COPING WITH THE UNCERTAINTIES OF GROWTH IN TELLURIDE COLORADO

BY

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(B.A. Colgate University, 1976)

Submitted in Partial Fulfillment of the Requirements for the Degree of Master in City Planning

at the Massachusetts Institute of Technology
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Signature of Author _____
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Certified by _____
Thesis Supervisor

Accepted By _____
Chairman, Department Committee

Abstract

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Submitted to the Department of Urban Studies and Planning on May 23, 1980 in Partial Fulfillment of the Requirements for the Degree of Masters in City Planning.

This thesis is a report prepared for the Town of Telluride Colorado. The report addresses the uncertainties of growth in the Telluride area and ways in which the town government and community can deal with it. It was found that the community desires a measure of certainty about the rate with which the town and region will grow as well as some assurance that current residents will be able to afford to continue living in the community. Three actions for dealing with growth are proposed- a triggered building permit system; a capital facilities program that ties the provision of facilities to the timing and location of development and an inclusionary housing policy.

Thesis Supervisor: Philip B. Herr
Associate Professor
Department of Urban Studies and Planning

Acknowlegements

This report is dedicated to the people of Telluride and in particular the town government who will face increasingly complex land use decisions in the years to come. I wish to thank Phil Herr for his time, comments and guidance and for helping me weather a few storms that arose along the way. Ray Belknap and Gary Hack also deserve credit for their comments and reading of many drafts.

Four people in particular deserve special thanks- David Cooper for living through this ordeal, Steve Wolf for his editorial assistance and Randy King and Joe Crain for keeping me abreast of Telluride happenings in my absence.

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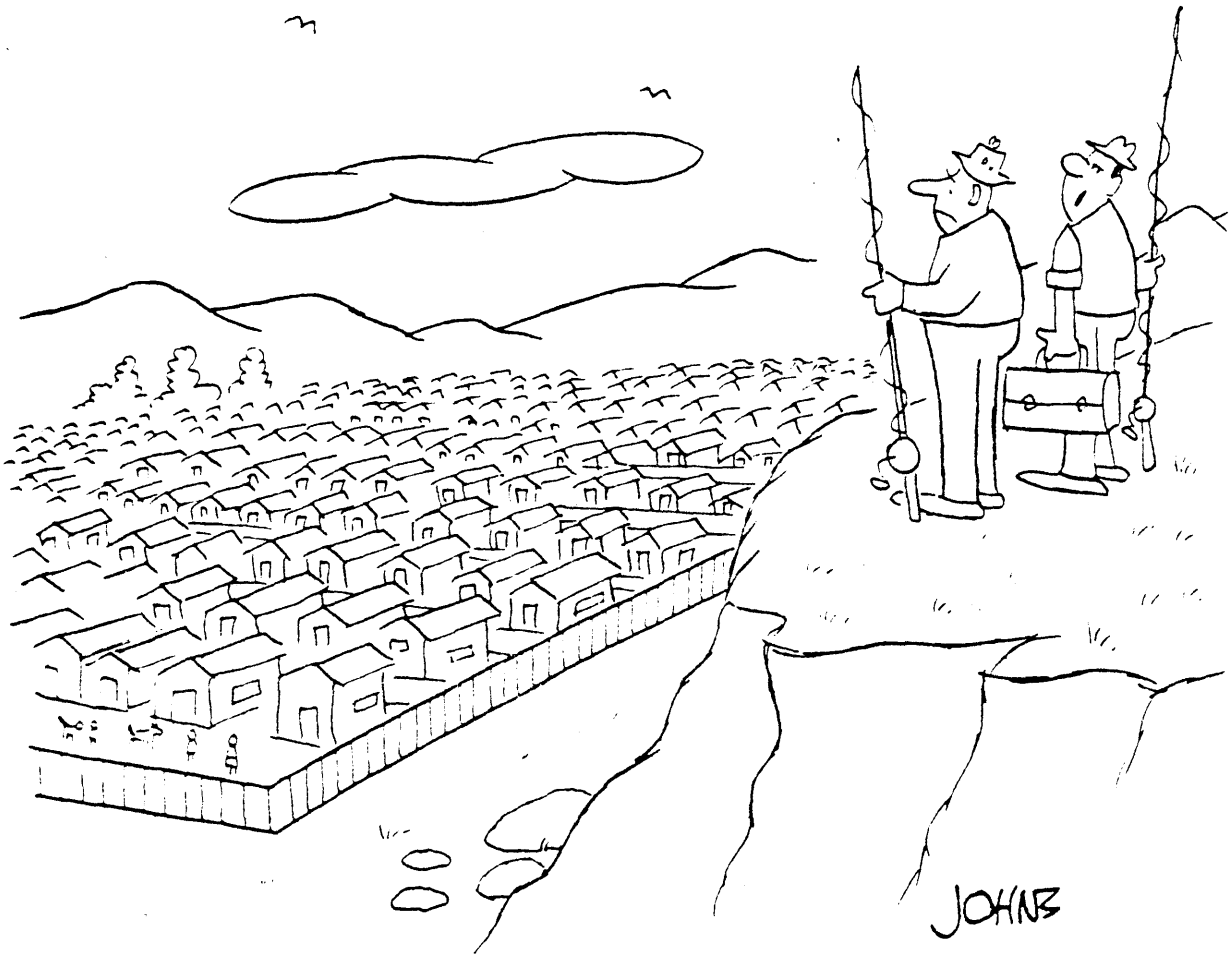


"Is that the nice little spot you were telling me about?"

I.
EXECUTIVE SUMMARY

This report addresses the uncertainties of growth in Telluride, Colorado, and ways in which the town government and the community can deal with it. In order to propose actions for coping with growth, the report first defines the growth problem and identifies the different community attitudes toward it. Next, the report explores future uncertainties, demonstrating that characteristics of the physical setting, the economics of land development and the recreational industry serve to limit what Telluride could become. This analysis is the basis of three future growth scenarios, spanning the range of what is likely to occur. The scenarios assist in providing town government with some direction in terms of where they should concentrate their efforts to manage growth The report then presents an explanation of why growth management controls are indeed necessary for a town of just over 1,000 people. The conclusion reached is that the community desires a measure of certainty about the rate with which the town and region will grow as well as some assurance that current residents will be able to afford to continue living in the community. In short, there is need for more predictability in a rapidly changing environment.

This need for predictability suggests that a growth management system which controls the timing of development and type of development should be considered. None of the current town and county regulations directly conrols the rate of development. A capital facilities program for the soon-to-be-developed unincorporated area immediately to the west of town has yet to be established. With minimal zoning and a lack of public services, development in this area (known as the Telluride Region) is likely to be scattered and difficult to service. Furthermore, few if any existing regulations encourage the development of low/moderate cost housing.

The conclusion drawn, in light of community concerns about growth is that the development of a growth management system should strive to achieve these goals:

1) The rate of development should allow the community and government to assimilate, adjust and monitor social and environmental change;
2) The timing or rate of development should allow for effective and efficient delivery of public facilities and services; and
3) The type of development that occurs should be sufficient in price range and type to ensure that current residents can continue to afford to live in the Telluride area amoung people of similar social backgrounds.

