17,503
Non-residential		
Retail & Commercial	8,362	\$8,586
Office	8,333	\$7,918
Institutional	14,280	\$10,288
Warehouse & Storage	8,231	\$864
Industrial	2,941	\$1,348
Projected annual revenue		\$70,340

Figure II-6 illustrates the potential for impact fees to contribute to GSPD’s funding for capital expansion, ensuring that police services keep pace with regional growth without overburdening existing development.

SECTION III.

Implementation Recommendations

As the City of Glenwood Springs evaluates whether or not to adopt the full police cost recovery fee amounts summarized above, we offer the following implementation recommendations for consideration.

Setting impact fee amounts. Cities must balance multiple objectives when setting impact fees, including funding necessary infrastructure, maintaining affordability, and staying competitive with neighboring communities. The police impact fees recommended in this study represent the maximum allowable level based on the cost of providing capital facilities to serve new development. However, municipalities may choose to set fees below this maximum.

If the City decides to adopt a lower fee initially, one approach is to implement gradual annual increases over a three- to five-year period. This phased approach allows the City to remain competitive in the short term while ensuring that fees eventually reflect the full cost of growth-related infrastructure needs. However, if the City elects to adopt impact fees at levels below those recommended in this report, it should identify other sources of revenue to keep the impact fee funds “whole.”

Compliance with *Sheetz v El Dorado Co.* The City should establish a process to address unique scenarios that may require further individualization of police impact fees. This process should include a mechanism allowing property owners to present data if they believe the fee, as applied, does not accurately reflect the specific impacts of their development, ensuring compliance with *Sheetz v. County of El Dorado, Cal.*, 601 U.S. 267 (2024).

Impact fee credits. If the City requires a developer to contribute capital improvements or construct facilities that offset the need for police capital expansion, that developer should be eligible for a credit against the fee owed. To administer this process consistently, the City should establish a formal credit application procedure that places the burden of documentation on the applicant. Developers seeking a credit would need to submit evidence demonstrating the value and relevance of their contributions. City staff would evaluate the application to determine whether it satisfies the criteria for a credit, ensuring it meets the same public safety standards the impact fee is designed to support.

The use of an impact fee credit can allow the City to consider opportunities for economic development. Development projects that align with Glenwood Springs’ economic development goals should be made aware of the process and terms of the impact fee credit application.

If the City decides to issue an impact fee credit, it must identify an alternate source of revenue to keep the police impact fee funds “whole.” Some local governments in Colorado choose to dedicate a portion of the sales and property tax from a development for this purpose. Whatever the reimbursement mechanism, the City should also adopt a list of criteria for economic

development waivers so that all builders/developers enjoy a level playing field in their pursuit of potential fee relief.

Additional recommendations. BBC offers the following additional recommendations regarding implementation of impact fees for Glenwood Springs Police Department:

- The City should provide the development community with a minimum of three to six months' notice prior to implementing the updated police impact fee schedule. This advance notice ensures developers have sufficient time to adjust project budgets and timelines.
- The City should maintain its police impact fee fund in an interest-bearing account that is separate and apart from its general fund. All fees collected in accordance with the impact fee schedule shall be deposited and accounted for as required in *Colorado Revised Statutes Title 29, Article 1, Part 8, Section 29-1-803*.
- The City should adhere to a written policy governing expenditure of monies from its police impact fee fund. Withdrawals from the impact fee fund should only be used to pay for growth-related capital facilities with a service life of five or more years. All proceeds shall be used in conformance with *Colorado Revised Statutes Title 29, Article 20, Part 1, Section 29-20-104.5*.
- The City should prohibit the payment of operational expenses with police impact fees, including the repair and replacement of existing facilities not necessitated by growth. In cases where GSPD expects new capital facilities to partially replace existing capacity and to partially serve new growth, the City and its legal counsel should determine, to the best of its ability, what percentage of repair and replacement is necessary to serve new development and should use that as the basis of allocating funding for repair and replacement needs.
- The City should update its impact fee studies periodically (e.g., every three to five years) as it invests in additional equipment and facilities and as future development occurs, to ensure its impact fees reflect its existing service standards.
- Between updates, the City should adjust its police impact fees annually at the start of each year based on the U.S. Bureau of Labor Statistics' Mountain-Plains Information Office's consumer price index for the Mountain-Plains Region.¹

¹<https://www.bls.gov/regions/mountain-plains/cpi-summary>



GLENWOOD SPRINGS PD AND FPD IMPACT FEE STUDY

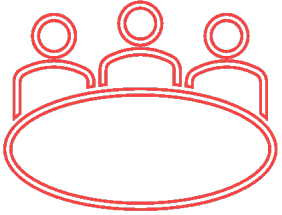
JUNE 5, 2025

Presented by

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BB **C** **55**
YEARS
RESEARCH & CONSULTING

BACKGROUND



- In 2025, BBC began working with the City of Glenwood Springs to conduct an update of its police department impact fees in addition to conducting a study to establish impact fees for Glenwood Springs Fire Department and Glenwood Springs Rural Fire Protection District.
- BBC worked closely with City staff throughout the process to collect and validate information, calculations, and recommendations.
- Impact fees were calculated for residential and non-residential development types.

WHAT ARE IMPACT FEES?

“Fees collected through a set schedule or formula, spelled out in a local ordinance....fees are levied only against new development projects as a condition of permit approval to fund infrastructure needed to serve the proposed development. Impact fees are calculated to cover the proportionate share of the capital costs for that infrastructure...”

IMPACT FEES ARE IMPORTANT



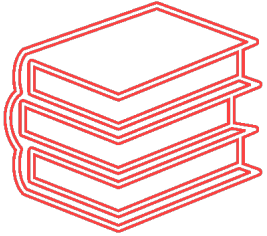
- Fees from new construction provide a fair contribution toward public infrastructure and help mitigate public opposition to development.
- Long-term financial planning becomes more consistent through systematic funding approaches.
- Supports orderly growth and land use by reinforcing broader planning goals.
- Contributes to the availability of necessary facilities and services in expanding areas.
- Replaces ad hoc negotiations with a transparent, consistent fee structure developers can plan for.

IMPACT FEES IN COLORADO



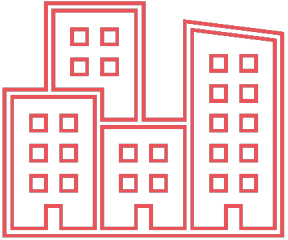
- **Early Roots (1920s):** Cities began charging developers for water rights required to serve new developments—an early form of impact fee.
- **Colorado Legal Foundation (1999):** *Krupp v. Breckenridge Sanitation District* ruled impact fees are legal if they meet standards of reasonableness and proportionality.
- **Codification in State Law (2001):** Senate Bill 01S2-015 authorized governments to impose impact fees under C.R.S. 29-20-104.5 for capital facilities needed to maintain service levels.
- **Expansion to Fire Districts (2016 - 2024):** HB16-1088 allowed fire protection districts to collect impact fees via intergovernmental agreements. SB24-194 eliminated the intergovernmental agreement requirement and allowed fire and ambulance districts to directly levy impact fees and propose sales taxes, pending voter approval.

IMPACT FEE REQUIREMENTS



- Essential nexus between development and required infrastructure
- Fees must be roughly proportional to impact
- Fees are one-time payments
- Only used for capital infrastructure with a minimum lifespan of five years
- Fee revenues must be segregated from other funds
- Fees must be used for capital expansion, not to address existing deficiencies
- Fees must be imposed on all forms of development
- Fee-payer must have a reasonable expectation of benefit

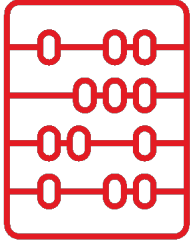
WHAT IS/IS NOT INCLUDED?



- Engines and vehicles – **Yes**
- Stations and buildings, including improvements to maintain service – **Yes**
- Equipment, apparatus, tech, etc. – **Yes**

- Repair and replacement – **No**
- Operations and maintenance - **No**
- Betterment and expansion unrelated to development – **No**

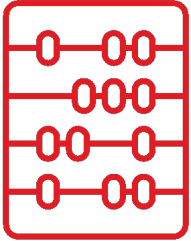
IMPACT FEE METHODS



- **Capital Buy-In Approach:** Charges new development a proportionate share of the value of existing infrastructure capacity, based on the idea that newcomers "buy in" to facilities already built by the community.
- **Plan-Based Approach:** Bases fees on the cost of future capital projects needed to serve new growth, ensuring development pays for its projected impact on planned infrastructure expansions.

POLICE DEPARTMENT IMPACT FEES

POLICE METHODOLOGY



- **Key driver of demand:** Police demand is **driven by people**—residents, workers, and visitors. So the analysis is based on population and employment growth.
- **Capital buy-in approach:** This method estimates the value of existing police capital per person or employee today, and asks new development to “buy in” at the same level to maintain service standards.
 - “If the city currently provides \$1,000 worth of police facilities per person, then a new development with 3 people needs to pay \$3,000 to keep the same level of service.”
- **Replacement value matters:** We base the value of vehicles and facilities on what it would cost to replace them today—not what the City paid years ago—because that’s what the City will have to spend in the future.

WHAT IS DEVELOPMENT BUYING IN TO?

- **Buildings and land** – Police Department and impound lot
- **Vehicles** – Vehicles are specialized, durable units equipped to support patrol, emergency response, and public safety operations across varying conditions and terrains.
- **Equipment** – Police equipment includes essential gear such as radios, protective vests, firearms, and communication systems that enable officers to perform their duties safely and effectively.
- **Total value - \$7.8 million**

Type of Capital Facilities	Replacement Value	Debt Against Asset	Equity Position for Fee Calculation
Buildings and Land			
Police Department	\$5,075,000	-	\$0 = \$5,075,000
Vehicle Impound Lot	\$304,448	-	\$0 = \$304,448
Vehicles, Apparatus, and Equipment			
Police Department Vehicle Fleet	\$1,804,000	-	\$0 = \$1,804,000
Radar Trailer	\$10,000	-	\$0 = \$10,000
Evidence Container	\$8,000	-	\$0 = \$8,000
AR-15 Patrol Rifles w/ Optics	\$73,675	-	\$0 = \$73,675
Patrol Handguns	\$11,718	-	\$0 = \$11,718
Less Lethal Shotguns	\$2,457	-	\$0 = \$2,457
Extra Firearms Acc ACOGs	\$4,800	-	\$0 = \$4,800
Body Armor - Duty	\$29,700	-	\$0 = \$29,700
Body Armor - Heavy Vests	\$17,526	-	\$0 = \$17,526
Body Armor - Helmets	\$5,750	-	\$0 = \$5,750
Handheld Lidar Unit	\$12,500	-	\$0 = \$12,500
Bola Wrap	\$21,000	-	\$0 = \$21,000
Taser Unit	\$38,985	-	\$0 = \$38,985
Target	\$480	-	\$0 = \$480
Holsters	\$1,196	-	\$0 = \$1,196
Suit	\$1,200	-	\$0 = \$1,200
Body Worn Cameras	\$28,800	-	\$0 = \$28,800
Evidence Trailer	\$12,000	-	\$0 = \$12,000
In-car Camera System	\$33,000	-	\$0 = \$33,000
Radar Units	\$68,000	-	\$0 = \$68,000
AED Units	\$22,800	-	\$0 = \$22,800
Copier	\$2,006	-	\$0 = \$2,006
IT Equipment	\$71,400	-	\$0 = \$71,400
Miscellaneous Officer Equipment	\$125,550	-	\$0 = \$125,550
Total Value of Police Capital Facilities for Fee Calculation			\$7,785,991

COST ALLOCATION AND FUNCTIONAL POPULATION

Population Group		Residential Demand		Non-residential Demand	
		Hours per Person per Day	Total Daily Hours	Hours per Person per Day	Total Daily Hours
Total residents	9,970				
Employed residents	5,579				
<i>Working within Glenwood Springs</i>	<i>1,916</i>	<i>15</i>	<i>28,740</i>	<i>9</i>	<i>17,244</i>
<i>Working outside of Glenwood Springs</i>	<i>3,663</i>	<i>15</i>	<i>54,945</i>		
Non-working residents	4,391	20	87,820	4	17,564
<hr/>					
Non-residents employed in Glenwood Springs (in-commuters)	7,445			9	67,005
<hr/>					
Total employed in Glenwood Springs	9,361				
<hr/>					
Total daily demand hours			171,505	101,813	
Total daily share of demand			62.7%	37.3%	
Share of police capital facilities valuation			\$4,885,651	\$2,900,340	

RESIDENTIAL IMPACT FEE CALCULATION

	Population [A]	Police Capital Facilities Cost per Resident [B]	Est. Dwelling Units [C]	Household Size [D] = [A]/[C]	Police Impact Fee per Dwelling Unit [B] x [D]
Total residential	9,970				
<i>Single family residential</i>	6,955	\$4.9 million / 9,970 residents = \$490	2,431	2.86	\$1,402
<i>Multifamily residential</i>	3,015		1,435	2.10	\$1,030

NON-RESIDENTIAL IMPACT FEE CALCULATION

Development Type	Est. Workers [A]	Police Capital Facilities Cost per Worker [B]	Employment Density (sq. ft. per job) [C]	Police Impact Fee per Sq. Ft. [B] / [C]
Retail & Commercial	2,771		302	\$1.03
Office	2,556	\$2.9 million /	326	\$0.95
Institutional	3,321	9,361 workers =	430	\$0.72
Warehouse & Storage	279	\$310	2,953	\$0.10
Industrial	435		676	\$0.46
Total	9,361			

POLICE IMPACT FEE SCHEDULE

**Figure II-5.
Summary of Maximum Allowable
Police Impact Fees for GSPD**

Source:

Glenwood Springs Police Department, 2025; U.S. Census Bureau ACS 5-Year Estimates, 2023; OnTheMap Inflow/Outflow Analysis, 2022; ITE Trip Generation Manual 11th Edition, 2021; BBC Research & Consulting, 2025.

Development Type	Maximum Allowable Police Impact Fee
Residential	
Single family	\$1,402 per dwelling unit
Multifamily	\$1,030 per dwelling unit
Non-residential	
Retail & Commercial	\$1.03 per square foot
Office	\$0.95 per square foot
Institutional	\$0.72 per square foot
Warehouse & Storage	\$0.10 per square foot
Industrial	\$0.46 per square foot

POLICE IMPACT FEE REVENUE PROJECTIONS

**Figure II-6.
Projected Annual Police Impact
Fee Revenues for GSPD**

Note:

Projected development is shown in dwelling units for residential development and in square feet for non-residential development.

*The scenario assumes annual demand for 33 new housing units, 50 percent single family homes and 50 percent multifamily dwellings. The scenario also assumes 1 percent annual growth in non-residential development square footage.

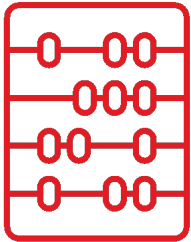
Source:

Glenwood Springs Police Department, 2025; U.S. Census Bureau ACS 5-Year Estimates, 2023; OnTheMap Inflow/Outflow Analysis, 2022; ITE Trip Generation Manual 11th Edition, 2021; Glenwood Springs Strategic Housing Plan, 2023; BBC Research & Consulting, 2025.

Development Type	Projected Annual Growth* (dwelling units or sq. ft.)	Projected Annual Revenue
Residential		
Single family residential	17	\$23,834
Multifamily residential	17	\$17,503
Non-residential		
Retail & Commercial	8,362	\$8,586
Office	8,333	\$7,918
Institutional	14,280	\$10,288
Warehouse & Storage	8,231	\$864
Industrial	2,941	\$1,348
Projected annual revenue		\$70,340

FIRE DEPARTMENT IMPACT FEES

METHODOLOGY



- **Key driver of demand:** Fire protection demand is driven by the **size and complexity of buildings**.
 - ITE employment rates serve as a practical proxy for non-residential land use intensity factors that influence fire risk and service needs.
- **Capital buy-in approach:** This method calculates how much investment currently exists in fire stations, engines, and gear, and asks new development to contribute at the same level to maintain existing service quality.
- **Replacement value matters:** We base our numbers on what it would cost to **replace** fire engines and stations **today**, not what they cost 10 or 20 years ago. Why? Because that's the amount the department will need to spend to serve future growth.

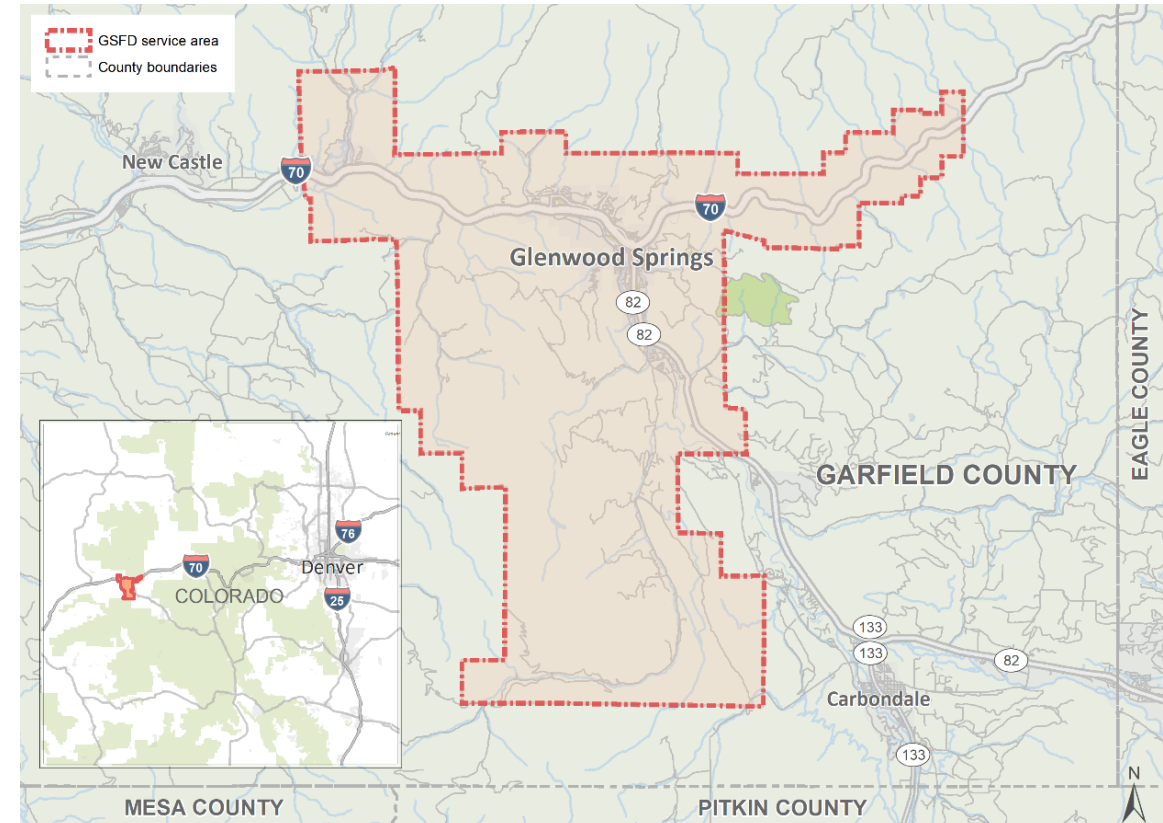
WHAT IS DEVELOPMENT BUYING IN TO?