Based on these goals, the report proposes three preferred actions. These actions suggest a triggered building permit system to control the rate of development in town (Action 1); a phased growth management system for the region which ties the provision of capital facilities to the timing and location of new development (Action 2) and a fair share housing ratio which ensures that a certain percentage of low and moderate cost housing is provided in the region (Action 3).

The report recommends that the town consider and discuss all three actions in conjunction with alternative options which the community may suggest. Rather than simply developing and implementing the preferred actions as written, the Town Manager should select citizens, repesentative of community interests to serve on a growth management task force. First, this task force should consider: A) The development and implementation of a system to control the timing of development along the lines of Action 1 and B) The possibility of establishing a regional authority. Following this, attention should be directed toward a capital facilities program which ties the rate and location of development to the provision of public facilities (Action 2) and a fair share housing ratio for the region (Action 3).

II.
INTRODUCTION TO TELLURIDE'S GROWTH PROBLEM

At the end of a box canyon high in the San Juan Mountains lies the historic mining town of Telluride, Colorado. Telluride is unique in Colorado and the western United States. What other town of 1,200 people can claim the state's steppest ski trails; the filming of a Butch Cassidy movie on its Main Street (because the story took place there); the world's largest gold-bearing quartz vein; and an annual film festival some call the equal of Cannes?

But Telluride is changing, and the change is too much for some residents to bear. In 1960, 1,000 people lived there, most of them employed by the Idarado Company in its nearby mine. By 1970, following layoffs at the mine, Telluride's population had dropped to 436. Residents at that time estimated that only a handful of the townspeople were under 35 years of age. Today, despite the fact that Idarado closed its Telluride works in 1978, 1,200 live in town, three times as many as did ten years ago.

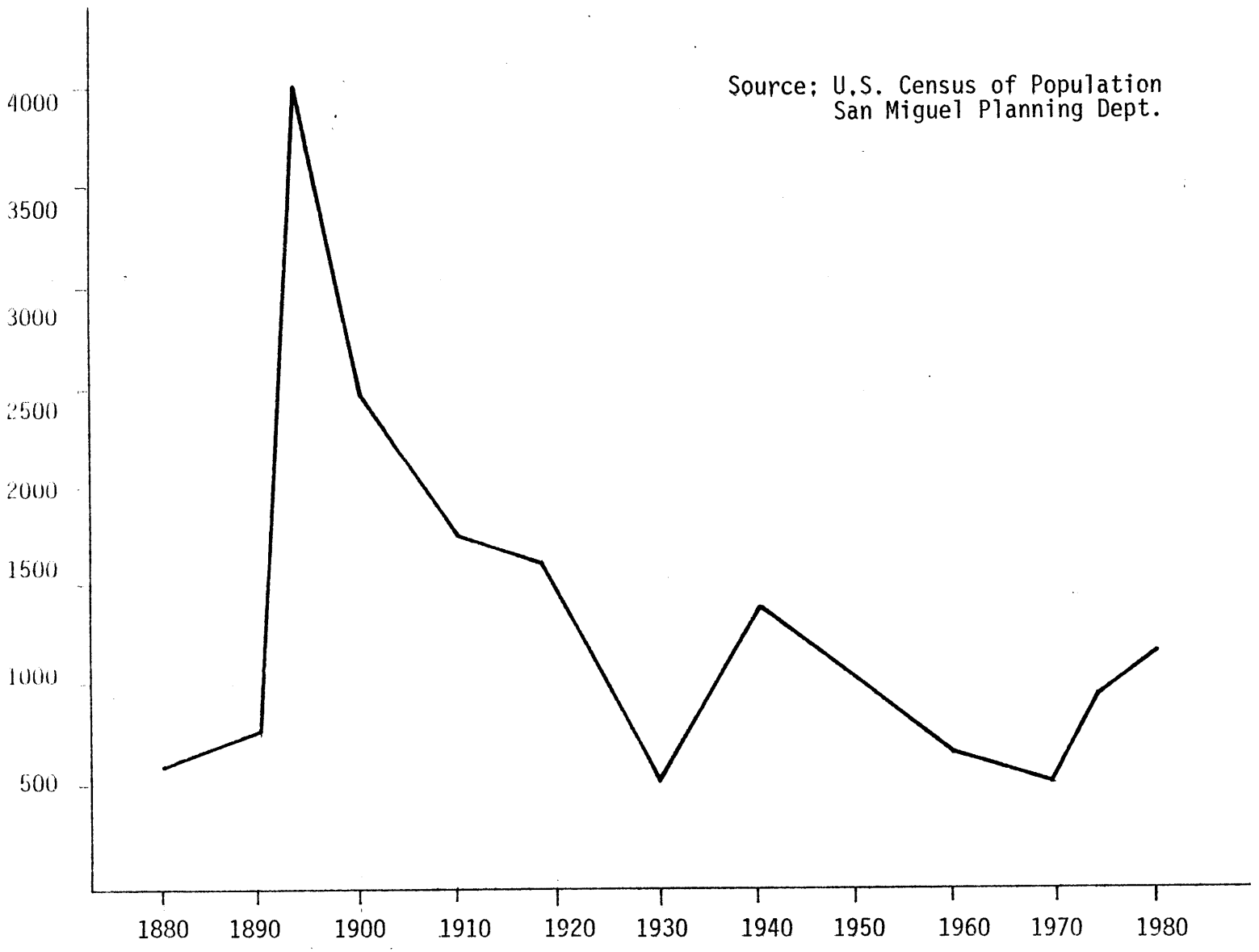


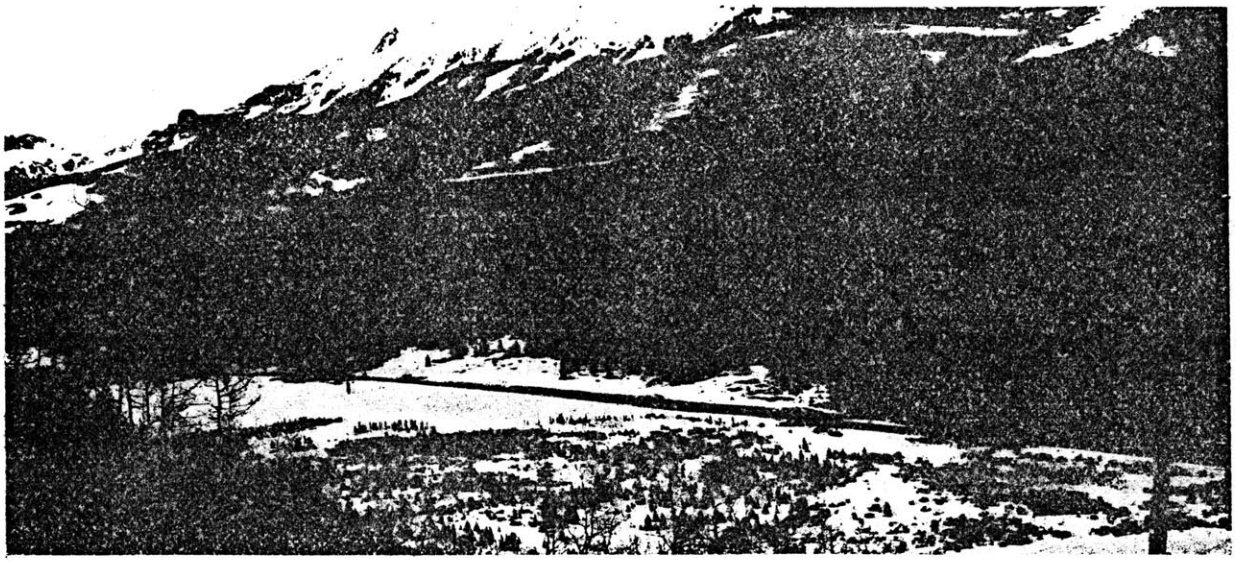
FIGURE 1: POPULATION 1880-1980

Another change has taken place over the last ten years. In 1970, 2500-square-foot lots in Telluride could be purchased for back taxes; today they sell for $40,000-45,000. In the late 1960s, most houses in town were selling for $2500; today -- assuming one can find a house of any size for sale -- costs run well over $100,000. It is no secret that housing prices elsewhere in the country rose dramatically over the same ten-year period. The reasons generally given for that increase are inflation, the higher costs of labor and material, and sometimes even government regulation. In Telluride, however, the primary cause of growth and the subsequent dramatic rise in housing costs can be traced to a single event, the 1969 announcement of plans for a new ski area "bigger than Vail, as large as Aspen Highlands, Ajax and Buttermilk combined, and twice as big as Mamouth in California."

Although a modest ski area exists today in Telluride, it is not of the magnitude promised over a decade ago by its promoter -- although new plans are in the works. To date, the ski area has never shown a profit, and summer tourism still brings the local economy money equal to that of its winter cousin. Nevertheless, the primary concern of Telluride residents, visitors, developers and politicians is "growth," and the problems many people feel it might bring.

Currently, residents and newcomers alike are reacting emotionally to some concept of "what Telluride could become." Most residents believe that in the next ten years population will at least double. Some fear that the town staff's

estimate that someday the town could someday reach a maximum potential population of 12,148 -- based on existing zoning and land use policies-- will become reality all too soon. Another segment of the community feels that "Telluride has really had no development," and if it is to become a great winter resort, more lodging facilities, recreational amenities and employee housing will be needed.



Although there is no agreement about what the future community should be like, the recreational expansion of the last ten years suggests to Telluride residents the type of growth-related problems they can anticipate. During this time, heavy demand for existing housing stock has caused a ten-fold rise in housing costs. An inadequate supply of moderate-cost housing has become an impediment to accommodating new businesses and resultant jobs. The need for

improved water and sewer facilities has surpassed the town's ability to finance them. In addition, there have been competing demands for new or increased public services in other areas. New residents are clamoring for paved roads, better snow removal, more frequent trash collection, street lights, town parks, and more open space. The feverish demand for new and better public services has meant an increase in taxes and user charges. These rising costs have proved especially burdensome for long-time residents on fixed incomes. Residents have also seen their neighbors "priced out of town;" inflated land values have affected the cost of almost everything in Telluride, forcing many people to move "down valley" to mining or agriculturally based towns like Norwood or Montrose. The businesses along Main Street have begun to serve a different clientele -- the wealthy and sophisticated. People remark that the compositional change in the population will destroy the community. "The newcomers are only buying a piece of land," runs the argument, "they are not here to work or live. They will not contribute to the community."

Acutely aware of how other areas in the state have fared in the wake of resort development, the community sees the need to "plan ahead." Yet there is no agreement about what government should do to cope with growth.

My assessment of the growth problem, which in many ways is a synthesis of citizen views, is as follows. First, there is confusion. The confusion is about what more growth will

mean for the community. The Telluride area is not growing in a steady and predictable manner. The overriding concern is not the amount of growth expected to occur, but rather the timing of development. In the past ten years the rate of growth in town has ranged from a high of 49 percent to a low of 3 percent. Most residents seem to want a reasonable and steady rate of growth. There is a need to avoid periods of rapid growth , since it is difficult to service development during these times and the rate of social and environmental change is often overwhelming. There seems to be general agreement that the construction of large development projects rather than the subdivision of land or construction of small building projects contributes to the excessive growth rate.

The second problem is that of development outside the town's boundaries. Refered to as the "Telluride Region", the 8,000 acres to the immediate west and southwest is the only possible area outside of town where development could occur. Beyond that area lie National Forest lands. The problem is that almost no public facilities or services currently exist in this unincorporated area. Under Colorado law, home rule municipalities like Telluride, are empowered to serve water users beyond their boundaries. Without a long term capital improvement program for the region it may become increasingly difficult to provide and pay for service in this area. In addition, without water and sewage treatment facilities, there may be groundwater pollution problems and insufficient water supplies, since new developments have tended to rely on septic

tanks and backyard wells. Development in the region is also likely to be scattered, giving rise to servicing difficulties, road congestion and adverse visual impacts.

The third problem is that of housing, in town and in the region. With the artificially inflated price of real estate and reduced availability of long-term rentals, employers are having increasing difficult in hiring workers. In March of 1980, the Town Manager moved from one rental unit to another so as to provide housing for the new town planner. The San Miguel Power Company has had difficulty in hiring linemen because of the lack of affordable housing in or near town. The overriding growth problem in the Telluride area seems to be: How does a town or region plan and provide for the anticipated development when it has no idea how much will occur or when to expect it? The growth that is likely to take place- which for the most part will be related to recreation- depends to a large degree on outside forces: the national economy, the availability of fuel, discretionary income for vacations and second homes and whether or not it snows.

The intent of this report is to encouage circumspection about these three growth problem and their possible solutions. The report is written for and funded in part by Telluride's town government, although others associated with Telluride may be interested in its contents.

The idea of preparing such a report grew out of a discussion with Randy King, Town Manager, early in 1980. Since one segment of the Telluride community has been

concerned about overzealous and restrictive government regulation, and another segment has consistently demanded more regulation (specifically limitations on the number of annual housing starts), King and I felt that the issue of growth, and what could be done to guide it, should be examined -- in light of all community concerns.

Having worked with the Town of Telluride intermittently over the previous two years as a consultant, I was intrigued with the concept of growth management for Telluride. During those two years, I had observed a change in government structure, from statutory to home rule; the closing of the mine; a change in the ownership of the ski area; and a dramatic shift in the cost and type of housing being constructed. When I began work on this report, however, I questioned whether there really was a problem with growth. Residents talked expansively about growth, but, when pressed, most residents had difficulty defining the problem. The symptoms were apparent but the disease was unknown. What was clear was there was great uncertainty about the future, a dearth of data, and an increasing temptation on the part of residents to enact some sort of regulation "before it's too late."

The problem I have chosen to address in Telluride is not whether a new land management system is needed to control the type and rate of growth, but rather the various actions town (or county) government could take to cope with the growth problem. It is assumed throughout this report that Telluride,

and perhaps even the region, will continue to grow. Thus, I am in agreement with the town and county governments' assessment that the likelihood of the region losing population is assumed to be very low, though possible actions to cope with growth are to a degree, responsive to this possibility.