- **Buildings and land** – Three stations and training ground
- **Vehicles** – Fire department vehicles include specialized apparatus such as engines, ladders, and rescue units designed to transport personnel, equipment, and water to emergency scenes quickly and effectively.
- **Equipment** – Fire department equipment includes tools and gear like hoses, turnout gear, self-contained breathing apparatus (SCBA), and medical supplies essential for firefighting, rescue, and emergency medical response.
- **Total value - \$37.2 million**

Type of Capital Facilities	Replacement Value	Debt Against Asset	Equity Position for Fee Calculation
Buildings and Land			
Station 71	\$7,634,425	- \$0 =	\$7,634,425
Station 72	\$11,106,775	- \$0 =	\$11,106,775
Station 73	\$6,251,370	- \$0 =	\$6,251,370
Training Ground	\$620,000	- \$0 =	\$620,000
Vehicles and Apparatus			
(3) Ambulances	\$1,636,815	- \$0 =	\$1,636,815
(1) Reserve Ambulance	\$469,008	- \$0 =	\$469,008
(2) Engines	\$2,197,054	- \$0 =	\$2,197,054
(1) Reserve Engine	\$1,025,086	- \$0 =	\$1,025,086
(2) Ladder Trucks	\$2,906,619	- \$0 =	\$2,906,619
(2) Tenders	\$1,419,906	- \$0 =	\$1,419,906
Misc. specialty & fleet vehicles & apparatus	\$970,728	- \$0 =	\$970,728
Miscellaneous Equipment			
Equipment including SCBA, PPE, portable, and communications	\$980,285	- \$0 =	\$980,285
Impact Fee Fund			
Fund balance	\$0	- \$0 =	\$0
Total Value of Fire Capital Facilities for Fee Calculation			\$37,218,071

DEVELOPMENT SERVED BY GSFD

Development Type	Unit Count	Total Square Footage	Percent of Total Square Footage
Residential	5,918	9,800,474	65.8%
Single family residential	3,250	6,818,841	45.8%
Dwellings up to 1,999 SF	1,672	2,184,192	14.7%
Dwellings 2,000 to 2,999 SF	1,011	2,439,662	16.4%
Dwellings 3,000 to 3,999 SF	395	1,341,848	9.0%
Dwellings 4,000+ SF	172	853,140	5.7%
Multifamily residential	2,668	2,981,633	20.0%
Non-residential	762	5,088,977	34.2%
Retail & Commercial	437	3,299,414	22.2%
Office	140	575,928	3.9%
Public & Institutional	111	791,437	5.3%
Warehouse & Industrial	74	422,198	2.8%



RESIDENTIAL IMPACT FEE CALCULATION

Calculation of Residential Impact Fees						
	Residential Share of Fire Capital Value [A]	Residential Land Use Distribution [B]	Costs by Land Use Category [C] = [A] x [B]	Existing Development [D]	Impact Fee (Costs by Land Use Category / Existing Development) [C] / [D]	
Single family residential		69.6%	\$17,044,559	3,250		
Dwellings up to 1,999 SF		22.3%	\$5,462,949	1,672	\$3,267	per dwelling
Dwellings 2,000 to 2,999 SF		24.9%	\$6,098,245	1,011	\$6,032	per dwelling
Dwellings 3,000 to 3,999 SF	\$24,497,528	13.7%	\$3,354,119	395	\$8,491	per dwelling
Dwellings 4,000+ SF		8.7%	\$2,132,531	172	\$12,398	per dwelling
Multifamily residential		30.4%	\$7,452,969	2,668	\$2,793	per dwelling unit

NON-RESIDENTIAL IMPACT FEE CALCULATION

Calculation of Non-residential Impact Fees						
	Non-residential Share of Fire Capital Value [A]	Employees per 1,000 SF [B]	Existing Development (SF) [C]	Weighted Employment [D] = [B] x [C/1,000]	Share of Total Employment [E] = [D] / Σ[D]	Impact Fee (Total Value x Share of Emp / Existing Development) [A] x [E] / [C]
Non-residential			5,088,977	14,762		
Retail & Commercial		3.1	3,299,414	10,283	69.7%	\$2.69 per square foot
Office	\$12.7 million	3.3	575,928	1,892	12.8%	\$2.83 per square foot
Public & Institutional		2.6	791,437	2,064	14.0%	\$2.25 per square foot
Warehouse & Industrial		1.2	422,198	524	3.5%	\$1.07 per square foot

FIRE IMPACT FEE SCHEDULE

Figure II-5. Summary of Maximum Allowable Impact Fees for GSFD

Source:

Glenwood Springs Fire Department; Garfield County Assessor; ITE Trip Generation Manual 11th Edition, 2021; BBC Research & Consulting, 2025.

Development Type	Impact Fee
Residential	
Single family residential	
Dwellings up to 1,999 SF	\$3,267 per dwelling unit
Dwellings 2,000 to 2,999 SF	\$6,032 per dwelling unit
Dwellings 3,000 to 3,999 SF	\$8,491 per dwelling unit
Dwellings 4,000+ SF	\$12,398 per dwelling unit
Multifamily residential	\$2,793 per dwelling unit
Non-residential	
Retail & Commercial	\$2.69 per square foot
Office	\$2.83 per square foot
Public & Institutional	\$2.25 per square foot
Warehouse & Industrial	\$1.07 per square foot

FIRE IMPACT FEE REVENUE PROJECTIONS

**Figure II-6.
Projected Annual Impact Fee
Revenues for GSFD**

Note:

Estimates of future development are shown in dwelling units for residential development and in square feet for non-residential development.

*The scenario assumes annual demand for 66 new housing units, 50 percent single family homes and 50 percent multifamily dwellings. The scenario also assumes 1 percent annual growth in non-residential development square footage.

Source:

Glenwood Springs Fire Department; Garfield County Assessor; ITE Trip Generation Manual 11th Edition, 2021; Glenwood Springs Strategic Housing Plan, 2023; BBC Research & Consulting, 2025.

Development Type	Projected Annual Growth* (dwelling units or sq. ft.)	Projected Annual Revenue
Residential		
Single family residential		
Dwellings up to 1,999 SF	17	\$55,544
Dwellings 2,000 to 2,999 SF	10	\$60,319
Dwellings 3,000 to 3,999 SF	4	\$33,966
Dwellings 4,000+ SF	2	\$24,797
Multifamily residential	33	\$92,184
Non-residential		
Retail & Commercial	32,994	\$88,608
Office	5,759	\$16,304
Public & Institutional	7,914	\$17,783
Warehouse & Industrial	4,222	\$4,511
Projected annual revenue		\$394,016

RECOMMENDATIONS

- **Impact fees** – BBC recommends adopting the impact fees at their maximum allowable level to ensure funding is adequate to keep pace with demands created by new development.
- **Credits** – Developers should receive credits for all or part of growth-related infrastructure that would otherwise be financed by impact fees.
- **Phasing** – Some municipalities set a date for implementation 6 to 12 months into the future to avoid disrupting projects already underway. The exact timing of phase-in is flexible.
- **Accounting** – Continue maintaining impact fees in separate funds and use exclusively for growth-related capital investment.

RECOMMENDATIONS

- **Financial responsibility of current residents** – Where construction of new facilities is not fully funded by impact fees, existing residents and businesses must contribute their pro rata share.
- **Fee updates** – Fees should be inflation-adjusted each year using an inflation index and recalculated every three to five years to ensure consistency with costs and growth figures.
- **Sheetz v. Co of El Dorado** – GSFD should establish a process to address unique scenarios that may require further individualization of impact fees. This process should include a mechanism allowing property owners to present data if they believe the fee, as applied, does not accurately reflect the specific impacts of their development.



THANK YOU

JUNE 5, 2025

Presented by

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BB **C** **55**
YEARS
RESEARCH & CONSULTING



Planning and Zoning Commission Memo

Date	October 28, 2025
Planning File Number	Not applicable
RE:	Strategic Housing Plan 2025 Yearly Report Update
Staff	Watkins Fulk-Gray, AICP, Senior Planner

BACKGROUND AND PURPOSE

The Strategic Housing Plan Update (Plan Update) was adopted in July 2023 as the City’s primary long-range plan document for housing. The Plan Update addresses the following topics: housing needs assessment, context, an explanation for the lack and high cost of housing, a 20-year forecast of housing needs to 2043, a primer on tools for increasing the supply of affordable housing, the public process included in the creation of the Plan Update, and recommendations. The Planning and Zoning Commission (Commission) recommended adoption of the Plan Update to City Council in June of 2023 and requested annual updates on progress toward meeting the recommendations. City Council adopted the Plan Update in July 2023.

Key findings of the Plan Update include:

- Approximately 38% of all households in the City of Glenwood Springs were found to be housing cost-burdened (meaning they pay more than 30% of household income on housing costs);
- Average home sale prices increased 93% between 2015 and 2022;
- The affordability gap (the gap between the home price that is affordable for households earning the median income and the actual median sale price) increased from \$49,000 to \$293,000 between 2015 and 2022;
- In 2023, the total housing need was 1,346 new units/homes. This amount would theoretically rebalance the housing market to meet our housing needs based on modest targets identified in the Plan Update. This shortfall was predicted to expand to 1,858 units by 2043;
- Short-term rentals (STRs) play a small role in exacerbating the housing shortfall. Approximately 2.5% of Glenwood’s housing stock are licensed as short-term rentals. Of licensed STRs, 79% are single-family homes;
- Vacation homes play another small role in the housing shortfall. Approximately 3.3% of the City’s housing stock are vacation homes, based on US Census data. This

percentage has held steady since 2007. Other mountain communities have much higher percentages.

Progress in 2024-2025

Canyon Vista

After the Commission’s recommendation, City Council approved the Canyon Vista affordable housing project in early 2025. This is a Low-Income Housing Tax Credit (LIHTC) project, a highly competitive affordable housing program also used for The Benedict (an affordable senior housing project completed and occupied this year). Canyon Vista will provide 80 units of deeply affordable housing, ranging from 20% to 80% of area median income (AMI). Affordability at these levels is not provided by the free market.

Employee Rental Assistance Pilot Program

The City began a program in 2025 that, in partnership with employers, provides a housing stipend for people who work in Glenwood. To be eligible, an employee must provide evidence that their rent is more than 30% of their income, meaning that they are housing cost-burdened. The City then pays 50% of the employee’s rent that is beyond the affordability range while their employer pays the remaining 50%. There are currently five employees and five local businesses participating in the program, with budget available for more.

Mountain Mobile Home Park

Perhaps the City’s most significant project in 2025 has been assistance with the stabilization of 40 naturally-occurring affordable homes in the Mountain Valley Mobile Home Park, which is now known as the Glenn Valley Cooperative. Through the work of the City’s Housing Development Manager, Kevin Rayes, and the nonprofit Thistle Community Housing, residents of Glenn Valley collectively bought their mobile home park and now control their lot land rents and the future of their park. The co-op is now required to remain a manufactured community with owner occupancy. The City contributed \$1.5 million to the residents’ purchase of the park.

Down Payment Assistance

Leveraging the Workforce Housing Fund (WHF), the City received a grant from the State to start a down payment assistance program for homebuyers, in which homebuyers receive up to 20% of the purchase price of a home (up to a maximum of \$100,000) in exchange for shared equity in the unit/home that is repayable when it sells. Three homes have closed using down payment assistance from the City, and two others are under contract. An additional five homes have been purchased by locals through the West Mountain Regional Housing Coalition’s Good Deeds program, which also provides down payment assistance in exchange for a deed restriction.

Accessory Dwelling Units

Accessory dwelling units (ADUs) play a minor role in the housing market, and they have the advantage of being “development neutral” (development that does not significantly

change established neighborhoods). City Council has approved two revisions to the Glenwood Springs Municipal Code in 2025 related to ADUs. The first exempted ADU projects from the requirement of bringing an entire lot into conformance with landscaping requirements and the second will (once finalized as currently envisioned) exempt homeowners from the requirement to construct sidewalks, or pay a fee-in-lieu of, when they would otherwise be required. The Community Development Department has also proposed creating pre-approved ADU designs that homeowners can select to construct in Glenwood to eliminate costs for professional design services. The City applied for a grant from the State to fund this effort. Finally, Community Development and the Housing Commission have researched modular ADUs that could be pre-approved for installation in Glenwood and is working to acquire plans for two models.

BLD Apartments

While the 300-unit apartment development in Glenwood Meadows offers little by way of affordable housing (15 units), the gradual completion and occupancy of the project is a significant infusion of housing to Glenwood. Once fully occupied this development should help moderate sharp rent hikes for market-rate rental housing throughout the City and perhaps the region.

Workforce Housing Fund

The WHF, also known as the “2C Fund,” was established by ballot measure in 2022. The fund is dedicated to workforce housing projects making the programs and contributions described in the preceding subsections possible. For details such as funding levels, funding level by project type, and average subsidy per unit, the City hosts an interactive web tool here: <https://www.cogs.us/757/Workforce-Housing-Fund>.

Future Possibilities

While Ballot Measure A requires the general election approval prior to any residential or mixed-used redevelopment of City-owned property, it does not close the door on the possibility. “The Confluence” area (southeast of the confluence of the Colorado and Roaring Fork Rivers) and Vogelaar Park (across from City Hall) are prime areas for redevelopment with close access to downtown, regional trails, schools, and parks. A residential or mixed-use project in a public-private-partnership could bring more housing to the downtown employment center and boost local businesses. By owning the land beneath these large sites, the City can bring down the cost of development and require affordability for new housing while also providing certainty of process and timeline to potential developer partners. City Council would need to first provide direct staff to enter into discussions related to the development of these properties.

The Workforce Housing Fund Advisory Board and City Council have so far given indications that they would like to continue the existing programs funded in whole or part by the Workforce Housing Fund.

Although Staff cannot provide specific details at this time, discussions continue with developers regarding large or moderate-sized residential projects proposed in the future. These proposals include both inclusionary housing and workforce/affordable housing components.

Challenges

Mobile home parks remain a lucrative target for investors, including large financial institutions. When outside investors buy mobile home parks, yearly rent increases typically follow. New owners may also choose to close to redevelop to a more lucrative use. This is a risk for Glenwood’s seven mobile home parks, especially because the zoning of many of them permits higher intensity uses. Outside the City’s boundaries, a 98-unit mobile home park (Cavern Springs) is for sale and has not yet benefited from an organized effort to stabilize it like Glenn Valley and two parks in Basalt and Carbondale have. Facilitating the conversion of mobile home parks to resident ownership requires significant public investment, lots of work by the City and nonprofit organizations, and strong commitment by elected officials, but it has proven to be successful. Commissioners interested in this topic are encouraged to watch the documentary *A Decent Home*, which uses a mobile home park in the Front Range as one of its case studies to explore this issue.

There remains significant demand for housing and affordable housing in Glenwood. A market study prepared for the Canyon Vista project estimated that there were 790 eligible renter households for the lowest income category (20% AMI) and 1,407 eligible households for the rest of the units. Meeting the need requires the widest possible variety of measures. Annexations are an unlikely solution due to the passing of Ballot Measure A in 2024, and zoning reform that would allow greater infill development within the City has proven unpopular. Therefore, the remaining tools at the City’s disposal, such as programs that leverage the WHF, the use of existing City-owned property, public-private partnerships, and private LIHTC developments, will remain key parts of the path forward.

Conclusions

Glenwood Springs has met the annualized target of 93 new dwelling units in 2025, due mostly to the completion of the “BLD” apartments and The Benedict. Year-to-date sales prices for 2025 show the median price of condominiums actually lower than in 2024, while single-unit detached home median sale prices are 20%-25% higher than 2024. With one significant affordable housing project on the horizon (Canyon Vista), the stabilization of a large number of naturally-occurring affordable homes, and other new programs introduced in 2025, this has been a busy year in housing with some promising signs.

Below in *italics* is a list of the recommendations from 2023’s Strategic Housing Plan Update. A means that the recommendation has been achieved, either in 2025 or previously. A means either that the City has not worked on that recommendation or that the effort to implement it was not successful.

Create or preserve 93 units per year.

Staff comment: Progress this year of 148 units.

For vacant City-owned parcels, identify those that are the highest near-term priority for housing development, and those that represent a long-term land reserve for affordable housing.

Staff comment: This was accomplished in previous years primarily through an internal process and for “the confluence” area, through a long-range planning document.

For each parcel that is a near-term priority, describe key characteristics and provide a summary of desired density, product type, affordability, and tenure of future residents. In addition, determine whether the development potential of each parcel is best achieved through a sale or a ground lease.

Establish an RFP framework with transparent evaluation criteria for the proposed housing developments.