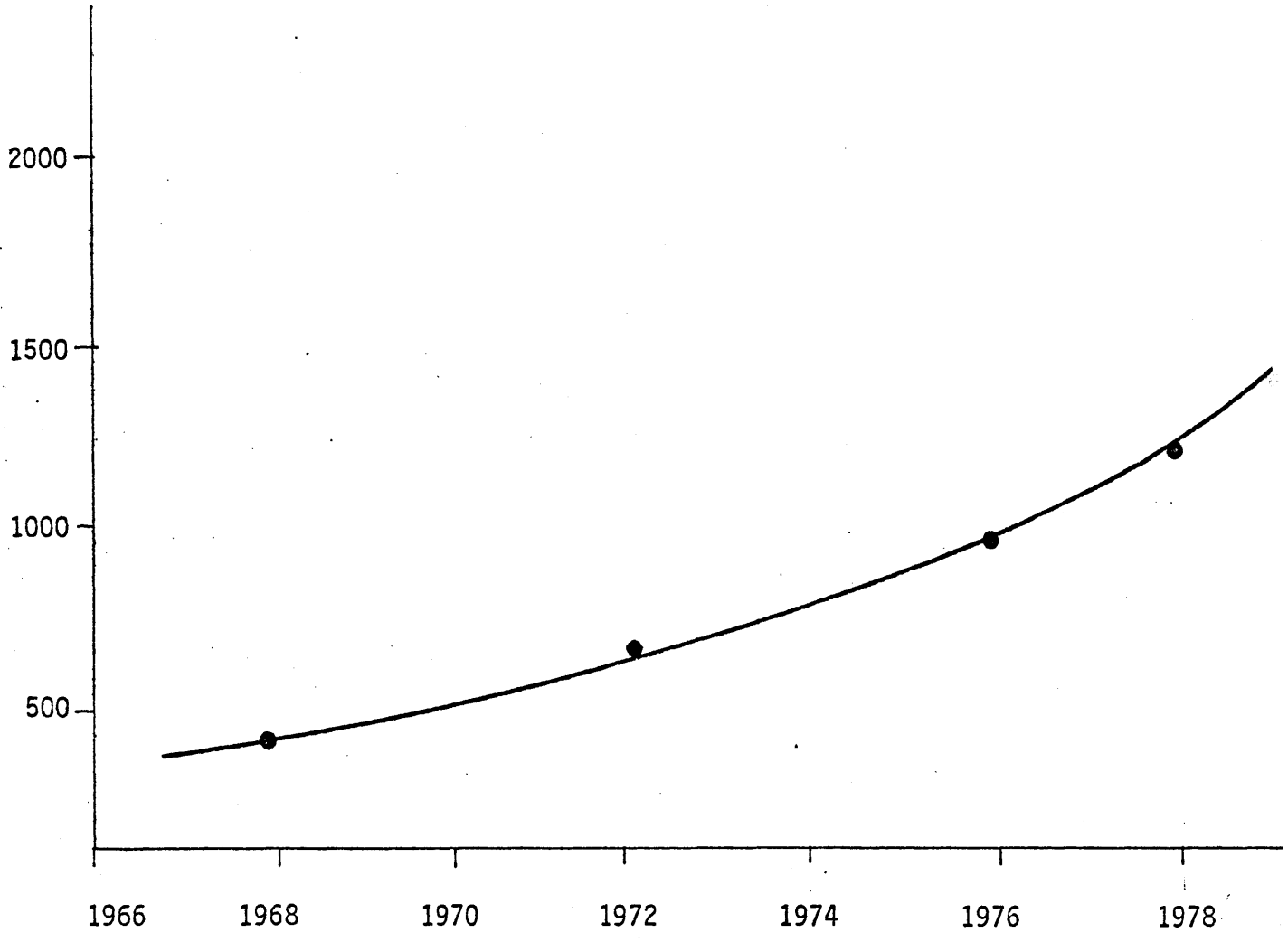


FIGURE 2: POPULATION 1966-1978

The Telluride Times

TELLURIDE, COLORADO, A NATIONAL HISTORIC LANDMARK • VOLUME 18 NUMBER 9 JANUARY, 17, 1

Size and cost of town government exa

by Katharine Otto

Is Telluride town government burgeoning? The tentative conclusion after hours or research into personnel files and budgets for the last five years is: it doesn't seem to be burgeoning, but it's costing more.

In 1978 the town of Telluride had eleven full-time employees, 11 part-time employees and two CETA workers (One full, one part-time). By 1979 the town

Gary Beardsworth, will hold a full-time position in the planning department

arrives works three timers— two operator time dep departm CETA-p officer. Part-ti

The 1975, public works tor Hughes

Bo

The sp authorize obligatior of Tellur failed to was 184- issue.

"The s School pr Brooks sa Telluride Hum Brool possi woul Land its us cente direc (ann coun their proc outg night were houre Th

The numbers talk

To Jerry Vass, Esquire:

Take the cotton out of your ears, here come some numbers. Contrary to singular belief, P&Z has been talking numbers for quite some time. Early this the town staff developed a ntial for

would make Telluride a place to live." P&Z furt posed a four-point pro attempt to reduce tho bers. That program mended economic st that we do not destro tential economic vita ducing the number space acquisit ning

HPC gets first look at 64 unit Backman Vil

Telluride's Historic tion Commission deal first major proposed Village developme evening as Durang Chip Lenihan pre plans for a 64-unit four lots west of t Lodge. The pro the northe section the half-t nanage at llluride a.m.

Employee housing group gets resu

One-half million buys Coonskin Inn

"Under a Decree of Foreclosure entered September 13, 1979, I am ordered to sell the Coonskin Inn. Do I have a bid?"

Thus spoke Sheriff Fred Ellerd to the gathered throng around the courthouse steps at 10 a.m. Wednesday.

Bidding started at $233,337.-16, the exact amount needed to pay off Coonskin Properties' creditors, including the Bank of Telluride, holder of two notes totalling $100,000 and Alcoa Construction Systems, Inc., holder of the first deed of trust in the amount of $50,000. From there, the bids crept up by five and ten thousand dollar increments to $550,000 the final bid of Oscar Liu Chen Tang, representing RETAserv Corporation, a Delaware corporation, and the

ill-fated, 300-bed inn w

The only bidder pus was Arthur Zimmett, a based developer appar ing in partnership railroad depot prope Ray Mayer.

Asked later when th would be paid, Ellerd writing the checks ri The remainder of th price will be held in e the redemption peri which Coonskin Prop can buy the inn back the outset Ellerd d redemption period months, although h **Times** later that a been filed on behalf chaser to have it re days, the normal tin

County rejects Telco "second city" reque

Telluride Company Chief Executive Ron Allred told San Miguel Commissioners Tuesday his new proposal for a huge, Metro service district would provide "one integrated water system" for the Company's mountain development complex, but commissioners saw it as the beginning of a second city.

Allred, along with Telco officials Jim Noenning and Peter Ricciardelli, quickly backed off

Allred told comm

Commissione planners told A cess is backward criticism. Com Hale questioned establishing a "for private pu vice which devo quired to provi Telco was "ess up town services exists."

III.
UNDERSTANDING DIFFERENT COMMUNITY ATTITUDES ABOUT GROWTH

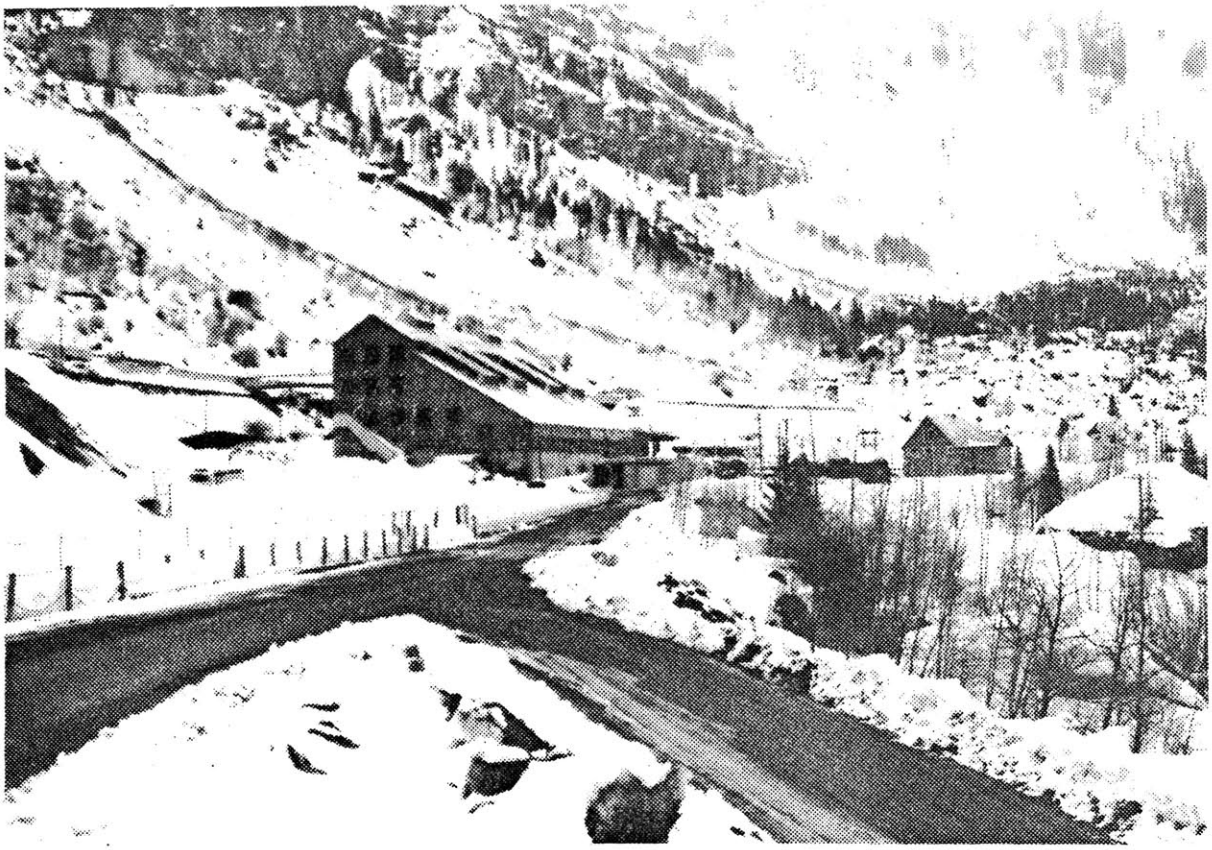
Community attitudes toward growth have shifted radically in the past ten years. The political climate has changed from one supportive of growth, to one inclined toward controlling growth, to one of outright hostility toward growth on the part of some members of the community. The impacts of growth on different segments of the community can be examined from two perspectives -- that of residents vs. newcomers, or that of diverse interest groups already in town or likely to arrive. In order to develop a set of actions to cope with growth and its uncertainties, it is first necessary to understand how various segments of the community view the problem. Since different attitudes toward growth tend to influence people's opinions about how the government should intervene. Recommended actions to cope with the problem should reflect an understanding of differing perceptions and attempt to balance the interests of all segments of the community.

Many residents who wish to control growth in the community see the problem as a conflict between what existing residents want for their community and the desires of

newcomers. Many residents have become ambivalent about the benefits of change, a shift that can be traced in shifts of opinions and actions over the past ten years. In many ways these attitudes reflect the kinds of impacts residents have been experiencing.

The announcement of a new ski area in Telluride in 1968 was received favorably by residents of the community, and local government fully supported early development plans and projects. A recently retired county judge, long a resident of Telluride, expressed the early townspeoples' feelings about the new resort. "I've seen the mines close and the people move away," she said, "and I know Telluride needs a shot in the arm. If the ski area or anything else would revive Telluride, I'm for it. We must grow, but we must control the growth." [1]

For a town that had experienced extreme fluctuations of economy and population, consistent growth has become an important concern. Unfortunately, in that regard, a new ski area is not much different from a mining economy. It does not naturally lend itself to the type of steady-state development that many townspeople advocate. Many of the fears residents have about new development seem to reflect the historic problems associated with a boom-and-bust mining economy -- drastic population changes, both in number and composition; land speculation; instability in housing costs; and transportation problems. (See Appendix A, The History of Development, for background on growth in Telluride.)