Cultivate relationships with prospective developers and contractors to establish a pool of potential RFP respondents.

Identify additional incentives that the City would be willing to provide for housing on the City-owned parcels identified for development, as these may be needed to attract developer interest.

As appropriate, the City should develop and maintain some form of ownership of the housing built on city-owned vacant land.

Prioritize preservation policy tools for near-term implementation.

Community land trusts: Determine whether to partner with a statewide/regional CLT or to form a CLT locally. Additionally, identify parcels for land acquisition/donation.

Estimate costs associated with the higher priority preservation actions.

Recognize the potential for other preservation approaches to be implemented at a later date, including, rental assistance, apartment acquisition fund, relocation assistance, and home repair loan program.

Update the zoning code to enable up to three units on lots currently zoned for single-unit housing, requiring deed restrictions for additional units.

Staff comment: This topic was discussed in the zoning reform project of 2023-2025 that was ultimately not successful.

☒ When major development occurs on commercial corridors, seek opportunities to increase development potential.

Staff comment: This topic was discussed in the zoning reform project of 2023-2025 that was ultimately not successful.

☒ Update code to define the affordability parameters required to receive a density bonus.

Staff comment: This topic was discussed in the zoning reform project of 2023-2025 that was ultimately not successful.

☒ Consider a density bonus policy that applies to residential projects below the 10-unit threshold set by the current inclusionary housing ordinance.

Staff comment: This topic was discussed in the zoning reform project of 2023-2025 that was ultimately not successful.

☒ Update the existing density bonus to clearly define policy parameters and how developments can achieve it.

Staff comment: This topic was discussed in the zoning reform project of 2023-2025 that was ultimately not successful.

☒ Estimate the annual revenue potential of the recently passed lodging tax increase dedicated for affordable housing (2C).

☒ Seek to leverage state funding sources for affordable housing, including funding recently allocated by the state legislature and upcoming funding that will be made available through Proposition 123.

Staff comment: The City has been successful using and leveraging grant funding through the State.

☒ Establish a five-year plan that projects revenues from local sources, leverages those against potential state and federal sources, and provides a targeted estimate of resources.

Staff comment: The Workforce Housing Fund Advisory Board has an implementation plan and schedule.

REPORT

Glenwood Springs Strategic Housing Plan Update



June 2023

EPS #223087

Prepared for:



Prepared by:

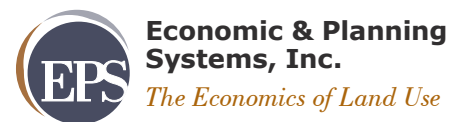


Table of Contents

1	Introduction	1
2	Policy Tools	3
	Use of Vacant Land for Housing	3
	Preservation Policies	12
	Density Bonus	22
	Funding Sources	26
3	Needs Assessment	41
	Market Context	41
	Needs Assessment	45
4	Public Engagement	53
	Open House Summary.	54
5	Recommendations and Implementation	59

Tables

Table 1. Vacant City-Owned Parcels, Glenwood Springs	10
Table 2. Local Funding Sources	27
Table 3. Housing and Demographic Snapshot.	41
Table 4. Owner Mailing Address, Glenwood Springs, 2022	43
Table 5. Glenwood Springs STRs by Property Type, March 2023.	44
Table 6. Cost Burden by AMI, Glenwood Springs, 2021.	47
Table 7. Vacant Jobs by AMI, Glenwood Springs, 2023.	48
Table 8. In-Commuting, Glenwood Springs.	49
Table 9. Future Housing Demand, Glenwood Springs, 2023-2043	50
Table 10. Summary of Current Housing Needs.	51
Table 11. Total Housing Need by AMI, Glenwood Springs	52

Figures

Figure 1. Vacant, City-Owned Parcels, Glenwood Springs	11
Figure 2. Median Home Sale Price, Glenwood Springs, 2015-2022	41
Figure 3. Affordability Gap for For-Sale Units, Glenwood Springs, 2015-2022 . . .	42

1. Introduction

IN 2022, THE CITY OF GLENWOOD SPRINGS partnered with Economic & Planning Systems and RRC Associates to provide an update to the 2010 Strategic Housing Plan. Over the past decade, Glenwood Springs and the greater Roaring Fork Valley region have faced major housing market pressure, owing to an expanding economy, increasing levels of tourism and visitation, and a growing interest in local real estate from people outside of the region. As a result, housing has become increasingly unaffordable for local residents and especially the local workforce, presenting significant challenges for Glenwood Springs. A lack of affordable housing negatively affects the local economy, making workforce recruitment and retention harder and straining the ability of businesses to operate at full capacity. A lack of affordable housing and rising housing costs also leads to greater housing instability for residents, increasing the risk of displacement and undermining community health. Housing stability and affordability are critical goals for the immediate and long-term prosperity of Glenwood Springs, and the City is actively invested in seeking out solutions that advance these goals.

Throughout this effort, the consultant team, in partnership with City staff, have worked to create a detailed analysis of policy strategies that will both drive the development of affordable housing and preserve existing affordable housing.

This plan includes a housing needs assessment that documents total housing need in Glenwood Springs. The needs assessment is intended to illustrate current housing conditions and to guide and inform future policy efforts. While a 2005 needs assessment and a 2019 regional housing study documented local housing needs, this needs assessment presents an updated methodology and accounts for current housing conditions.

AT A GLANCE
**STRATEGIC
PLAN
UPDATE**

4

**Housing Policy
Areas**

- Use of vacant land for housing and public-private partnerships;
- Establishment of policies to preserve existing housing;
- Fine-tuning of density bonus program;
- Creation of dedicated funding sources for affordable housing;

The intention of this plan is to analyze these policy areas in detail and to deliver actionable recommendations on how the City can best implement these policies.

PREVIOUS STRATEGIC PLAN

In 2010, the City of Glenwood Springs, together with a consultant team, prepared a Strategic Housing Plan to guide future housing policy efforts. This plan was intended to implement the recommendations from the 2005 Housing Needs Assessment. This Strategic Housing Plan put forward key housing goals and objectives as well as seven priority strategies. These strategies include:

- Public/Private Development on City Land
- Rehabilitation and Weatherization
- Commercial Linkage
- Housing Funding Strategies
- Inclusionary Housing Amendments
- Development Incentives
- Annexation Policies

This plan involved extensive public engagement efforts, including a public open house and work sessions with the City's Housing Commission, Planning and Zoning Commission, and City Council. These public engagement efforts have been critical to the direction of the project and are documented in detail in their own chapter.

This Strategic Plan Update builds on and expands the initial Strategic Plan effort. This Update provides a more detailed analysis of housing policy tools as well as a housing needs assessment. Recognizing that the housing affordability and policy environment has changed since 2010 and although the recommendations in the 2010 plan remain applicable, this Strategic Plan Update provides the City with a clear set of policy actions that can affect change in the current context.

It is also important to note the actions that the City of Glenwood Springs has taken on housing affordability over the past several years. Since 2019, the City has:

- Implemented short-term rental program changes, including overall caps, setback requirements between short-term rentals, reinstating Building Department Inspections, and increasing fees to cover staff time on managing the vacation rental program;
- Established inclusionary zoning requirements for a percentage of larger housing developments to restrict maximum rents and sales price to 100 percent of area median income and for units to be resident occupied;
- Made changes to the regulations for Accessory Dwelling Units that make adding an ADU within the existing footprint of a building easier in addition to changing other dimensional standards to make ADUs easier to permit;
- Approved two City-owned parcels for affordable housing development with Habitat for Humanity Roaring Fork;
- Enacted code changes that facilitate the conversion of motels/hotels to housing;
- Passed a 2.5% increase in local lodging tax, the revenue of which will be allocated to various programs and projects that support affordable housing.

This Strategic Plan Update expands on these efforts and gives policymakers critical information and recommendations to further advance policies and programs to advance affordable housing in Glenwood Springs.

2. Policy Tools

Central to this strategic plan update is an evaluation of policy tools that the City can use to advance housing affordability in Glenwood Springs. This chapter provides an analysis of four key policy tools that would be used to expand and/or preserve affordable housing in Glenwood Springs. These include the use of vacant land for housing, preservation, a density bonus, and funding sources. The analysis incorporated best policy practices from around the state on how these policy tools could be implemented in Glenwood Springs.

Use of Vacant Land for Housing

This outlines a process for the City to structure public-private partnerships for housing development on City-owned land. The memorandum discusses key components of such a process, including defining the development opportunity, establishing evaluation criteria, and evaluating sale or lease models. In addition, an inventory and analysis of City-owned parcels best suited for development is provided, to frame the immediate opportunities.



Development Process

City-owned land is a key asset for accommodating future housing development, especially affordable housing. With high land costs and a relatively limited amount of developable land in Glenwood Springs, City-owned parcels represent an important opportunity for the City to help create new housing and expand affordable housing options. In addition, the City can seek to establish P3s for redevelopment on privately held sites. Certain privately held properties may be suitable for housing development, and the City can work with the owners of these properties directly to set the terms for redevelopment.

A list of potential parcels will be shown later in this section. It is recommended that the City identify and prioritize two to four parcels that are most suited for housing development and that will be the soonest to enter the RFP process. Once identified, the City should pursue the development of housing on these parcels.

Establishing a formalized process is a critical step towards utilizing City-owned land for new housing development. In order to attract housing development to these parcels, the City needs to form a partnership with a developer, drawing up terms that address the needs of each. The public private partnership (P3) works best when both parties can achieve the needed returns to justify the investment. For the private side, this takes the form of financial returns. For the public side, it typically represents advancing community goals, which in this case surround expanding the affordable housing inventory.

The initial step is to seek out and select a developer. This is best accomplished through a formalized, structured Request For Proposal (RFP) process, in which the City issues an RFP outlining project details and evaluation criteria. To achieve the greatest level of clarity, it is best practice to issue one RFP per project.

Implementing this policy tool will help the City achieve the following goals:

1. Expanding avenues for affordable housing development by leveraging City-owned land.
2. Building buy-in and support from elected officials and community members.
3. Creating clarity and transparency for prospective developers, making housing development on City-owned parcels attractive.

When seeking out a development partner, the City should include key project elements in its request for proposals. This creates transparency and sets expectations for both potential developers and for City staff and elected officials. Key project elements include:

- A range of units desired for the project
- Desired project density
- Desired development type(s) (i.e., townhomes, apartments, single family homes)
- Preferred mixture of for-sale or for-rent units
- Indication of whether the land will be sold or leased, and at what price
- Desired community benefits and/or amenities to be provided
- Type and degree of affordability restrictions required by the City
- Timeline for development

Evaluation Criteria

Effectively screening and selecting a development proposal requires establishing a clear and predictable set of criteria. The criteria below represent the most important considerations for a potential project, although City staff should be able to tailor a narrower set of evaluation standards for any specific project. Based on the attributes of a prospective project, City staff can apply specific weighting to each criterion that reflects the priorities of the City and the opportunities and constraints of a given site. Those in charge of selection may request more information and meet with the proposer as necessary.

AFFORDABILITY

As this process is aimed at expanding the availability of affordable housing in Glenwood Springs, a key consideration for selecting a developer is the affordability that a project proposes to deliver. Ideally, the affordable units delivered by a proposed project needs to exceed the affordability prescribed by the existing inclusionary housing ordinance in Glenwood Springs, which requires that 20 percent of rental units in residential projects with 10 or more units are affordable at an average of 100 percent of area median income.

To the extent that the City will commit additional funds, it can stipulate greater affordability. For some sites, it may seek a goal for 100 percent of the units to be sold/leased as affordable. As available, the City can provide the funds to cover the corresponding funding gap and increase the effectiveness of any given site to expanding the affordable housing supply.

The affordability of non-market rate, or deed restricted housing units is typically linked to area median income, or AMI, which is a measure of how much income households earn in a given area. Affordable units in a development are classified according to AMI level. For example, units at 80 percent AMI are required to charge a rental rate equivalent to 30 percent of the monthly income for a

household that earns 80 percent of the area median income. Correspondingly, lower AMI levels charge lower rents. As a result, it is more financially challenging for a developer to build units at lower levels of AMI, and achieving these lower AMI levels in residential development often requires additional incentives.

An additional consideration is the extent to which the project provides affordable units in a variety of sizes, including 2- and 3-bedroom units. Larger units typically better serve families and residents looking to live with roommates in order to save on housing costs, which are two important areas of housing need.

A project should seek to:

1. Deliver a significant number of affordable, deed-restricted units.
2. Price the units at relatively deep levels of affordability, based on the funding available, recognizing the importance of lower AMI units.
3. Provide units with a variety of bedroom types, including larger 2- and 3-bedroom units.

FINANCIAL FEASIBILITY

For a parcel of land to attract housing development interest, the development must be financially feasible for a prospective developer. A proposed project should credibly demonstrate financial viability without the need for additional subsidy from public sources. A goal of this process is to seek development that balances financial feasibility with affordability. A project should:

- a. Provide evidence that the project is supportable in the market and is financially feasible with a reasonable but not excessive return on investment to the development entity. The return should align with industry standards.
- b. Minimize commitment of City financial resources and investment risk.
- c. In some cases, P3 development can create a recurring source of revenue for the City. If this can be achieved on a given site, the City should pursue this opportunity and channel these funds into future affordable housing projects.

That said, if the City prioritizes the percentage of units to be set aside as affordable and/or a pursuit of lower AMI levels, there may not be surplus revenue for the City to realize.

COMMUNITY BENEFITS

An additional consideration for a proposed development is the provision of community benefits. While subject to the location and development constraints of a parcel, these benefits could include:

- a. Improvements to infrastructure in the public realm.
- b. High-quality green space or public space.
- c. Ground floor retail or community space, for sites near or within the urban fabric.

DEVELOPMENT TEAM EXPERIENCE

The qualifications and experience of the development team is another important selection factor. The developer should:

- a. Provide evidence of the developer’s previous experience and financial capability to complete the project.
- b. Provide evidence of the development team’s experience and technical capability to complete the project.
- c. Provide evidence of previous experience with Joint Development projects and/or experience working with public entities.

Models of Development

In formulating an effective RFP process for housing development on City-owned land, a key consideration is whether the City wants to sell or lease the property that will be developed. The sale model and the lease model each have particular advantages, disadvantages, and tradeoffs. The decision to sell or lease a parcel depends largely on the goals and priorities of the City in utilizing its land holdings for housing development. Considerations around attractiveness to developers, revenue generation, control of land, long-term enforcement of affordability restrictions, and capacity to manage land are particularly relevant to pursuing a sale or lease model. The following section provides an overview of each model, along with common advantages and disadvantages for each.

SALE MODEL

One model of utilizing vacant parcels for housing development is for the City to directly sell the property to a developer. For the sale model to work effectively, the City must establish restrictions for the development of the parcel related to the level of affordability and other project requirements that the City and the developer can agree upon. These function as binding requirements for the developer to follow in exchange for being sold the land. For the parcel to remain attractive for development, the agreed upon sale price would have to be lower than if sold outright without development restrictions. While the exact sale price would vary by parcel and circumstance, it would likely need to be below market value, reflecting the impact of the affordability component and other requirements.

Such a sale could be done such that the City would receive the purchase price as an interest-bearing long term revenue stream. The agreed upon sales price would be paid as an annuity paying the purchase price over an extended period of time, including interest.

There are a number of advantages for a landowner to enter into sale instead of leasing the property. These are:

- A sale is typically more attractive to prospective developers, as ownership of the land increases the long-term value of the property for the development, and positions the developer to receive more favorable financing terms from lenders.
- The City could generate revenue from the sale.
- The City would no longer be responsible for managing and maintaining the land, freeing it from using additional staff capacity or City resources.

There are, however, potential disadvantages to a landowner in a sale transaction. These are:

- The City would not retain ownership of the property and as a result would not have direct control over the property. Its ability to exert control over the property's uses would depend on how effectively it can enforce deed restrictions. The City would also lose its ability to exert control over a project's timeline.
- The City would have no opportunity to generate future revenues beyond the terms of the sale.
- The intended use of the property could change over the long term if the owner decides to redevelop or sell the property.

LEASE MODEL

A ground lease (or land lease) involves the leasing of ground to a developer or builder who then has the right to develop and use the land for the duration of the lease. During the term of the lease, the tenant owns any improvements made to the property including any buildings it constructs. Ground leases tend to have longer terms, typically 50 years or more, and often up to 99 years with options, in order to allow the developer to obtain financing and to have the ability to utilize the land for its purposes over the useful life of the project. All expenses related to the property are the obligation of the leaseholder (e.g., taxes, repair and maintenance expenses, insurance costs, and financing costs).

Land leases are most common with commercial properties but there are some applications where they are used for residential development. This includes some mobile home parks, multifamily housing on public agency lands (such as joint development of transit station properties and where the sale of land is restricted), as well as when the land ownership is being held to facilitate the development of affordable housing, which is potentially applicable here. There are a number of advantages for a landowner to enter into a ground lease instead of selling the property outright. These are:

- The landowner retains ownership of the property. This is an important consideration for the City, who has an interest in maintaining long-term ownership in order to ensure that the property has a socially and economically productive use over the long term.
- A landowner retains greater control over the type of development and permitted uses of the land that is leased. Many ground leases require a tenant to develop, construct and operate a specific type of project and not change the nature of the project without the landlord's prior approval. The landlord has more control over the deed restrictions on the land, which can be particularly important when reviewing transactions for future buyers of condominium-ized units that are developed and initially sold with affordability covenants.
- The total revenues from a ground lease (in nominal dollars) are usually higher over the term of the lease than if the property were sold upfront fee simple.

There are, however, potential disadvantages to a landowner in a ground lease transaction. These are:

- If a landowner permits its fee interest in the land to be security for the tenant's financing (a subordinated ground lease, which will almost certainly be the case), the landlord runs the risk of losing its property through foreclosure if the developer defaults under its financing and the lender will insist on having great flexibility as to uses.
- If a landowner does not include sufficient controls in the ground lease document, a landowner may have little or no control over the development and use of the land.
- The City may have limited capacity to manage the land as the long-term landlord.