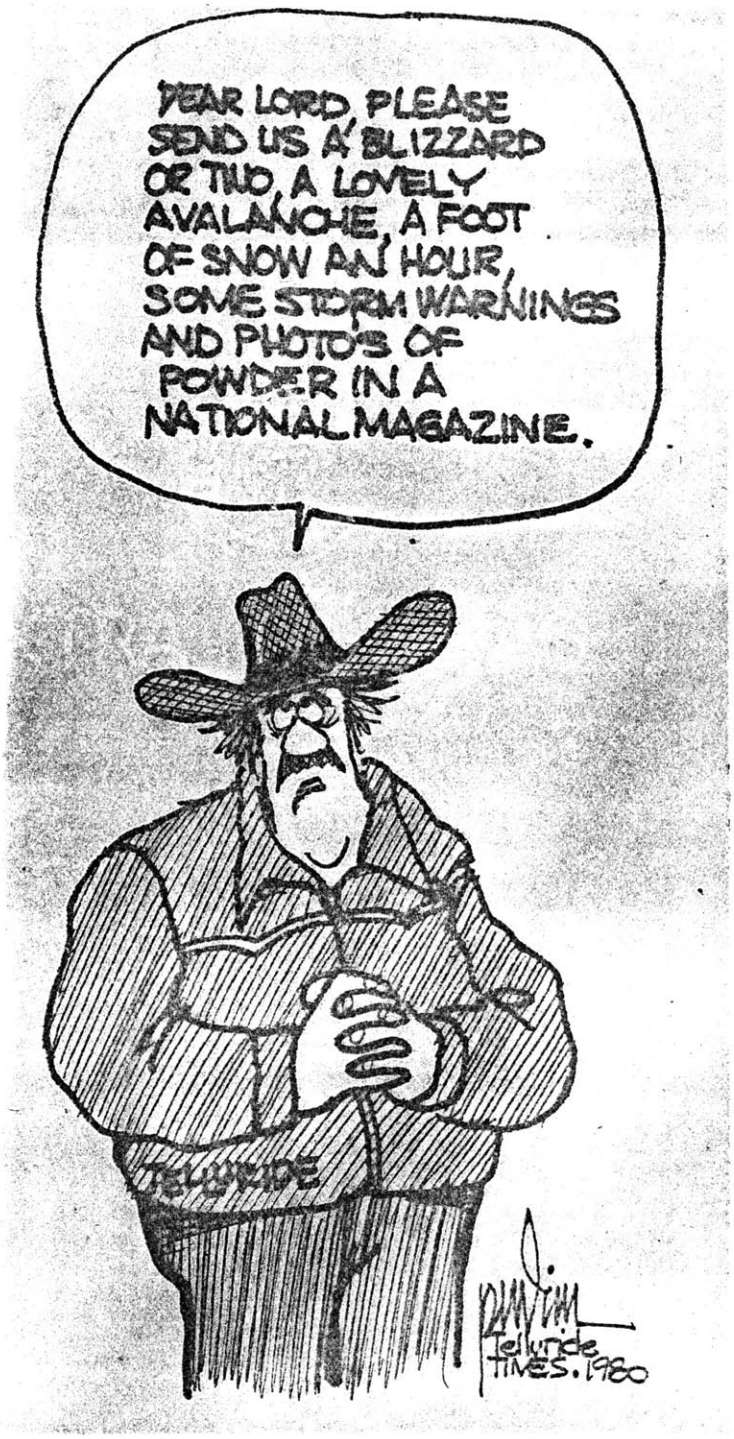
In 1972, the year the ski area actually opened, residents had begun to recognize that there were costs as well as benefits to be derived from new development. A coalition known as Citizens for Responsible Growth was then formed in 1975 to respond to the growth issue and, in particular, the perceived impacts of a new development proposal. The ostensible issue was that of the scale, density, and design of new buildings, but there were clearly other underlying concerns. People began to recognize that the type of development projects coming on line would radically change the composition and character of the community. The character of the historic district could be lost, and views of the surrounding mountains could be obscured. By 1977, it was the experience of the town that developers did not necessarily follow through on their stated good intentions. Many projects which were planned for the town never materialized, and some of those that did get built allegedly were not completed according to plans. It became apparent that development was not as inevitable or as easy as many had thought.

Since 1968, there has been a shift in the way people perceive the growth problem. As residents have begun to talk about what growth means for the community, their discussions have been characterized by a sense of "us" -- current residents -- vs. "them" -- the newcomers.

For example, the establishment of the ski area and the resort-related land development it has spawned have brought more jobs and business opportunities to town, yet, the

existing residents have come to realize that it has not always been to their benefit. While the ski area and a number of service sector employers have attempted to hire local residents, most professional and managerial positions have been filled by non-locals, due in part to the fact that few residents have appropriate skills for these jobs. Although the influx of professionals has raised the average income and skill levels in Telluride, it is not clear how many previous residents have bettered their incomes or skill levels.

Growth in the community has also meant construction jobs, which now constitute over 40 percent of employment opportunities. While opportunities for permanent residents do exist, many of these jobs are filled by newcomers who only plan to stay in the community for a short time, by transients, and by employees of construction firms from other Western Slope communities. Although there are now more employment opportunities in town, resort-related development has not led to a diversification in the type of jobs available. Most are in retail trade, service, government and, to some extent, finance and real estate. Because of the proportionately higher cost of living in Telluride, the town is for the first time experiencing an imbalance between people and jobs. There are more service and low-skill employment opportunities than there are persons to fill these jobs. Accurate employment figures by economic activity are unavailable, but the imbalance is evidenced by the increase in jobs advertised in the local paper and on the radio.


DEAR LORD, PLEASE SEND US A BLIZZARD OR TWO, A LOVELY AVALANCHE, A FOOT OF SNOW AN HOUR, SOME STORM WARNINGS AND PHOTO'S OF POWDER IN A NATIONAL MAGAZINE.
TELLURIDE
Telluride TIMES. 1980

Residents have also recognized that growth in the tourist industry has not produced a diversified economy, although it has led to growth in the number and range of businesses and service establishments. Tourism is an export-based industry, and the development of resort-related accommodations and second homes has supported local retailing. More money from outside the community has been pumped into the local economy, giving rise to more service establishments. [2] Yet, this growth in the number of business establishments has not caused displacement or relocation. It has, however, promoted competition among similar establishments.

New residential development in the last four years has not substantially increased the labor force, since many of the development projects are second homes or condominiums which are occupied on a periodic basis. It has had the secondary effect of creating more construction jobs, and that has increased demand for low-cost rental units in which to house the construction workers. The effect so far of more resort-related development has been more jobs but less housing for the people who fill them. Many are correct in believing that this trend is likely to accelerate.

New residential development has brought mixed results to Telluride. It has increased the town's tax base, but it has also meant new and better public facilities. There have been social impacts as well. New housing so far constructed has in many ways failed to broaden the type or cost range of housing stock. Many residents see that the new housing is primarily

for new comers. Newly constructed residential units have been extremely costly and have been, for the most part, single-family or condominium units. As more of this stock is built, more jobs are created, placing a heavier demand on the limited supply of rental units. A 1979 housing survey showed that 69 percent of the 110 respondents rented their housing. The increasing demand for rental units has been exacerbated by condominium conversion, short-term rental of vacation homes, and conversion of second-story residential units in commercial zones to office use. These factors have combined to drive up the cost of rental units substantially. [3]

In addition to these economic impacts, residents see that the newcomers have very different values and concerns. Many of them are very wealthy, live in Telluride only part of the year, and have no children. Existing residents recognize that not only do they live with a rate of growth that is changing the status quo, but they must also live with sporadic influxes of population due to the seasonal nature of the economy and the common weekly rental period.

The events of the past 10 years have wrought profound changes in the structure of Telluride. (These structural changes are detailed in terms of types of impacts in Appendix B.) Another way to view the impacts of growth on the community is from the perspective of diverse interest groups.

The development that has occured thus far in Telluride has effected all segments of the population differently. Some individuals have had windfall profits because they bought

property before land values soared. Others have had to move "down valley" because their incomes have not kept pace with rising rents and living costs. Some people have gained better jobs, while others have lost jobs due to the 1978 mine closing. It is useful to consider the impacts of development from the perspective of diverse interest groups, since the consequences of growth directly affect how these voters view growth in the valley and therefore influences their opinions about how government should respond to growth.

In broad terms, five interest groups to some degree reflect political coalitions in town -- the old timers, the new pioneers, the young entrepreneurs, the developers and the transients.

In terms of who has benefitted and who has suffered from growth in Telluride, it is fair to say that in some ways all groups have done both. What is important to recognize is that these gains and losses have been distributed unevenly.

"THE OLD TIMERS" lived in town before the development of the ski area. The group includes the senior citizens, miners' widows, and a few working families who left Telluride after high school and have returned. Most of these peoples are homeowners, living on a fixed income. This group makes up about 15 percent of the town's population. The "Old Timers" are aware of the ramifications of growth, but they are not politically active on a regular basis. When growth affects the costs of public services or of maintaining a home, these people do voice their opinions. However, many seem to feel

that their opinions are overshadowed by the "New Pioneers" and the "Young Entrepreneurs," who have more time to devote to politics and who feel more threatened by the consequences of future growth.