Incentives

Typically, discounted land value is sufficient to generate interest from developers. However, given current market conditions in Glenwood Springs, high construction costs, and a persistent shortage of construction labor, additional incentives may be needed to encourage developers to seek out housing development opportunities on these sites. In addition, the affordability requirements that would likely be associated with development on City-owned sites and the corresponding limitations to future development revenues may further necessitate additional incentives. Providing additional incentives to developers could also be a way for the City to drive deeper levels of affordability in new projects that would otherwise not be feasible to achieve.

Land Inventory

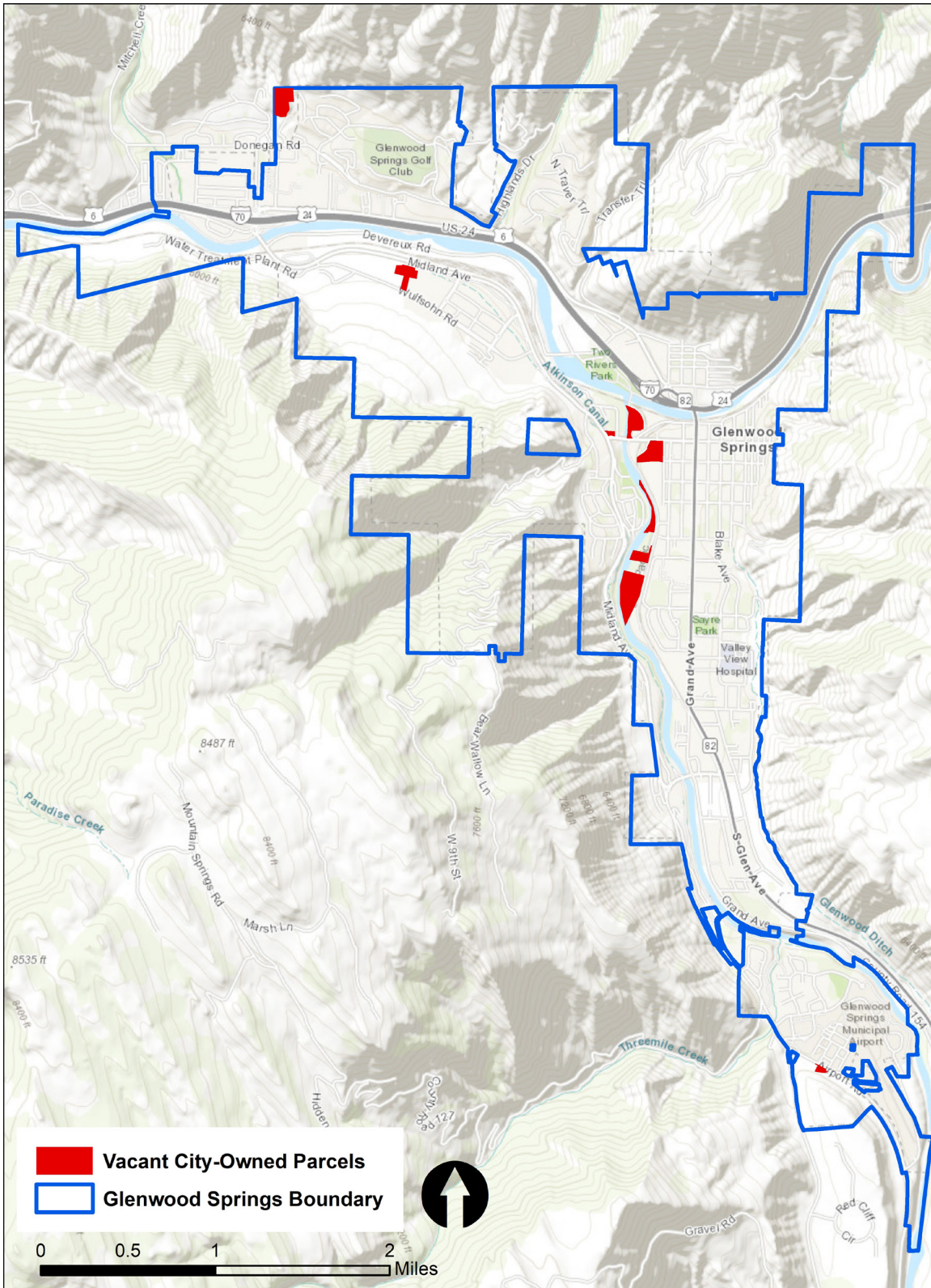
Currently, the City of Glenwood Springs owns nine parcels that can accommodate housing development. A summary of each parcel is shown below in **Table 1** and a map of each parcel is shown in **Figure 1** on the next page. The parcels vary in terms of size and context. In total, the inventory could accommodate 400 to 550 units of new housing. The parcels are located throughout Glenwood Springs, with a few located in the northwestern part of the City, a few located in the central part of the City along the Roaring Fork river, and one parcel located in the southern part of the City. Each parcel has particular constraints related to size, environmental barriers, and zoning. A key consideration for prioritizing parcels for housing development is location. In particular, the proximity of a parcel to transit is critical for connecting future residents to public transportation options and for limiting the potential traffic impacts of new housing development. City staff has also conducted an analysis of City-owned land, which should be used to guide future efforts.

Description	Acres	Unit Potential	Zoning	Public Vote?
No Public Vote				
8th and Midland	0.40	5 to 10	RH- High Density	No
Iddings Property	0.80	15 to 20	RH- High Density	No
Ballard Property	1.20	15 to 25	CO- Commercial	No
Raymond Property	2.96	20 to 30	RM1- Medium Density	No
Confluence	3.80	50 to 75	LI- Light Industrial	No
Vogelaar Site	5.00	50 to 75	CO- Commercial	No
Lone Pine Property	10.00	70 to 100	RM1- Medium Density	No
Total	24	225 to 340		
Public Vote				
West Glenwood Estates	5.75	10 to 20	HP- Hillside	Yes
Glenwood Meadows Tract D	3.90	10 to 30	HP- Hillside	Yes
	10	20 to 50		

Table 1. Vacant City-Owned Parcels, Glenwood Springs

Source: City of Glenwood Springs; Economic & Planning Systems

Figure 1. Vacant, City-Owned Parcels, Glenwood Springs



Preservation Policies

This section describes policy approaches aimed at the preservation of housing stock in Glenwood Springs. This includes a discussion of key policy tools, the factors involved in establishing them, and ways to increase their effectiveness.

Role of Preservation

While the other policy tools presented in this strategic housing plan are intended to create new affordable housing, the tools described here are aimed at the preservation of existing housing stock. With rising home prices and rents, Glenwood Springs residents, and especially middle- and low-income residents, are vulnerable to market pressures and displacement. Preserving existing housing units and ensuring long-term affordability of these units is essential to improving housing stability and supporting the ability of residents to stay in Glenwood Springs. Moreover, preservation is an effective way to increase housing stability while investing fewer resources than is required by new development. The discussion around preservation is framed around the following questions:

- What are the most effective policy tools for preservation?
- How can the City best apply its resources to preserve existing housing stock?
- What groups or organizations can the City partner with to strengthen preservation efforts?
- What housing stock does the City want to prioritize in its preservation efforts?
Key housing types include:
 - Rental housing
 - Owner housing
 - Mobile homes
 - Hotel/Motel conversions
- What areas or neighborhoods, if any, are the highest priority for preservation?

Community Land Trusts

A community land trust (CLT) is a model of land stewardship intended to ensure community control of land and long-term housing affordability. A CLT functions by acquiring and maintaining permanent ownership of land. With its land holdings, CLTs develop product and 'go vertical' on the land they have acquired, by separating the ownership of land from the ownership of the home by selling the home itself to the buyer, but leasing the land beneath the home, often through a long-term (99-year lease is common) renewable lease. This approach keeps land under the permanent control of the CLT, which removes the land from the speculative market and ensures long-term affordability and a long-term use consistent with the mission of the CLT.

The CLT model creates several important benefits for housing affordability. By removing the cost of land from the price of a home, homes sold by a CLT are often sold at a below-market price that is more affordable to low- and middle-income households who would otherwise struggle to find housing options. As a result, prospective buyers of homes in a CLT are often income qualified. In addition, CLTs place deed restrictions on the future sale price of a home, preserving long-term affordability for future generations and insulating a home from excessive market inflation or speculation. While deed restrictions on appreciation limit the amount of equity homeowners can generate, this model expands access to the housing market, especially home ownership, to households that would otherwise be excluded from it. The CLT model is generally regarded as a more effective method of maintaining affordability, as lenders require the landowner to be engaged with any future transaction, and thus, the CLT is directly involved and can qualify prospective owners based on asset and income limits.

Establishing Land Holdings

A critical aspect of forming and running an effective CLT is establishing land holdings. Without land holdings, a CLT is limited in the impact it can make on creating and preserving affordable housing. The process of a CLT acquiring land is centered around a few key considerations:

- a. Generating funding for land acquisition.
- b. Establishing a decision-making process and criteria for acquiring land (deploying funds).
- c. Retaining (or contracting for) staff that can nimbly move in markets at the pace of traditional commercial brokers
- d. Locating and acquiring suitable parcels available at a low cost.

Given the financial constraints associated with forming and operating a CLT, low-cost land acquisition enable CLTs to be the most effective. Several possible avenues exist for a CLT in Glenwood Springs to create and grow land holdings, including:

- **Municipally-owned land** – The City could partner with a CLT to donate municipally-owned parcels, or sell them at a below-market cost, with the stipulation that the land is used for the desired purpose of affordable housing development. The City owns several parcels that are potentially suitable for a land trust. Prior to any transactions, it would need to prioritize particular parcels for CLT ownership and optimal development programs, following its process for land disposition.
- **Land from private citizens or nonprofits** – A CLT could work with philanthropically-minded landowners, nonprofits, or foundations to acquire land at a low cost. As CLTs are mission-driven nonprofits, they are well-positioned to receive land donations to further their goals of expanding and preserving affordable housing.
- **Land from other public entities** – Other public entities, including the school district, state or federal agencies, could partner with a CLT to provide land for affordable housing. However, there is a relatively limited amount of such land in Glenwood Springs and public agencies often have approval processes as well as financial motivations, which make providing land to CLTs at a low cost challenging.

CLT Formation and Governance

The most common way CLTs are organized is as a nonprofit organization. Nonprofit CLTs are governed by a board, which typically consists of a combination of community members, residents of CLT properties, and people involved in the housing field. The composition of the board and the decision-making processes implemented by CLTs vary, with some CLTs opting for a greater degree of grassroots community control through giving CLT residents more board representation, while other CLTs do not emphasize direct resident or community participation in governance.

In Glenwood Springs, a nonprofit organization would likely form and run a CLT. Alternatively, an existing CLT could expand its work to Glenwood Springs, ideally with local support. There is, for example, a CLT with a capability of serving at a statewide level and is currently serving multiple municipalities on the Front Range. It is currently unclear what organization would take on forming and running a CLT, and the City should engage with various groups in the community to gauge possible interest and capacity.

Management of a CLT

A CLT must be operated and managed, which requires full-time staff. This means that a CLT has to be able to find qualified staff and secure funding for staffing needs as well as other ongoing operational needs. Funding for these needs can come from several sources, including grants from local governments and grants from foundations and nonprofits. Most CLTs also charge a small monthly land rent on homeowners as part of the land lease agreement, which can generate additional funding for operations.

Deed Restrictions

Following their mission of long-term housing affordability, CLTs set deed restrictions on the homes that they sell as part of the land lease agreement. When a homeowner purchases a home in a CLT, the owner agrees to sell the home at a restricted price, which typically follows a set resale and appreciation formula. The purpose of this is to preserve long-term affordability and ensure that the home is affordable to a future low- or middle-income buyer. In addition, a CLT typically sets resale terms that require a home to be sold to an income-qualified buyer. CLTs can establish additional deed restrictions on homes, including deed restrictions that require local employment, or that require primary residency. In setting deed restrictions, a CLT has to balance long-term affordability with the ability of homeowners to build wealth. The level of deed restrictions also depends on the extent to which a CLT receives public investment or subsidy, with greater public investment typically warranting deeper affordability requirements and more restrictive deed restrictions.

The formation of a CLT will have many benefits, both in the short-term—related acquisition and production, and in the long-term—related to effective management. A CLT can be utilized for a range of activities. Examples are provided in the following sections.

Mobile Home Park Preservation

Currently, there are seven mobile home parks with a total of 246 units in Glenwood Springs. Mobile homes are a form of naturally occurring affordable housing, as they are available at a lower cost than traditional homes and typically serve as housing for lower-income residents. This position in the housing market also makes mobile home residents particularly vulnerable to displacement. Typically, mobile homes are located in mobile home parks in which residents own their individual mobile homes, but do not own the land beneath the mobile home. The park itself is most commonly owned by a landlord who maintains the park and collects lot rent from each individual mobile home resident.

Mobile home residents are especially vulnerable to displacement pressures. As land is increasingly valuable in Colorado communities such as Glenwood Springs, mobile home parks are often considered by speculative developers and are sometimes sold and redeveloped into another use, resulting in the displacement of residents. More commonly, landlords will raise lot rents to establish better land sale values and sell the mobile home park to a new landlord that, in turn, raises lot rents to prove out the investment metrics, creating additional economic strain for residents and pushing many out. Mobile homes, despite their name, are expensive and cumbersome to move to another location, further compounding the economic strain on residents and further limiting the options residents have when faced with redevelopment or increasing lot rents.

As a key source of naturally occurring affordable housing, mobile homes are an important element of housing preservation strategy. With recent State legislation that has expanded policy tools for mobile home park preservation, the City can apply both its own policy tools and can promote and utilize State policy tools to support mobile home park preservation and improve housing stability for residents. This section provides an overview of the different policy approaches for mobile home park preservation.

Summary of Recent Legislation

In 2020 and in 2022, the Colorado State Legislature passed laws that significantly expand protections for mobile home park residents and that expand opportunities for residents to purchase their park, as well as a law that provides State funding for mobile home park preservation. Key provisions of the legislation include:

- Mobile home park owners must inform residents of their intent to sell a park or change the use of the land. Written notice must be delivered to park residents within 14 days of showing intent to sell.
- If an owner intends to sell a mobile home park, park residents have 120 days to make an offer to purchase the mobile home park and arrange financing before the owner can close on a sale. Previously, residents were not guaranteed any amount of time to make a purchase offer. The law requires the landlord to negotiate in good faith.
- A public entity can purchase a mobile home park with the purpose of preserving the park as long-term affordable housing, and the public entity can exercise a right of first refusal on purchasing the park. For this to happen, a majority of residents in a mobile home park have to agree to assign their right to purchase to the public entity.
- Park owners who will displace mobile home park residents resulting from a change in use of the park have to compensate the resident with relocation assistance within thirty days of receiving a request from the homeowner.
- Park owners are prohibited from retaliating against residents on the basis of complaints about park habitability violations and are prohibited from coercing or influencing residents in their decision to purchase their park.
- Residents or a residents' association have the right to request a meeting with the landlord, which the landlord must attend within 30 days, up to twice per year. Landlords also cannot prohibit residents from convening resident meetings on park property or charge a fee for doing so.
- The State established a \$35 million revolving loan and grant fund designated for mobile home park residents seeking to purchase or improve their mobile home park. This funding can be used for a limited number of purposes, including as financing for residents seeking to purchase their park, as grants to residents seeking to stabilize lot rents, or as grants to nonprofits who provide technical assistance to park residents such as assessments of park condition or legal services.

Resident Purchase of Mobile Home Parks

An important avenue for mobile home park preservation is enabling residents to purchase their park. As mobile home park residents typically do not own the land where the park is located, a sale to an outside buyer can cause a park to be redeveloped, which displaces residents, or can lead to higher lot rents, which can also displace residents. If residents are able to purchase their park, it can lead to greater stability and long-term preservation, with residents gaining greater ownership and control over their housing situation and better insulating residents from market pressures.

The biggest barrier to residents purchasing their mobile home park is financial, as successfully purchasing a park is expensive. Enabling residents to purchase their park often requires direct financial support, typically in the form of low-cost financing. Currently, possible sources of financing for this include local nonprofits and the recent fund established by the State. While these resources exist and are growing, purchasing a mobile home park is a complicated, time-intensive, and resource-intensive process. It is critical for residents to have the ability to access these resources as well as guidance and technical assistance on the purchasing process and financing options, which requires outreach and organization. Various nonprofits can take an active role in this process, such as Resident Owned Communities USA, Thistle ROC, and Manaus, as can the City, which will be described in the next section.

Connecting Residents with Resources and Outreach

A major barrier to residents purchasing their mobile home park is a lack of awareness and understanding of the process to do so. Residents need to be aware of their rights and need to be able to effectively navigate the process of purchasing their park. Ideally, such efforts are resident-initiated. However, the City can also play a role in connecting mobile home park residents with resources through different approaches, including:

- **Creating a Resource Guide** – The City could create a guide to help residents navigate laws around landlord-tenant regulations in mobile home parks, including laws around the process of selling a park, retaliation, repairs, forming community associations, and mediation. The guide would be publicly accessible and promoted to mobile home residents.
- **Complaint portal** – The City could create a portal or hotline for mobile home park residents to submit complaints about violations of code in their park. This would enable the City to better regulate mobile home parks, to better mediate disputes, and to connect residents with available resources.

- **Community Legal Nights** – This would be a semi-regular event in which mobile home park residents would be invited to learn about their rights as tenants and about available resources for navigating maintenance, resident purchases of parks, and disputes with landlords. These events could be held by the City, or alternatively, by legal nonprofits or advocacy groups, such as the Colorado Poverty Law Project or Manaus, which would require the City to reach out and partner with these groups.