"THE NEW PIONEERS" arrived in the early 1970s, though some have come more recently. While many townspeople have referred to this group as the "dirtballs," "hippies," or "drop outs," they constitute Telluride's main workforce. Most are employed by the various businesses in town and by the ski area. Some eke out a living by running small businesses. Characteristically, these people are not property owners; most are renters in town. Their reasons for moving to Telluride were primarily "character of the community" and "quality of life" in the valley -- although a few moved due to the proximity of the ski area. This group is very active politically and accounts for about 30 percent of the permanent population. The New Pioneers have felt the costs of growth more than any other division. Since they characteristically don't own property, they have not benefitted from increased real estate values. They have had to pay increasing amounts of money for housing and have had to move numerous times as long-term rental units are converted to condominiums or short-term rentals. The Developers have sometimes claimed that this group's opinions should not matter because they do not own property and no one knows how long they will stay.

"THE YOUNG ENTREPRENEURS" are characterized by the fact that they have bought into the system and are rising with the

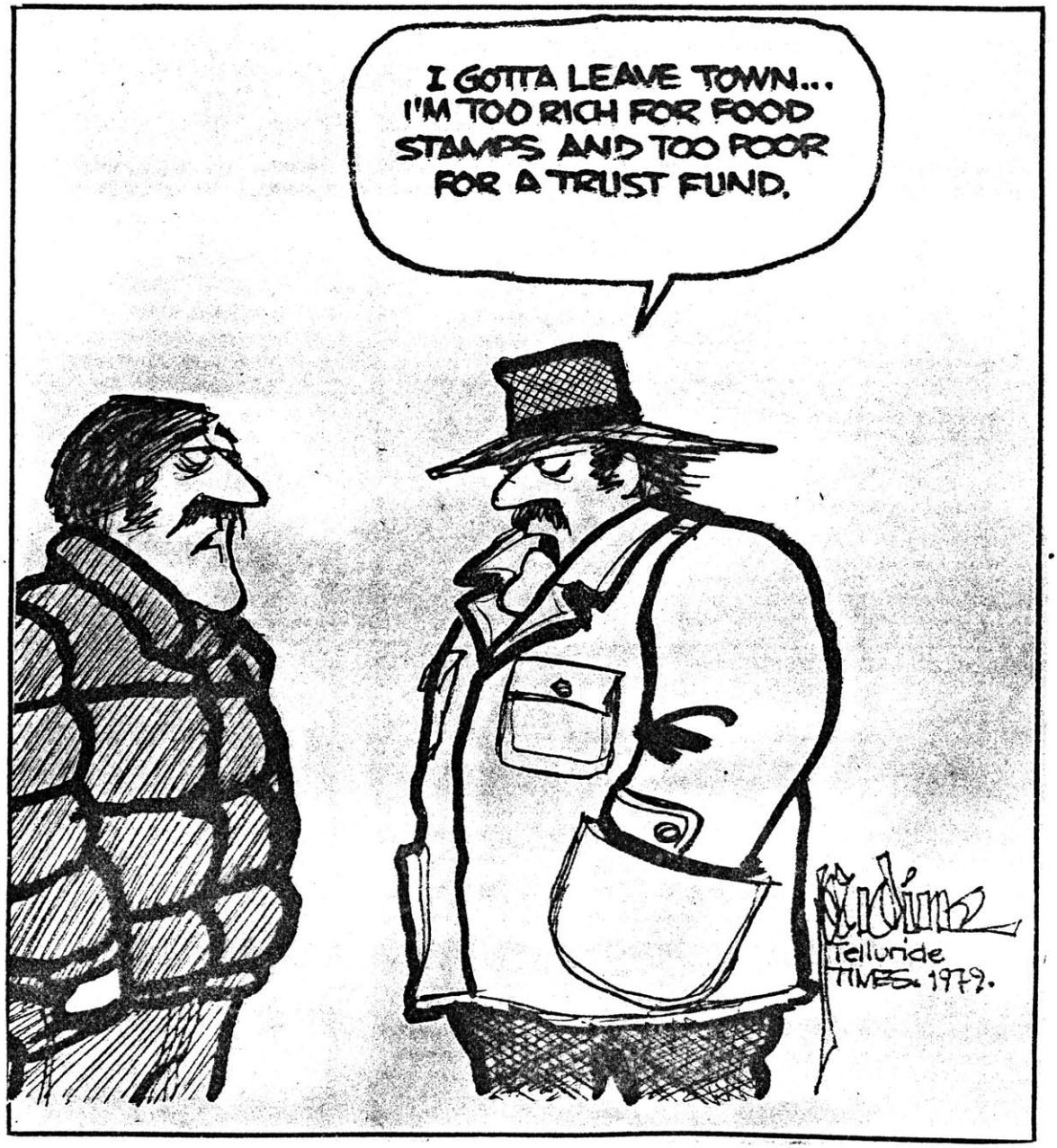
wealth. Many of these people came to town with the "new pioneers," but, unlike that group, they now own property and pay taxes. Some own commercial establishments on Main Street; others are highly educated professionals. Like the "new pioneers," they moved to Telluride because of the quality of life in the town. Many in the group are town decision-makers and, as with the previous group, are active on the various government boards and commissions. The "Young Entrepreneurs" make up about 30 percent of the population.

The Young Entrepreneurs have also been affected by development, yet it has not hit their pocketbooks in the same manner as it has the New Pioneers. This group has recognized that it costs more to live in Telluride than it did three or four years ago, yet they are also aware that they have benefitted from substantial increases in both their incomes and the value of their real estate assets. The New Pioneers and Young Entrepreneurs have similar attitudes about the environment and character of the town as it was in the early '70s. They believe that more growth is not necessarily better and are suspicious of development in general, although many could be labelled developers in their own right. It is important to recognize that these groups are the most politically active and together represent the largest constituency in town. They tend to coalesce on many issues. However, they are well aware that as the town grows, the Developers will expand, a trend which would eventually find reflection in the composition of the town's decision-making

bodies.

Many of "THE DEVELOPERS" have come to town within the last two years, but others have been there since the early 1970s. They include the pioneer developers, out-of-town developers, real estate agents, and people who bought property on the basis of the area's resort potential. They believe Telluride must change to remain viable, and they believe it will do so. They feel that the town will be very different from what it was in the early 1970's. Many arrived with the intention of transforming the community into a better place; others came to buy property because they knew they could make money. While these people recognize and appreciate the quality of the environment and the character of the community, they cannot understand why other groups are always complaining about development. They believe that more development and additional recreational amenities will make Telluride a more desirable place to visit or in which to live. Their definition of "the public interest" includes those people who have not yet arrived. This group represents about 20 percent of the community.

The Developers are also an important political force in town; they have profitted substantially from past growth, but they stand to lose the most if growth is over-restricted or over-regulated. They, too, are concerned about the uncertainty of future growth, but their concerns are more related to tight money supplies and too much restriction on development.


I GOTTA LEAVE TOWN... I'M TOO RICH FOR FOOD STAMPS AND TOO POOR FOR A TRUST FUND.
Telluride TIMES. 1979.