Land Use Overlays

Creating a zoning designation for mobile home communities allows for targeted regulations and standards for these areas. This strategy is also used by some communities as a way to preserve mobile homes as a component of the local housing stock; once an area is protected by a zoning designation, it is far more difficult for the owner to sell it for a different use or to change the use of the property and force the tenants to move. Currently, most mobile home parks in Glenwood Springs have a residential high density zoning designation, which is a zoning designation conducive to potential redevelopment. Adjusting the zoning to preclude redevelopment could prevent future redevelopment and displacement of residents.

Support for Maintenance and Infrastructure

A common issue for residents who purchase their mobile home park is the cost of deferred maintenance and site improvements. When these costs are high, it can push residents to raise lot rents to cover them, undermining some of the initial purpose and benefits of purchasing their park. To address this issue and ensure long-term stability, the City can work with residents to secure funding for site and infrastructure improvements. This assistance can take several forms, including direct loans or grants from the City, or grants from nonprofit or philanthropic sources. In the latter case, the City can work with residents to create clarity on necessary site improvements and to connect residents with available funding. Public assistance for mobile home park infrastructure and site improvements can carry requirements related to limiting lot rents, park uses, and deed restrictions.

Other Preservation Policy Tools

In addition to the policy tools described above, the City can implement and utilize other possible policy tools to preserve existing housing stock. The policy tools are organized according to whether they serve rental or owner housing and are summarized below.

Rental Housing

- **Rental assistance:** As rents rise, tenants often face a significant financial burden, potentially leading to eviction or the need to move to a less expensive housing situation. Under a tight rental market, a less expensive housing situation can mean moving out of a city altogether to a lower-cost market. A way to ensure that tenants are able to stay housed where they are is by providing rental assistance. To do this, the City can establish a rental assistance program using public funding. The program can be targeted for particular tenants based on income and current risk of displacement. Rental assistance payments can last for a set number of months and can carry conditions for the landlord, such as agreements to not raise rent or agreements to not evict the tenant for a certain amount of time.
- **Apartment acquisition fund:** A policy approach to preserve relatively lower-cost rental units and to make the units permanently affordable is by establishing an apartment acquisition fund. This fund would function by providing either low-interest loans or grants to land trusts, nonprofits, or tenants to acquire a rental building that goes up for sale. The program would target smaller, market-rate apartment buildings that house low-income renters, and the buyer of the building would commit to terms that permanently set the rents at levels affordable to low-income renters. Buildings like this often go up for sale, with the expectation that the buyer will either scrape the building and develop more expensive units, kicking the existing tenants out in the process, or that the buyer will sharply increase rents, pricing tenants out. It is important to prevent these units from being purchased by buyers who will not preserve their affordability and into the hands of organizations who are committed to long-term affordability.
- **Rental Rehab:** Older rental housing is often an important source of naturally occurring affordable housing for low- and middle-income populations. An approach to preserving older rental housing stock with habitability issues or with significant maintenance needs is a rental rehab program. Under such a program, the City would provide grants or low-interest loans to rental

property owners to make essential repairs and repairs that improve tenant quality of life. Specific standards can be established for property eligibility. In exchange for the receiving public funding for rehab, landlords would have to agree to particular terms, including limits on rental rates, lease priority for tenants below a certain income level, and lease guarantees for existing tenants. This type of program could improve housing conditions for existing renters and ensure their long-term housing stability by preserving critical rental housing stock.

- **Hotel Conversions:** A way to utilize existing buildings to grow the stock of affordable housing is through hotel conversions. With public funding, hotels can be converted into housing units and rented to local households. Converting an existing hotel into housing can be done at a significantly lower cost than creating a new housing unit, as it utilizes an existing building and infrastructure.

Owner Housing

- **Home Repair Loans and Grant Program:** Repair costs can often be a major financial burden for low- and middle-income homeowners. When costs become too high, owners can face pressure to sell their home and move elsewhere. A common way to prevent this from happening and to preserve housing stock for these homeowners is to provide access to low-interest home repair loans and grants. The City could establish a program with public funding and could set program parameters related to participant income, loan repayments, and sale restrictions, primarily targeting households at the greatest risk of displacement. Maintaining affordable housing that already exists and is owned by income-qualified residents is far more efficient than new construction.
- **Property Tax Abatements:** With rising housing prices in Glenwood Springs, the tax burden for homeowners has grown over the past several years. A growing tax burden can have a negative effect on low- and middle-income households, as well as seniors on fixed incomes, who face greater pressure to sell their home and move elsewhere. A property tax abatement program could lower the financial burden for homeowners and could help preserve this segment of the housing stock. Ideally, the program would be targeted at households that face the greatest displacement pressures, including low-income households and households on fixed incomes.

WHAT IS A DENSITY BONUS?

A density bonus is a land use tool that enables new residential developments to build a greater number of units than would otherwise be permitted by the underlying zoning. A density bonus can take several different forms depending on local zoning context, community character, or other development constraints. A density bonus provides an incentive for developers to build more housing units, better utilize existing land, and maximize the buildable area of a lot to enable infill development. Depending on context and policy intent, a density bonus can be achieved through various changes to land use regulations that enable the construction of more buildable finished floor area and therefore more units in a development, leading to greater density. The additional density expands the local housing supply and depending on the mechanism used to authorize the additional density, may include affordability restrictions.

Density Bonus

This section describes policy approaches related to a density bonus in Glenwood Springs. This includes a discussion of a density bonus and its variations, the factors involved in establishing a density bonus, and its relationship with affordable housing.

A density bonus is a valuable housing policy tool because it provides the market an avenue to deliver workforce/affordable housing units while requiring minimal additional investment from the City. Allowing greater density on existing parcels can reduce per-unit development costs, making housing development more attractive. As the city has a limited amount of developable land remaining, allowing greater density is an effective way to utilize existing land without growing outward. Residential density, when built near transit service, can also expand the use of public transportation, reducing potential traffic impacts.

Since 2021, Glenwood Springs has offered a density bonus as part of its inclusionary housing ordinance. The density bonus is general, stating that “as part of any new residential or mixed-use development, the City may offer a density bonus.” To date, the density bonus has not attracted developer interest, as no project has taken advantage of the policy. The limited interest in the density bonus highlights the need to modify the policy, raise awareness in the community related to the availability of this option, and more clearly define the parameters to be used by the City for a density bonus approval.

Structure of a Density Bonus

An effective density bonus will clearly define the parameters for developments seeking additional density. Generally, there are two approaches. The first involves larger developments that are typically multifamily/condominium buildings. The second involves an approach of increasing the unit count in low-density single-family neighborhoods, in the form of Accessory Dwelling Units (ADUs) which add one unit to a give lot, or can involve two or three additional units for lots that can accommodate the design parameters.

An important parameter and possible future code change is to specify how many additional units can be built by using a density bonus under each of these types of programs. For example, a density bonus can be set at a particular number of units on a given lot or can be set as a percentage of units permitted by underlying zoning.

Another important parameter is specifying how a density bonus can be achieved. While this can vary by the type of housing a density bonus applies to, a density bonus is often achieved by modifying development standards and land use regulations, such as:

- Allowing a greater number of units on a given lot or a greater number of units per acre of land
- Allowing additional height or stories
- Allowing a higher floor-to-area ratio
- Reducing the required minimum lot size
- Reducing setback requirements
- Reducing parking requirements

Neighborhood Context

A density bonus policy typically varies by zoning and neighborhood context. Given the wide range of neighborhood and housing types in Glenwood Springs, a density bonus is likely to take different forms in different areas of the city. The form a density bonus takes also depends on policy priorities and the type of housing that the City is seeking to incentivize, whether duplexes, fourplexes, townhomes, or apartments. Generally, a density bonus in Glenwood Springs would be targeted to the following contexts:

- **Residential Neighborhoods** – In the residential neighborhoods in Glenwood Springs that primarily consist of single-family homes, a density bonus could be used to promote the construction of smaller residential developments, including duplexes, triplexes, and fourplexes, often referred to as ‘missing middle’ housing. This would involve changing the land use code to allow more units to be built on existing lots, such as allowing duplexes, triplexes, or fourplexes in the RM1, RL, and/or RR zone districts.
- **Commercial and Transit Corridors** - In areas of Glenwood Springs with greater residential and commercial density, such as major corridors, a density bonus could be implemented to encourage the construction of multifamily housing. This would involve changes to the land use code such as increasing allowable height and reducing parking requirements, enabling more units to be built as part of particular multifamily projects. Using a density bonus to encourage transit-oriented development is also critical for connecting future residents of housing developments to public transportation options and in limiting the potential traffic impacts of new housing development. A density bonus could specifically permit greater density for residential projects close to existing transit stops or in transit corridors in Glenwood Springs.

Existing Glenwood Springs Land Use Regulations Context

- **Current Density Bonus Standards** - Glenwood Springs offers a density bonus as part of its inclusionary housing ordinance. The density bonus is general, stating that “as part of any new residential or mixed-use development, the City may offer a density bonus.”
- **Current Inclusionary Housing Standards** - Glenwood Springs has an inclusionary housing ordinance requiring 20 percent of new rental units and 10 percent of new for-sale units in projects with 10 or more units to be affordable at or below 100 percent of area median income.

Affordability and Relationship with Inclusionary Zoning Ordinance

As a policy tool aimed at expanding affordable housing, a density bonus should have transparent affordability parameters. A density bonus should specify how many units in a project need to be affordable and at what level of affordability.

Alternatively, a density bonus policy could be designed to require a greater level of affordability than required by the current inclusionary housing ordinance. If the goal of the density bonus is to achieve greater affordability than required by the inclusionary housing ordinance, the density bonus policy should provide specific parameters around the share of affordable units and average affordability level of units needed to receive the density bonus.

A density bonus has to balance the need for affordability with attractiveness to prospective developers. An effective density bonus would enable developments to deliver a greater level of affordability while maintaining financial feasibility. If affordability requirements are too high, there may be limited developer interest in using a density bonus.

Examples in Colorado

Currently, several municipalities in Colorado have density bonus programs, each with varying structures and standards. Three examples are shown below: Pagosa Springs, Denver, and Longmont.

Pagosa Springs

As of 2021, Pagosa Springs has a density bonus available for residential projects with two or more units. The density bonus specifies that the town can grant a density bonus of up to 50 percent of the number of allowable units permitted in an underlying zoning district for both rental and for-sale projects. The policy has an affordability requirement, as the additional units must be affordable to households at or below 120% of area median income. The density bonus can be achieved through various land use code modifications, including increasing allowable height, encroaching into setbacks, or reducing parking requirements.



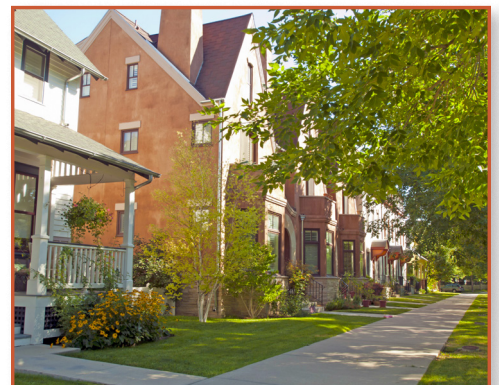
Denver

As of 2022, Denver has an inclusionary housing ordinance (IHO) for rental and for-sale projects, which requires a certain share of affordable units in all new residential projects with 10 or more units. The policy grants a density bonus to projects that provide greater affordability than required by the IHO. Specifically, projects that exceed the affordability requirements of the IHO are eligible for height increases, reductions of parking requirements, and exemption from parking requirements if the projects is located within a quarter mile of a transit station.



Longmont

Longmont has an inclusionary housing ordinance for for-sale and rental projects, which requires a certain share of affordable units in all new residential projects. In conjunction with the IHO, for projects that meet the set-aside requirements, the City has several density bonus-related incentives, including a 20 percent increase in allowable unit density, increased allowable height, reductions in setback and landscaping standards, minimum lot size reductions, and reduced parking requirements. In this case, the density allowances do not generate additional units above the minimum IHO threshold but do make it easier for developers to comply.



IMPORTANCE OF FUNDING SOURCES

Establishing dedicated funding sources is essential to developing a robust set of policy tools and interventions to expand affordable and workforce housing. A litany of possible funding sources exists, and the purpose of this report is to summarize the options available to the City of Glenwood Springs and provide an overview of the potential benefits and limitations of each funding source. Locally, a municipality can generate revenue for housing from fees and from taxes, which require different processes to implement and carry different requirements related to how revenue is used. The State of Colorado also has funding available for housing that municipalities can draw from. The State has made recent investments in affordable housing, including over \$450 million allocated in early 2022 from federal COVID-19 relief funds, as well as a 2022 law passed through ballot measure that will dedicate \$300 million annually to housing-related programs.

Funding Sources

This section summarizes possible funding sources that the City of Glenwood Springs can dedicate to affordable and workforce housing programs.

Current Funding for Housing

Until 2022, Glenwood Springs did not have any municipal funding sources dedicated to housing. In 2022, Glenwood Springs voters passed a 2.5 percent increase in the local lodging tax, which is expected to generate \$1.3 to \$1.5 million in revenue annually. The revenue will be placed into a Workforce Housing Fund that will be used to fund various housing programs and projects.

The primary goal of the Workforce Housing Fund is to increase the supply of workforce housing for individuals and families living and working within the city. The Workforce Housing Fund would be focused on maintaining the City's existing workforce housing stock and providing new workforce housing for Glenwood workers through the following programs:

- Property Acquisition, including land banking, rehabilitation of existing buildings, hotel or motel conversions, maintaining mobile home parks and other expenses related to maintaining other existing workforce housing.
- Forming partnerships with private, nonprofit and other public entities to develop workforce housing, including filling financing gaps and leveraging additional resources to create affordable workforce housing.
- Buy-downs and incentives, including using funds to defray the cost of existing housing stock for the purpose of affordable workforce housing.
- Down Payment Assistance, including providing a secondary loan to help potential home buyers enter the homeownership market.

Local Funding Sources

This section describes the possible local funding sources that Glenwood Springs could use to fund affordable housing. The section includes a detailed explanation of each funding source with an assessment of revenue potential, barriers, and other examples from around Colorado. The funding sources are categorized into taxes and fees, which carry different implementation and spending requirements. The table below shows a summary of each potential funding source.

Table 2. Local Funding Sources

Program	Election?	Description	Revenue Potential
Fees			
Residential Linkage	No	Levied per square foot of new development	N/A
Commercial Linkage	No	Levied per square foot of new development	N/A
Real Estate Transfer Fee	No	Regulatory fee imposed on all real estate transfers.	A \$500 flat fee would generate \$170,000 annually.
Short-term rental fee	No	A per-bedroom fee on short-term rentals charged annually.	A \$500 per-bedroom fee would generate \$110,000 annually
Taxes			
Occupational Privilege Tax	Yes	Tax on employers for each employee per month	A \$2 per employee per month tax would generate \$750,000 annually
Attractions Tax	Yes	Tax charged on admission to places, events, and performances open to the public	N/A
Property Tax	Yes	Additional mill levy on property with revenue dedicated to housing	An increase of 2.00 mills would generate \$850,000 annually
Sales Tax	Yes	An increase of the municipal sales tax rate with revenue dedicated to housing	A 0.25% sales tax would generate \$1.5 million annually
Short-term rental tax	Yes	A tax levied on guest stays at short-term rentals	A 5% STR tax would generate \$340,000 annually
Vacancy Tax	Yes	New tax imposed annually on residential units that are not a primary residence.	A \$2,000 annual tax would generate \$700,000 annually

Source: Economic & Planning Systems

Fees

Fees can be a significant source of funding for affordable housing. Currently, the primary types of fees in Colorado are impact fees and regulatory fees, which carry different legal standards. Fees differ from taxes in that 1). Fees typically must have a reasonable relationship to the issue they seek to mitigate or offset, 2). Revenue collected from fees must be spent on costs related to their purpose, and 3). Fees can be implemented through an ordinance from the local governing body, rather than through a direct vote of the electorate. Given the constraints from TABOR and the political challenges associated with passing taxes through popular vote, fees are a viable avenue for generating additional funding. Additionally, recent court precedents, including the Aspen Bag Fee decision, have expanded the possible horizons of regulatory fees in Colorado.

Linkage Fees

An affordable housing linkage fee is a form of impact fee. Linkage fees function like capital impact fees (e.g., fire, police, transportation) or water and sewer tap fees in that they are levied on new residential and commercial development proportional to its impact on the public infrastructure and facilities funded with the fee. There must be a rational nexus and rough proportionality between the fee charged and the impact of the development on which it is levied. Implementing a linkage fee requires that a study be completed to determine this nexus. Linkage fees are typically charged on a per square foot basis at time of building permit. Like capital impact fees, linkage fees must be accounted for in a fund and spent on costs related to their purpose, affordable housing development in this case. These costs include construction, land acquisition, planning and design services, development fees, fee reimbursements or any cost related to the production or expansion of affordable housing.

REVENUE POTENTIAL

A limitation of a linkage fee is that its revenue potential is dependent on the level of construction activity within a market, which can fluctuate by stage in a market cycle and by the level of developer interest in a particular market. In addition, the revenue potential of linkage fees is dependent upon the amount of developable land available and the buildout potential for new residential and commercial over time. In Glenwood Springs, long-term buildout potential and therefore linkage fee revenue potential may be limited due to a relatively small number of developable sites and land constraints.

PROCESS FOR ADOPTION AND BARRIERS

As a fee, not a tax, linkage fees are adopted by ordinance by the local governing body. While the legal validity of implementing linkage fees is well-established, linkage fees may encounter political pushback and pushback from the development community more broadly. Linkage fees place the burden of raising revenue for affordable housing on new residential and commercial development, rather than distributing the burden across the community, which poses challenges for generating political support. Implementing a linkage fee also requires a nexus study to be conducted.

EXAMPLES ELSEWHERE IN COLORADO

Several municipalities have implemented affordable housing linkage fees, including Denver, Boulder, Aspen, Telluride, and Mountain Village. It is a commonly used tool to generate funding for affordable housing.

Short-term Rental Fee

A short-term rental fee is a regulatory fee levied on short-term guest rentals, typically on an annual per-bedroom basis. The fee applies to property owners with a short-term rental license. The fee is predicated on the existence of reasonable relationship between guest spending from short-term rentals and the demand for affordable housing that guest spending creates through generating employment. An STR fee also accounts for the possibility that a home used as a short-term rental could be occupied by a local resident, and the fee is further based on the difference between the impact of guest spending in the local economy and the baseline impact of local resident spending. In markets with a significant amount of visitation activity, a short-term rental fee is a viable way to generate funding for affordable housing from the tourism economy and in a way that is passed onto visitors rather than residents. As a regulatory fee, use of revenue is inflexible and must be allocated to costs related to its purpose. In the case of an STR fee, revenue would have to be placed in a fund restricted to implementing affordable and workforce housing-related programs.

REVENUE POTENTIAL

The revenue potential of a short-term rental is directly linked to the number of licensed short-term rentals within a municipality. In Glenwood Springs, the base of short-term rentals is relatively small, with a total of 110 licensed short-term rentals. Assuming an average of 2 bedrooms per short-term rental, an annual per-bedroom fee of \$500, which is comparable to existing fees in other towns, would generate approximately \$110,000 in annual revenue.

PROCESS FOR ADOPTION AND BARRIERS

In order to legally justify the fee, a city would need to provide a study that demonstrates the rationale of a short-term rental fee. The study would determine an annual fee level based on a reasonable relationship between guest spending from STRs and the demand for affordable housing. As a fee, not a tax, short-term rental fees are adopted by ordinance by the local governing body. Short-term rental fees have passed legal scrutiny in other municipalities. Generally, the biggest barrier would be political will, especially given the recent increase in lodging tax and the relatively small revenue potential.

EXAMPLES ELSEWHERE IN COLORADO

Breckenridge and Vail have implemented short-term rental fees, and several other municipalities and counties are currently exploring short-term rental fees as a way to generate funding for affordable housing.

Real Estate Transfer Fee

A real estate transfer fee is a possible type of regulatory fee on residential and commercial property sales. The fee would be charged at the time of closing on residential and commercial transactions within a given municipality, and it would be the responsibility of the buyers and sellers, realtors, title companies, and lenders to ensure that the fee is collected and remitted to the municipality. The municipality would place the fee revenue in a fund restricted to implementing a variety of workforce housing programs; the revenue would not be used for general operating purposes.

In order to adopt a real estate transfer fee as a regulatory fee, a municipality would have to demonstrate the rationale for the fee under the City's powers to regulate health, safety, general welfare, and morals under its police powers and to show a reasonable relationship between the fee being paid and the benefits received by the fee payers. A study would have to identify the direct and indirect benefits to fee payers. Finally, the fee would have to be reasonably related to the direct and indirect costs to a municipality of providing affordable and workforce housing services or regulating the development of affordable and workforce housing, the purposes for which the fee is collected.

A benefit of a real estate transfer fee is that it captures revenue from property sales, which distributes the burden of funding affordable housing across a broad segment of the community. It is also a relatively progressive revenue source, as fee payers are those who sell real estate and are generally higher income.

It is important to note that a real estate transfer fee has not yet been implemented anywhere in Colorado. As such, this is a preliminary description of the fee, so please note that implementing such a fee is unproven and could face legal risks.

REVENUE POTENTIAL

Current analyses suggest that a real estate transfer fee would have to be set as a flat fee on transactions. At a fee level of \$500 per transaction, and with 350 annual property sales in Glenwood Springs, a real estate transfer fee would generate approximately \$175,000 in revenue annually.

Process for Adoption and Barriers

As a regulatory fee, a real estate transfer fee could be adopted by ordinance by the local governing body. Real estate transfer fees have not yet passed legal scrutiny in other municipalities and would likely face legal pushback if implemented. While a few legal opinions suggest that the Colorado Supreme Court may rule favorably on a real estate transfer fee, there is no guarantee of success. The risk of the fee not passing legal scrutiny is also substantial. If a municipality passes a real estate transfer fee, but the fee gets struck down by the State Supreme Court, the municipality is legally liable to return the fee revenue it has collected with 10% simple interest. While such a fee may have political support, the legal barriers and risks are currently high. However, it is worth noting that if other municipalities may pass a real estate transfer fee within the next few years, it could set a legal precedent and open the door for other municipalities to implement the fee.

EXAMPLES ELSEWHERE IN COLORADO

No municipalities currently have real estate transfer fees, but several have real estate transfer taxes, which were grandfathered in as they were implemented before TABOR. These include Aspen, Avon, Minturn, Telluride, Vail, Frisco, Ophir, and Crested Butte.

Taxes

Taxes are the most common funding source for affordable housing in Colorado. The primary challenge with taxes in Colorado is that passing a new tax or tax increase requires a vote and majority approval of the electorate through a ballot measure. The following taxes are the most commonly used taxes to fund affordable housing around the state.

Property Tax

Property tax revenue can serve as a dedicated funding source for housing, either by reallocating existing property tax revenues or establishing an additional property tax levy. Under Colorado law, a mill levy must be uniform on all taxable property. Property taxes are regarded as progressive, as property owners tend to be on the upper end of the income distribution. As property values have increased significantly over the past decade, a property tax levy is also a way to capture a portion of those gains for public purposes. Certain property owners, including low-income homeowners and seniors, can face a significant financial burden from increased property taxes, which can lead to housing instability. To address this, it is possible to establish a refund or abatement program for certain residents in order to reduce their property tax burden. Another advantage of property taxes is that it distributes the burden of generating revenue more broadly and evenly across the community.

REVENUE POTENTIAL

Under current valuations, a property tax levy of 2.00 mills in Glenwood Springs would generate approximately \$850,000 annually. This would increase the property tax burden of a median-priced home by \$10 per month.

PROCESS FOR ADOPTION AND BARRIERS

Property tax increases are legal and have been used in other communities to raise revenue for public investments. The largest barrier to using property taxes as a dedicated funding source for housing, however, is political. Under TABOR, property tax increases require approval of the electorate. As raising property taxes increases the financial burden on property owners, they are often politically unpopular and unsuccessful when on the ballot, especially given recent increases in property values.

EXAMPLES ELSEWHERE IN COLORADO

In 2022, voters in Grand County passed a ballot initiative to establish an additional property tax levy to be dedicated to housing. The proposed mill levy

is 2.00 mills and it is projected to generate approximately \$1.2 million in revenue annually and will be managed by the Fraser River Valley Housing Partnership. While property taxes often face political resistance, this is a successful example of a mountain community with the political appetite to fund workforce and affordable housing through property taxes.

Short-term Rental Tax

A short-term rental tax is an excise tax levied on guest stays in properties licensed as short-term rentals. Typically, a short-term rental tax is charged on visitor stays, on top of the existing sales and lodging taxes levied on visitor stays. In markets with a significant base of tourism, this tax can be an effective way to generate revenue from visitors rather than the local community. Moreover, as short-term rentals have proliferated as a lodging type over the past several years and have created negative impacts on housing markets, short-term rental taxes are increasingly seen as a viable, defensible revenue source for affordable housing.

REVENUE POTENTIAL

Glenwood Springs currently has 110 properties permitted as short-term rentals. Under current market conditions, a 5% short-term rental tax would generate approximately \$340,000 annually. Relative to other funding sources, the revenue potential is small, largely because of the limited number of licensed short-term rentals in Glenwood Springs.

PROCESS FOR ADOPTION AND BARRIERS

Implementing a short-term rental tax dedicated to affordable housing requires voter approval. Short-term rental taxes for housing have proven to be attractive for voters in recent elections around Colorado and have demonstrated political viability, although given the recent passage of a lodging tax increase in Glenwood Springs and limited revenue potential, a short-term rental tax may face political barriers, or indifference, in Glenwood Springs.

EXAMPLES ELSEWHERE IN COLORADO

Short-term rental taxes have recently emerged in mountain and resort communities as an important funding source for housing. In the past year, voters in several communities have passed short-term rental taxes to fund affordable and workforce housing, including:

- Aspen – 5% to 10% tax, depending on property classification.
- Carbondale – 6% tax

- Steamboat – 9% tax
- Salida – 4x increase on the nightly STR tax per bedroom
- Avon – 2% tax
- Frisco – 5% tax
- Dillon – 5% tax

Sales Tax

In markets where tourism or economic development is a strong driver of service-sector employment (and subsequently housing demand), such as Glenwood Springs, dedicating a portion of sales taxes towards housing can be an effective way to leverage a market driver without unduly burdening local households.

Sales taxes can generate a considerable amount of revenue. However, sales taxes are often regarded as regressive, as low-income households tend to spend a greater percentage of their income on local consumption than higher-income households, and therefore pay a higher share of their income to sales tax. While the burden of sales tax is distributed across the community and to visitors, the burden can be more significant for low-income households who consume locally.

REVENUE POTENTIAL

Glenwood Springs currently has a local sales tax of 3.70%, and a total sales tax rate of 8.60% with state, county, and transit authority sales taxes included. Given current levels of activity, a quarter-cent sales tax (0.25%) would generate approximately \$1.5 million annually, making the revenue potential of a sales tax significant.

PROCESS FOR ADOPTION AND BARRIERS

Sales taxes are a well-established and widely used way for municipalities to generate revenue. The biggest barrier for sales tax is political, as increasing the sales tax rate requires voter approval. With a current sales tax rate of 8.60% and an economic environment in which the cost of living has been going up, raising the sales tax rate could very well face substantial political pushback.

Examples elsewhere in Colorado

Practically every community in Colorado has a local sales tax, although relatively few use the revenue for housing. Communities in Colorado, including Aspen, Summit County, and Loveland use a portion of sales tax revenue to fund affordable and workforce housing goals.

Occupational Privilege Tax

An Occupational Privilege Tax, commonly known as a ‘Head Tax’, is a tax levied on employers for each employee they have working for their business establishment. An OPT is typically levied on a per employee per month basis. In Colorado, most places with an OPT levy the tax monthly on each employee, and levy an additional per month match on the employer for each employee they have. Under this structure, a \$2 monthly per employee OPT would generate \$4 per employee per month, with half paid by the employee and half paid by the employer. As this is a tax, revenue from an OPT can be dedicated to funding housing.

REVENUE POTENTIAL

With a current employment base of 16,000 in Glenwood Springs, a \$2 per employee per month OPT with an employer match would generate approximately \$770,000 annually. Over time, revenue would grow if employment were to grow.

PROCESS FOR ADOPTION AND BARRIERS

An OPT requires voter approval, so the main barrier is political. As this tax is not commonly used in Colorado, successfully passing one would require building buy-in and coalitions in the community, among both employees and employers.

EXAMPLES ELSEWHERE IN COLORADO

Currently, five jurisdictions in Colorado have an OPT: Denver, Greenwood Village, Aurora, Glendale, and Sheridan. OPT levels typically range from \$2 per employee per month to \$6 per employee per month.

VACANCY TAX

A vacancy tax is a tax levied on vacant homes. The definition of a vacant home can vary, but is generally considered a home that is not the owner’s primary residence, and is also not rented out to tenants for any significant amount of time over the course of a year. Vacant homes are also commonly referred to as second homes. In mountain and resort communities across Colorado, vacant homes are common and often comprise a significant share of the total housing stock. Generally, a tax on vacant homes would be considered a progressive tax, as the burden would be placed on owners of vacant homes who tend to be high-income.

REVENUE POTENTIAL

The revenue potential of a vacancy tax would likely fluctuate from year to year based on changes in the vacant housing stock. Assuming that there are 140 vacant housing units in Glenwood Springs, a \$2,000 annual tax would generate \$280,000 in revenue annually.

PROCESS FOR ADOPTION AND BARRIERS

Implementing a vacancy tax requires voter approval. Currently, no municipalities in Colorado have a vacancy tax, so no examples exist to show the legal barriers that a vacancy tax might encounter. The main barrier to a vacancy tax is gaining the support of the electorate.

A potential barrier for a vacancy tax is the need to establish a system to categorize vacant homes and collect and enforce the vacancy tax. Various models for this exist in other cities in North America. In most cases, a vacancy tax would require additional staff capacity and enforcement infrastructure.

EXAMPLES ELSEWHERE IN COLORADO

Currently, no municipalities in Colorado have a vacancy tax. In 2021, Crested Butte referred a vacancy tax (referred to as a community housing tax) to the municipal ballot that proposed to levy a \$2,500 annual tax on residential units that were not the primary residence of the owner and were not rented out for at least 6 months out of the year, and on undeveloped property that is zoned for residential use. The measure failed at the ballot, with 56% of voters rejecting the measure. No other communities in Colorado have attempted to pass a vacancy tax, although other cities in North America, including Vancouver and San Francisco, have implemented vacancy taxes.

Attractions/Admissions Tax

An admissions tax is a sales tax levied on any charge imposed to gain admission to any place, event, performance, or scheduled activity open to the public. Common examples of places that require such charges include concerts, theater performances, sports events, amusement parks, water parks, pools, and spas. As Glenwood Springs draws a high amount of visitors every year, many of whom visit the various paid attractions in the city, establishing an attractions tax would be a way to generate revenue from tourism without placing a significant additional burden on local households.

REVENUE POTENTIAL

Glenwood Springs has several attractions that require an admission charge, including Glenwood Hot Springs, Glenwood Caverns Adventure Park, and Iron Mountain Hot Springs. Given the high volume of visitors that these places attract, an admissions tax could generate a substantial amount of revenue for housing.

PROCESS FOR ADOPTION AND BARRIERS

This type of tax is applied in other municipalities in Colorado, so it is a relatively well-established revenue source. The primary barrier in Glenwood Springs would be political, as implementing this tax would have to gain majority approval of the electorate. This tax may draw pushback from various stakeholders in the community so it would likely require a concerted coalition-building to effort to convince the electorate.

EXAMPLES ELSEWHERE IN COLORADO

Several municipalities around Colorado levy taxes on admissions to events and places that are open to the public. These include Aurora, Boulder, Northglenn, Arvada, Mt. Crested Butte, and Wheat Ridge. The tax rates typically range between 3% and 5%.

State Funding Sources

2022 State Investment in Affordable Housing

In 2022, the Colorado State Legislature invested a significant amount of funding in programs aimed at affordable housing and housing stability. Using funds from the American Rescue Plan Act, the State Legislature has allocated over \$400 million to various affordable housing programs, including:

- \$150 million for a revolving loan fund to support affordable housing developments
- \$138 million for a grant program to fund affordable housing-related projects, including infrastructure, new construction, land banking, affordable housing conversions, and eviction defense.
- \$35 million for a loan, grant, and technical assistance program to support mobile home owners seeking to purchase their mobile home park.
- \$40 million for a program that supports modular housing development.
- \$25 million to expand CHFA's middle income access program, which provides financing to support workforce housing developments.

The funding was officially allocated by the legislature as of late 2022, so funds will be available in the coming year. The Department of Local Affairs (DOLA) is responsible for administering the programs. This represents a significant influx of funding that municipalities should seek to leverage.

Colorado Proposition 123

In November 2022, Colorado voters passed State Proposition 123. Proposition 123 expands state funding for affordable housing by setting aside a small portion of annual state income tax revenue, equivalent to 0.1 percent of taxable income. In the first year, the measure is expected to generate \$290 million in revenue. This represents a large state investment in affordable housing, significantly higher than previous levels of state investment in housing. It is a potentially major funding source for municipalities and an important opportunity for Glenwood Springs to expand its funding for affordable and workforce housing.

The funding generated by proposition 123 will be allocated to a defined set of programs, described below. The law defines affordable housing as at or below 60% of area median income for rental housing, and at or below 100% of area median income for ownership housing.

The first three programs will be managed by the Office of Economic Development and International Trade (OEDIT). The second three programs will be managed by the Division of Housing within the Department of Local Affairs (DOLA).

Land Banking: \$26-\$43 million annually

- This will provide grants to local governments or loans to housing nonprofits for the purpose of acquiring land for affordable housing development. Loans made by the program can be forgiven if the land is zoned for housing within 5 years and permitted and funded for housing within 10 years.
- Municipalities can effectively use this funding to expand their inventory of publicly owned parcels, and with an expanded inventory, drive affordable housing development. Alternatively, municipalities can work with housing nonprofits or land trusts to expand their land holdings intended for affordable housing development.

Equity for affordable housing projects: \$70-\$121 million annually

- This will provide equity investments in rental projects that commit to permanent affordability at an average of 90% of area median income. The investment can be made in new projects as well as existing projects that commit to preserving affordability.
- This program also creates a structure for a tenant equity vehicle, which provides tenants living in the project for at least one year a share of the project's equity growth, which the tenant can apply to a down payment for a home.

Concessionary Debt for Affordable Housing projects: \$26-\$61 million annually

- This will provide low-interest debt financing for rental projects that are permanently affordable at an average of 60% of AMI. The funds will be available to both new projects and existing projects that commit to preserving affordability.
- Funding priority will go to projects that are high-density and align with goals of environmental sustainability.

Affordable Homeownership: up to \$58 million annually

- This creates a down payment assistance program for homeowners below 120% of AMI.
- This offers grants and loans to housing nonprofits and land trusts to support affordable home ownership.
- This also creates a grant and loan program to associations of mobile home park owners to assist them with purchasing their park.

Homelessness Prevention: up to \$52 million annually

- This provides grants and loans to housing nonprofits and local governments to expand rental assistance, housing vouchers, and eviction defense for those at risk of homelessness.
- Also provides loans and grants to support the development of supportive housing.

Capacity Building for local governments: Up to \$5.8 million annually

- This will provide grants to local governments to increase the capacity of planning departments, with the intent of enabling planning departments to more effectively process land use, permitting, and zoning applications for housing development.

Requirements for Participation

In order for a municipality to be eligible to receive funding, or for affordable housing projects within a jurisdiction to be eligible for funding, the municipality must meet specific standards.

- A municipality must establish a plan to increase the inventory of affordable housing units within its boundaries by three percent annually, starting in 2027. Municipalities have to submit this plan by November 1, 2023. Part of this plan is to establish a baseline level of existing affordable housing units, which the municipality can do by referencing estimates from the American Community Survey, or estimates from the Department of Housing.
- A municipality must create a fast-track approval process for all housing development applications in which at least half of the units are affordable. The fast-track approval process requires that municipalities reach a decision on permit or zoning applications within 90 days of submittal, with certain exceptions.

3. Needs Assessment

While the previous chapter focuses on housing policy tools the City can implement to address housing needs, this chapter documents housing market conditions and overall housing need in Glenwood Springs, focusing on the scale of housing need and organizing housing need by income level. This needs assessment is intended to inform policy decisions around housing policy tools and funding for housing programs, and ultimately to serve as a reference point for policymakers and City staff looking to better understand overall housing need when implementing policies and programs.

Market Context

A snapshot of housing and demographic conditions in Glenwood Springs is shown below in **Table 3**. In total, Glenwood Springs has just over 10,000 residents and about 4,300 housing units.

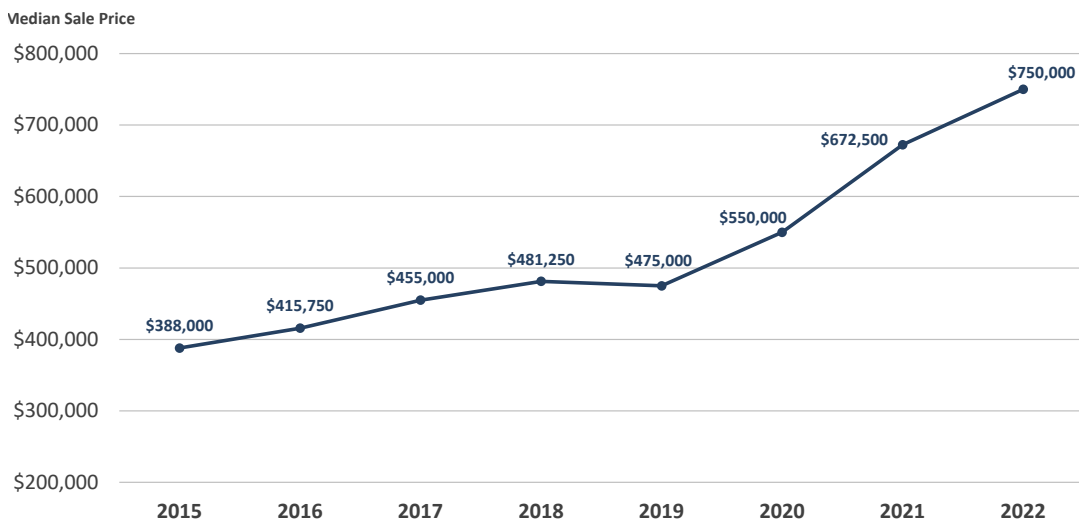
Housing prices in Glenwood Springs have risen significantly in recent years. From 2015 to 2022, the median home sale price increased from \$388,000 to \$750,000, which represents a total increase of 93 percent and a compound annual increase of 9.9 percent, as shown in **Figure 2**.

Table 3. Housing and Demographic Snapshot

Description	Most Recent Year
Population	10,085
Households	3,943
Housing Units	4,346
Second Homes	150
<i>As % of Total Housing Units</i>	3.5%
Short-term rentals	108
<i>As % of Total Housing Units</i>	2.5%
Cost Burdened HHs	1,491
<i>As % of Total HHs</i>	38%
In-Commuters	8,916
<i>As % of Total Employees</i>	78%

Source: DOLA; U.S. Census; Economic & Planning Systems

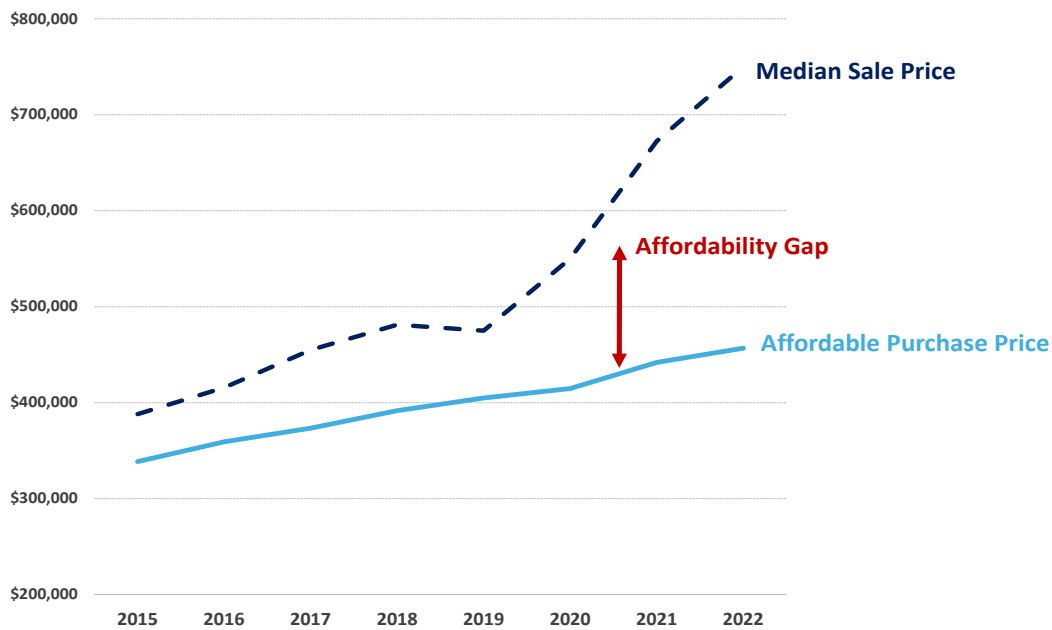
Figure 2. Median Home Sale Price (Inclusive of Single Family and Condo/Townhome Units), Glenwood Springs, 2015-2022



Source: MLS; Economic & Planning Systems

Incomes have not kept pace with housing prices in Glenwood Springs. The affordable purchase price, which represents the home purchase price at which a household earning the average wage pays 30 percent of its income on housing costs, increased at a much slower rate than the median home price. When the affordable purchase price is lower than the median home price, there is an ‘affordability gap.’ As shown in **Figure 3**, the affordability gap in Glenwood Springs increased from \$49,000 in 2015 to \$293,000 in 2022, indicating that housing has becoming even further out of reach financially for working households in Glenwood Springs over the past several years.

Figure 3. Affordability Gap for For-Sale Units, Glenwood Springs, 2015-2022



Source: MLS; Economic & Planning Systems

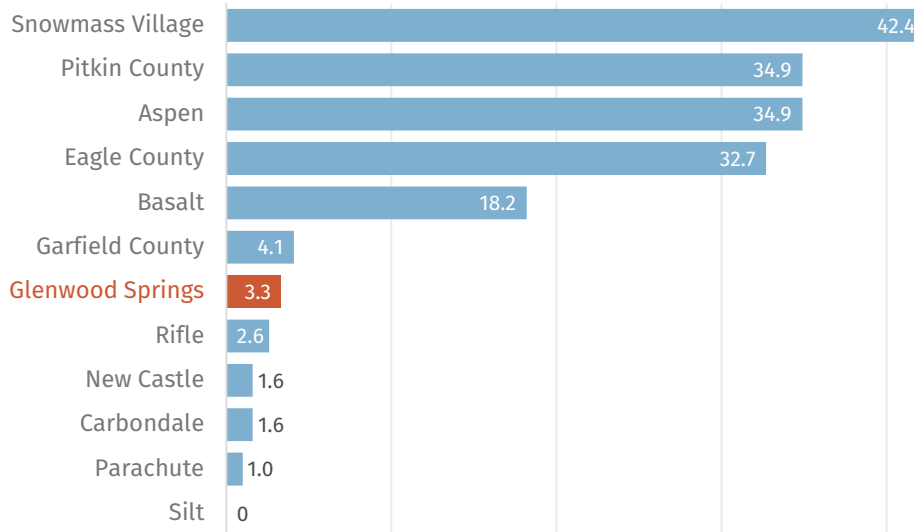
Second Homes

Second homes have accounted for a modest and generally stable share of Glenwood Springs’ housing supply over the past 15 years. Second homes are classified by the U.S. Census Bureau as vacant housing units for seasonal, recreational, or occasional use. The U.S. Census estimates that Glenwood Springs had an average of 140 such units over the 2017-2021 period, representing 3.3% of the City’s housing inventory. Estimates were generally similar for the 2012-2016 period (196 units, 4.5% of supply) and the 2007-2011 period (145 units, 3.3% of supply).

For context, a much higher share of the housing stock is vacant units for seasonal, recreational or occasional use in Snowmass Village, Aspen, and Basalt, as well as in Pitkin County and Eagle Counties. The share of housing units in Glenwood Springs that are second homes is more comparable to Garfield County, as well as Carbondale, New Castle, Silt, Rifle, and Parachute.

Second Homes

Based on percentage of housing inventory



Additional perspective is available by looking at the mailing address of Glenwood Springs homeowners. Communities with high levels of second homeownership tend to have a high share of homeowners with an out of region property tax mailing address. In Glenwood Springs, most single-family homes, condos/townhomes, and mobile homes are owned by people with a Glenwood Springs zip code (78.0%). An additional 9.5% are owned by persons with a mailing address in the broader Garfield / Pitkin / Eagle / Mesa County region, while 11.6% are owned by persons living elsewhere in Colorado or out of state.

Table 4. Owner Mailing Address of Single-Family, Condo, Townhome, and Mobile Home Units, Glenwood Springs, 2022

Owner Mailing Address	Units	% Total
Glenwood Springs	2,922	78%
Other Garfield County	214	6%
Pitkin, Eagle, and Mesa Counties	143	4%
Other Colorado	194	5%
Out of state	239	6%
Mailing address unavailable	33	1%
Total	3,745	100%

Source: Garfield County Assessor; Economic & Planning Systems

Homeowner mailing address is an imperfect indicator of vacation homeownership, since out-of-region owners may use their unit in a variety of ways (e.g., second home, rented long-term to a Glenwood resident, etc.). As such, the Census data discussed previously is likely to be a better measure of second homeownership than homeowner mailing address.

Short-term rentals

The City of Glenwood Springs licenses and regulates Short-Term Rentals (STRs), i.e., the rental of an entire dwelling unit for less than 30 days for monetary compensation. The City limits the supply STRs by capping them at 18% of the free-market housing stock in the City’s General Improvement District (GID), and 5% of the free-market housing stock outside of the GID. Additionally, outside of the GID, an STR must be at least 250 feet away from another STR.

As of March 2023, Glenwood Springs had 108 licensed STRs, equivalent to approximately 2.5% of the City’s housing stock. Interestingly, as of March 2023, most STRs were owned by persons living in a Glenwood Springs zip code (69%), and an additional 7% of owners lived elsewhere in Garfield County or in other nearby communities. Only 22% lived elsewhere in Colorado or out-of-state. Insofar as second homeowners tend to live a reasonable distance away from their second home, this may suggest that there is not too much overlap between Glenwood Springs’ second home housing stock and STR housing stock.

Also of note, most STRs in Glenwood Springs are single-family dwellings (79 percent), as shown in **Table 3**. Insofar as single-family units tend to have higher sales prices and values than attached units, this may imply that STRs are primarily concentrated within a higher-cost segment of Glenwood Springs’s housing supply.

Table 5. Glenwood Springs STRs by Property Type, March 2023

Description	Units	% Total
Single Family Detached	85	79%
Duplex	8	7%
Condo	4	4%
Mixes Use	4	4%
Townhome	4	4%
Apartment	3	3%
Total	108	100%

In addition to STRs, the City also licenses Accessory Tourist Rentals (ATRs), i.e., the rental of a single room in a residence. The City had 12 ATRs as of March 2023.

Source: City of Glenwood Springs STR Log; Economic & Planning Systems

Needs Assessment

The purpose of this section is to provide an estimate of total housing need in Glenwood Springs. An estimate of total housing need is important because it demonstrates the scale of affordable housing challenges in Glenwood Springs and informs policy and planning efforts on what housing programs to establish and how much funding to allocate to them. The housing need estimate shown in this strategic plan reflects need as of 2023.

The estimate of total housing need can be categorized into current need and future need. Current need (or 'catch-up') is the additional housing that is needed to meet current demand. Future need (or 'keep-up') is the additional housing that is needed to meet new housing demand over the next 20 years.

The estimate of current housing need has three main components, as listed below. Each component has an associated policy goal that determines the degree of need.

- **Cost burden:** Reduce the number of cost burdened households in Glenwood Springs by 50 percent.
- **Vacant jobs:** Provide housing sufficient to fill 100 percent of vacant/unfilled jobs in Glenwood Springs.
- **In-commuting:** Increase the share of the workforce housed in the City from 22 percent to 30 percent – or equivalently, reduce the share of the Glenwood Springs workforce that commutes in from another place from 78 percent to 70 percent.

These three components of need make up the total current housing need in Glenwood Springs. In the next section, each of these components will be described in detail and estimates of need will be shown and organized by area median income (AMI) level.

In addition to current housing needs, this needs assessment incorporates an estimate of future housing demand. This represents the housing need that will be generated by employment growth in Glenwood Springs over the next 20 years.

EPS has established a target income range for housing need between 30 percent and 150 percent of AMI. This reflects the income range that can realistically be served by affordable housing programs established by the City. Housing affordable to households under 30 percent of AMI requires deep financial support that cannot feasibly be provided through local housing programs and

is typically served by federal subsidies, while housing affordable to households above 150 percent of AMI is generally market-rate and does not require financial support from local housing programs. While this needs assessment estimates housing need at all income levels, the addressable housing need target presented by this study reflects need between 30% and 150% of AMI.

Total housing need in Glenwood Springs can be met through a variety of policy tools, including those that produce new housing and those that preserve or improve the affordability of existing housing.

Cost Burden

A household is considered housing cost burdened if it spends more than 30 percent of its gross income on housing (including rent or mortgage, plus utilities, HOA fees, property taxes, and selected other housing costs). Cost burden is an important indicator for housing stability because it represents households in unaffordable living situations. For these households, cost burden creates financial strain and the potential for displacement. Cost burden is a relevant component of housing need because it accounts for current Glenwood Springs households who need more affordable housing situations.

The number of cost burdened households in Glenwood Springs was estimated for both owner and renter households by AMI level, using the most recent available data from the U.S. Census. As shown in **Table 4** on the following page, 898 renter households and 593 owner households are cost burdened, resulting in a total of 1,491 cost burdened households, which represents 33% of all households in Glenwood Springs. Renter households are more likely to be cost burdened (44%) than are owner households (24%). Among renters, a particularly high share of households below 60 percent of AMI are cost burdened (73%).

To estimate housing need, EPS did not include every cost burdened household. This needs assessment sets a policy goal of taking 50 percent of cost burdened households, or reducing cost burden by half. The reason for using 50 percent instead of all cost burdened households is that it is unrealistic and impractical from a policy perspective to change the housing situation of every cost burdened household, as many households may not want to move out or enter a different housing situation. Using this goal of reducing cost burden by 50 percent, the total housing need resulting from cost burden in Glenwood Springs is 746, and the housing need between 30% and 150% of AMI is 381.

Table 6. Cost Burden by AMI, Glenwood Springs, 2021

Cost Burden by AMI	Cost Burdened HHs	Share of total HHs	Cost Burdened HHs
Renter Households			
Under 30% AMI	373	72%	187
30% to 60% AMI	352	73%	176
60% to 80% AMI	68	25%	34
80% to 100% AMI	36	18%	18
100% to 120% AMI	7	12%	3
120% to 150% AMI	10	12%	5
Above 150% AMI	52	12%	26
All Renter Households	898	44%	449
Owner Households			
Under 30% AMI	126	67%	63
30% to 60% AMI	116	45%	58
60% to 80% AMI	63	31%	31
80% to 100% AMI	51	26%	25
100% to 120% AMI	24	14%	12
120% to 150% AMI	36	14%	18
Above 150% AMI	178	14%	89
All Owner Households	593	24%	297
Total Cost Burdened Households	1,491	33%	746
Total Cost Burdened HHs between 30% and 150% AMI	762	35%	381

Source: U.S. Census; Economic & Planning Systems

Vacant Jobs

The second component of current housing need is vacant or unfilled jobs. Unfilled jobs are a key source of housing need because they are directly tied to the functioning and well-being of the local economy in Glenwood Springs. When jobs are unfilled, businesses are unable to fully operate, which has negative effects on business owners and on quality of life for local residents who patronize and rely on businesses in their day-to-day lives. It is clear that a lack of affordable housing is a major cause of job vacancies, as many potential employees are unable to live near these vacant jobs in Glenwood Springs due to prohibitively high housing costs. To fill these jobs, more housing is needed.

EPS estimated housing need from vacant jobs using data from the Colorado Department of Labor and Employment, which tracks job listings in municipalities across the state. Data on vacant jobs in Glenwood Springs was taken at the beginning of 2023 and was organized by AMI level.

As shown in **Table 5**, there are a total of 988 vacant jobs in Glenwood Springs, most of which are at wage levels below 80 percent of AMI. Translating vacant jobs to housing demand required two additional adjustments. First, a jobs per person factor of 1.3 was applied to the number of vacant jobs, accounting for people who hold multiple jobs. This number was then divided by 1.6 to account for an average of 1.6 jobholders per household. The resulting number represents total housing demand from vacant jobs.

This needs assessment sets a policy goal of filling 100 percent of vacant jobs. As a result, filling vacant jobs generates a total housing need of 419 units in Glenwood Springs between 30% and 150% of AMI.

Table 7. Vacant Jobs by AMI, Glenwood Springs, 2023

AMI Category	Vacant Jobs	Jobs per Person	Jobholders per HH	Housing Need
Under 30% AMI	90	1.30	1.60	43
30% to 60% AMI	482	1.30	1.60	232
60% to 80% AMI	213	1.30	1.60	102
80% to 100% AMI	124	1.30	1.60	60
100% to 120% AMI	39	1.30	1.60	19
120% to 150% AMI	14	1.30	1.60	7
Above 150% AMI	<u>26</u>	1.30	1.60	12
Total	988			475
Total between 30% and 150% AMI	872			419

Source: CDLE; Economic & Planning Systems

Commuting

The final component of current housing need is a reduction of in-commuting. In-commuters, or people who commute from another place to work in Glenwood Springs, represent approximately 78 percent of the Glenwood Springs workforce. This is a relevant component of housing need because reducing in-commuting is beneficial for the City’s economic health, for stability and quality of life for workers, and for the environment. Moreover, many Glenwood Springs workers who live elsewhere do so because of high housing costs and would prefer to live in Glenwood if affordable housing were available. To reduce in-commuting and enable a portion of the Glenwood workforce who commute in to live in Glenwood Springs, more housing is needed.

Currently, 78 percent of workers in Glenwood Springs commute in from other places. This means that only 22 percent of the workforce both works and lives in Glenwood Springs or is housed locally. To estimate housing need, we used data on commuting patterns from the U.S. Census (LEHD) and organized it by AMI level. As shown in **Table 6**, approximately 2,515 persons working in Glenwood Springs also live in Glenwood Springs. This needs assessment sets a policy goal of increasing the share of the workforce housed locally from 22 percent to 30 percent (or equivalently, reducing the share of in-commuters from 78 percent of the Glenwood Springs workforce to 70 percent). With this goal, an additional 914 workers would need to be housed locally. Accounting for an average of 1.6 jobholders per household, there is a need for 546 additional housing units between 30% and 150% of AMI in Glenwood Springs resulting from a reduction to in-commuting.

Table 8. In-Commuting, Glenwood Springs

Description	Current Status <i>a</i>	Goal <i>b</i>	Total <i>b-a</i>	Jobholders per HH	Units Needed <i>(b-a)/1.6</i>
Share Housed Locally	22%	30%			
Under 30% AMI	0	0	0	1.60	0
30% to 60% AMI	398	543	145	1.60	90
60% to 80% AMI	95	129	34	1.60	21
80% to 100% AMI	993	1,354	361	1.60	226
100% to 120% AMI	50	68	18	1.60	11
120% to 150% AMI	866	1,181	315	1.60	197
Over 150% AMI	<u>113</u>	<u>155</u>	<u>41</u>	<u>1.60</u>	<u>26</u>
Total	2,515	3,429	914	1.60	572
Total 30% to 150% AMI	2,401	3,275	873	1.60	546

Source: LEHD; U.S. Census; Economic & Planning Systems

Future Demand ('Keep-up')

While reducing cost burden, filling vacant jobs, and reducing in-commuting are focused on addressing current housing need, the last component of this needs assessment estimates future housing demand, or 'keep-up' needs. Future housing demand accounts for the housing demand generated by employment growth in Glenwood Springs over the next 20 years. For Glenwood Springs to sustain its workforce at current levels, it is important to accommodate this future housing demand from employment growth.

Estimates of future housing demand were based on employment growth projections for Garfield County from the Department of Local Affairs (DOLA) and are shown in **Table 7**. Using these projections, EPS estimated that Glenwood Springs will capture 45 percent of countywide employment growth, which is in line with historic trends. Because only a portion of these new employees will live in Glenwood Springs, EPS applied a commuting factor to local employment growth. Consistent with the proposed policy goal of housing 30 percent of the workforce locally, we have set a target that 30 percent of future new employees will also live in Glenwood Springs. After adjusting for multiple jobholders and an average of 1.6 earners per household, this results in new housing demand of 651 units over the next 20 years, or 33 units annually.

Table 9. Future Housing Demand, Glenwood Springs, 2023-2043

Description	Factor	2023	2033	2043	2023-2043	
					Total	Ann. #
Factors						
Earners per HH	1.60					
Jobs per Employee	1.30					
Jobs Projection						
Garfield County		33,827	38,490	43,797		
Glenwood Springs	45% capture	15,222	17,321	19,709	4,487	224
Glenwood Housing Demand						
<u>1 - From Local Job Growth - Current Commuting Rates</u>						
Glenwood Jobs		15,222	17,321	19,709	4,487	224
Live in Glenwood	22%	3,349	3,811	4,336	987	49
Employees	1.30	2,576	2,931	3,335	759	38
Households	1.60	1,610	1,832	2,085	475	24
Glenwood Housing Demand						
<u>2 - From Local Job Growth - Target Commuting Rates</u>						
Glenwood Jobs		15,222	17,321	19,709	4,487	224
Current Housed Locally	22%	3,349	3,811	4,336	987	49
Target Housed Locally	30%	4,567	5,196	5,913	1,346	67
Net Additional Housed Locally		1,218	1,386	1,577	359	18
Employees	1.30	937	1,066	1,213	276	14
Households	1.60	585	666	758	173	9
Total Housing Demand		2,195	2,498	2,843	650	33

Source: DOLA; BLS; Economic & Planning Systems

Summary

To meet current housing needs, Glenwood Springs needs an additional 1,792 housing units (with some of the need potentially addressable by making a portion of the existing housing stock more affordable). A need for 746 additional units is created by reducing cost burden by 50 percent, a need for 475 additional units is created by filling 100 percent of vacant jobs, and a need for 572 additional units is created by increasing the share of the workforce housed locally from 22 percent to 30 percent.

After accounting for income level, total target need between 30% and 150% of AMI equals to 1,346 new and/or more affordable units. These estimates are summarized in **Table 8**.

It is important to note that this housing need can be met through a combination of new affordable housing development and the preservation of existing housing stock. The need for 1,346 additional units does not necessarily require building 1,346 new units. Policies that preserve the long-term affordability of existing housing units, such as buy downs, land trusts, rental rehab, and mobile home preservation, can be used to meet a portion of this housing need. It is ultimately up to the City to determine the policy tools that will be implemented to meet housing need.

Table 10. Summary of Current Housing Needs

AMI Level	Cost Burden	Unfilled Jobs	In Commuters	Total
Under 30% AMI	249	43	0	293
30% to 60% AMI	234	232	90	556
60% to 80% AMI	65	102	21	189
80% to 100% AMI	44	60	226	329
100% to 120% AMI	15	19	11	45
120% to 150% AMI	23	7	197	227
Above 150% AMI	115	12	26	153
Total	746	475	572	1,792
Need between 30% and 150% AMI	381	419	546	1,346

Source: Economic & Planning Systems

Looking at both catch-up and keep-up demand, Glenwood Springs needs 1,792 housing units to meet current housing needs and 650 housing units to meet future housing demand over the next 20 years. Combined, Glenwood Springs needs 2,442 units of housing over the next 20 years or 122 units annually.

Within the target range of 30% to 150% AMI, there is a current housing need of 1,346 units and a future housing need of 512 units. Combined, Glenwood Springs needs 1,858 units of housing between 30% and 150% of AMI over the next 20 years, or 93 units annually. These estimates are summarized in **Table 9**.

Table 11. Total Housing Need by AMI, Glenwood Springs

AMI Level	Current Need	Future Need	Total Need	% of Total	Annual Need
Under 30% AMI	293	65	358	15%	18
30% to 60% AMI	556	145	701	29%	35
60% to 80% AMI	189	13	202	8%	10
80% to 100% AMI	329	188	517	21%	26
100% to 120% AMI	45	64	109	4%	5
120% to 150% AMI	227	102	328	13%	16
Above 150% AMI	<u>153</u>	<u>73</u>	<u>226</u>	<u>9%</u>	<u>11</u>
Total	1,639	650	2,442	100%	122
Total, 30% to 150% AMI	1,346	512	1,858	100%	93

Source: Economic & Planning Systems

4. Public Engagement

As part of this Strategic Plan Update, the EPS and RRC team, along with City staff, conducted public engagement and outreach. The goal of the public engagement was to gather feedback from members of the public on the specific housing policy tools presented in the plan, and to get a sense of public sentiment on housing issues in Glenwood and what the desired role of the City is in addressing these issues.

The centerpiece of public engagement for this project was a public open house. The consultant team, in cooperation with City staff, held a public open house on Monday, February 13th at the Glenwood Springs recreation center, offering an afternoon session and an evening session that in total drew over 50 people. At the open house, the team presented boards with information on each policy tool and project background, which attendees could leave comments on with sticky notes. In addition, the team provided a survey that over 40 attendees filled out. The materials presented at the open house as well as the survey were made available online for people who could not attend the open house.

The open house gave the consultant team a significant amount of feedback on the housing ideas in this plan. A summary of the open house is provided below.



Open House Summary

Overall, the open house was constructive and insightful. Many attendees had a positive attitude towards the City's efforts and were curious and willing to share their ideas on housing. There is a general sense of urgency around housing issues in Glenwood and the perception that the City has a major role to play in addressing them. At the same time, there is an appetite to see implementation and results – the public wants to see progress and housing programs/policies that work, and wants to hold the City accountable for their impact.

The team summarized the sentiments we heard from the public on each policy tool and sentiments on housing policy more generally. The summary is based on a combination of what people wrote in the survey, the comments people provided on the boards, and what we heard in conversations. We have also summarized the results from a few specific survey questions. The summary is shown below:

General Thoughts

- Encourage valley-wide collaboration on housing issues and form partnerships with other jurisdictions.
- New housing should be transit oriented and be integrated with multimodal transportation options. People want new housing but recognize that vehicle traffic is currently a problem and should be limited where possible.
- The free market is not going to deliver the housing that people need, and the City needs to prioritize affordable and deed-restricted housing.
- Housing tools should prioritize incentives over restrictions and requirements: carrots, not sticks.
- Infill and upzoning are useful approaches to encouraging more housing, especially given land constraints. Single-family homes can easily become duplexes, fourplexes, and have ADUs.
- We need to monitor progress on housing programs and see results. The community should be engaged in these efforts, not just elected officials.
- There is a need for a multifaceted approach to addressing housing needs that uses multiple policy tools.
- Protecting community character is a concern with new housing development and growth.
- There is some hesitation around additional rental housing, and a perceived need for more for-sale units so that households can build wealth.
- There is some skepticism towards density and growth, as this creates additional traffic and crowding.

Vacant Land and P3s

- Selling land to private developers has risks and can be seen as a giveaway. It is more advantageous for the City to retain ownership of its land.
- The City should engage Garfield County to donate/use land for housing development.
- Parcels near transit should be a priority for new development.
- The City should consider what the right mix of residential and commercial is in mixed-use projects so that financing for residential does not become too challenging.
- A leasing model can be effective with the right deed restrictions.

Density Bonus

- A density bonus should be codified by the City and easy to understand.
- Infill development is a priority. It could be a good policy idea to allow and incentivize ADUs, duplexes, and fourplexes in existing single-family neighborhoods.
- Integrating housing density with transit is important. Multiple people mentioned the importance of incentives for density near transit lines, such as lower parking requirements.
- Efforts at dense residential development should be paired with expanding multimodal transportation options. This reduces car dependency and traffic impacts.
- There is a need to have higher affordability requirements for projects that receive density bonuses.

Preservation

- The City needs to be even more active in limiting short-term rentals and ensuring residential neighborhoods do not become commercialized. Houses should not become hotels.
- Community land trusts are a priority and should be built up.
- It is important to upgrade mobile homes to become more energy efficient.
- There is a need to expand housing options for seniors and to enable people to age in place.
- Home repair loans are an effective policy, especially for homeowners who are lower income.
- The City should ensure that it preserves land for future housing needs.
- For the preservation of older homes, habitability, such as the presence of mold and radon, may be a major issue.

Funding

- There is significant positive sentiment towards a vacancy tax and short-term rental fees. This reflects frustration with second homes and absentee ownership.
- An attractions tax, targeted at the hot springs and Glenwood caverns, is also an attractive option for funding.
- General hesitancy towards an occupational privilege tax (head tax). There is a worry that this could discourage hiring and harm both businesses and employees.
- General hesitancy towards higher property taxes.
- The City should be careful with adding fees and taxes, as this may stifle development and economic activity.
- The City needs to have a clear plan on how funding will actually be used by the City. The public wants to see results and accountability.

Key Survey Questions

- On a scale of 1 to 5 (with 1 being the least and 5 being the most), how involved should the City be in addressing Glenwood's housing needs?
 - o Among 40 responses, there was an average score of 4.5.
 - o This shows that attendees see the involvement and role of the City as crucial.
 - o Only a few people assigned a low score, which means that only a few people see a limited role for the City.
- What do you think is a higher priority for Glenwood: preservation of existing housing stock or the production of new housing stock?
 - o 13 people said preservation, 10 said production, and 8 said both.
 - o Indicates that there is an appetite for an approach that uses both preservation and production policy tools.
- Out of all the policy tools you have seen tonight, which is the least appropriate for Glenwood?
 - o Many respondents indicated that all of the tools are appropriate, depending on the context. There is a general appetite to see all the tools utilized.
 - o Density bonus had the most responses, indicating that it is seen as the least appropriate.
 - o Vacant land/P3s and funding sources also had a handful of responses indicating it is not appropriate.

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5. Recommendations and Implementation

This section provides specific recommendations for each of the four policy areas addressed in this plan and for the needs assessment. These recommendations are intended to guide future efforts by the City to implement policy changes and new policy tools.

► **Development of Vacant Land and Public Private Partnership Opportunity**

- 1. For vacant City-owned parcels, identify those that are the highest near-term priority for housing development, and those that represent a long-term land reserve for affordable housing.**

The existing analysis from City staff on City-owned land will help inform this. See Figure 1 and Table 1 of this report for an inventory of City-owned vacant parcels. The Vogelaar site has been identified by staff as a priority site.

- 2. For each parcel that is a near-term priority, describe key characteristics and provide a summary of desired density, product type, affordability, and tenure of future residents. In addition, determine whether the development potential of each parcel is best achieved through a sale or a ground lease**
- 3. Establish an RFP framework with transparent evaluation criteria for the proposed housing developments.**
- 4. Cultivate relationships with prospective developers and contractors to establish a pool of potential RFP respondents.**
- 5. Identify additional incentives that the City would be willing to provide for housing on the City-owned parcels identified for development, as these may be needed to attract developer interest.**

The use of these funds could be stipulated within the RFP solicitation, or could be introduced during project refinement after a developer has been selected.

- 6. As appropriate, the City should develop and maintain some form of ownership of the housing built on city-owned vacant land.**

This removes a key barrier to development of these sites, as finding a suitable developer is a challenge. Moreover, this gives the city more control over the development and the long-term use of the land.

► **Preservation**

1. Prioritize preservation policy tools for near-term implementation.

Mobile Homes

- Prioritize the preservation of mobile home parks. Mobile homes are a key part of Glenwood’s naturally occurring affordable housing inventory, while residents are vulnerable to displacement. With recent State legislation expanding policy tools and funding, the City should support mobile home park preservation and improve housing stability for residents.
 - Expand existing information on mobile home park inventory to include zoning and land use potentials, assessed valuation, infrastructure condition, and resident concerns.
 - Identify mobile home parks with the highest risk of resident displacement and with the greatest need for assistance.
 - Implement policies and programs to stabilize mobile home park residents. These can include land use overlays, supporting resident purchases of mobile home parks, support for park infrastructure and maintenance, and connecting park residents with legal and technical assistance.

Hotel conversions

- Continue efforts around identifying hotels for acquisition and conversion to housing.

2. Community land trusts

Determine whether to partner with a statewide/regional CLT or to form a CLT locally. Additionally, identify parcels for land acquisition/donation.

3. Recognize the potential for other preservation approaches to be implemented at a later date, including, rental assistance, apartment acquisition fund, relocation assistance, and home repair loan program.

4. Estimate costs associated with the higher priority preservation actions.

Develop a Sources and Uses analysis to test the depth of current funding available relative to the need. Commit funds and/or seek additional funds as needed.

► Density Bonus

- 1. Update the zoning code to enable up to three units on lots currently zoned for single-unit housing, requiring deed restrictions for additional units.**

Ensure adequate parameters on new units related to parking, design, and other neighborhood compatibility factors that accommodate the additional density within established neighborhoods and minimize impacts. For new units, require deed restrictions such as resident occupancy, local employment, and potentially income limits.

- 2. When major development occurs on commercial corridors, seek opportunities to increase development potential.**

This strategy should be employed as opportunities arise.

- 3. Update code to define the affordability parameters required to receive a density bonus.**

Note that there may be various levels of affordability requirements, reflecting the level of public funds invested in the housing stock. Each should be presented in the context of the current inclusionary housing ordinance.

- 4. Consider a density bonus policy that applies to residential projects below the 10-unit threshold set by the current inclusionary housing ordinance.**

- 5. Update the existing density bonus to clearly define policy parameters and how developments can achieve it.**

Raise awareness of this tool in the community.

► **Funding Sources**

- 1. Estimate the annual revenue potential of the recently passed lodging tax increase dedicated for affordable housing (2C).**
- 2. Seek to leverage state funding sources for affordable housing, including funding recently allocated by the state legislature and upcoming funding that will be made available through proposition 123.**

Ensure that Glenwood Springs is eligible to receive this funding.

- 3. Establish a five-year plan that projects revenues from local sources, leverages those against potential state and federal sources, and provides a targeted estimate of resources.**

Develop a working set of assumptions related to potential expenditures and develop plans to address gaps as needed. Consider ways to expand funding sources locally.

► **Needs Assessment**

- 1. Glenwood Springs has a total housing need of 1,858 units. This housing need is based on the following goals:**
 - Reduce the number of cost burdened households in Glenwood Springs by 50 percent, which leads to a need for 381 units.
 - Provide housing sufficient to fill 100 percent of vacant/unfilled jobs in Glenwood Springs, which leads to a need for 419 units.
 - Increase the share of the workforce housed in the City from 22 percent to 30 percent, which leads to a need for 546 units.
 - Accommodate future housing demand generated by employment growth over the next 20 years, which leads to a need for 512 units.
- 2. Categorize housing need into need served by production and need served by preservation.**
- 3. Update the housing needs assessment every five years to monitor and reflect changing economic and market conditions.**