"THE TRANSIENTS" may or may not own property. What sets them apart is their non-permanent nature. Some people in this group own property but only spend a few weeks a year in town. They come to Telluride to enjoy themselves and are not involved in community politics. "The transients" also include construction workers, service sector employees, and ski bums. They come to town for a season or two or follow the summer/winter resort circuit. These people either don't plan to stay, or they reside in town on a part-time basis. It is unclear whether these people are figured into the permanent population figures, or whether they participate in political decisions. The members of this group who have been in town long enough to earn the status of temporary "local" rather than "tourist" constitute about 5 percent of Telluride's population.

Like the Old Timers, this group is concerned about the way growth affects the costs of public services or of maintaining a home. If they become politically vocal, it is usually in regard to new public amenities -- recreational facilities, paved roads, new sidewalks or a convention center.

In order to succeed, actions for coping with the uncertainties of growth will have to balance the interests of all groups. In developing a set of actions it is not enough simply to consider the growth problem from the perspective of residents and newcomers. Actions should be viewed from the perspective of the diverse interests currently in town (as well as residents and visitors), since growth will continue to

affect them in different ways. The groups themselves will have to come to some understanding of their common concerns and of where compromises will have to be made, if they wish to develop a fair and effective growth management system. (Appendix C presents a detailed analysis of the way in which different groups have been affected by growth. This analysis proved useful in developing the preferred actions for coping with growth in this report.)


HCN. 1976.

IV.
COPING WITH UNCERTAINTY

In some ways it is difficult to predict what Telluride will be like in the near future, much less in ten years. No one knows how large the town will be or what type of people will be living in the community. Nevertheless, predictions have been attempted. Some people think the town will be another Aspen or Vail, with residence restricted to the very wealthy. One construction worker said that, "Telluride is not America .... The elitist community everybody feared is happening." [4] Some residents feel that Telluride is already on its way to becoming a resort community and call any suggestion that it can be anything else an illusion.

Other segments of the community have attempted to engage in a systematic process to arrive at their own growth predictions. The Telluride Regional Advisory Commission sent its members a population questionnaire. The average in-town population desired by the seven citizens-at-large, five government officials, and three land owners responding was

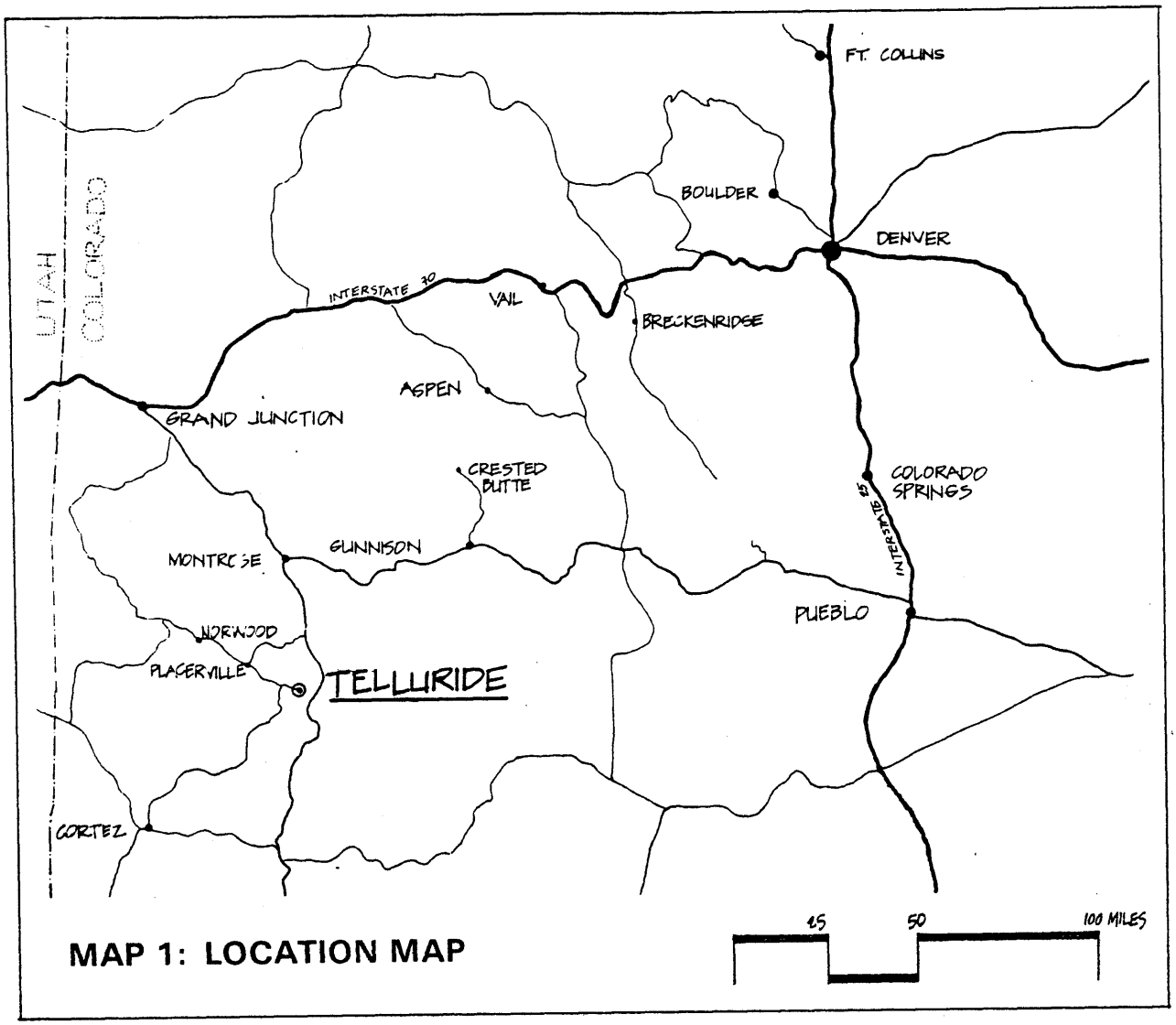
4,300. Respondents felt the ideal ratio of peak population to permanent population would be 2 or 2.5 to 1. Based on existing trends and an assumed ten-percent annual growth rate over the next decade, by 1990 the town's population could stand close to 6,000 residents and tourists.

One problem with most of such predictions is their assumption that current trends will continue unchanged into the future. Growth is viewed in terms of exponential curves and ultimate numbers, which makes it seem inevitable.

Admittedly, it is not easy to guess how, when, and where development will occur in the Telluride Region. Long-range planning is extremely difficult for any potential investor, as well as for those wishing to regulate how development takes place. Although numerical predictions based on current trends and comparisons with other ski areas do assist in reducing some of the future uncertainty about growth, the analysis need not stop there. There are some "big ifs" to consider in attempting to second guess the future.

Four major catalysts could spur growth in Telluride and the surrounding region: the recreational industry, the development of the Mountain Village, large-scale development projects in the area outside of town, and the possibility that the mine will re-open.

These growth catalysts are the "big ifs," and although any combination of them may occur, a number of factors outside the town's control influence the likelihood of their emergence over the next decade (Appendix D offers a detailed account of



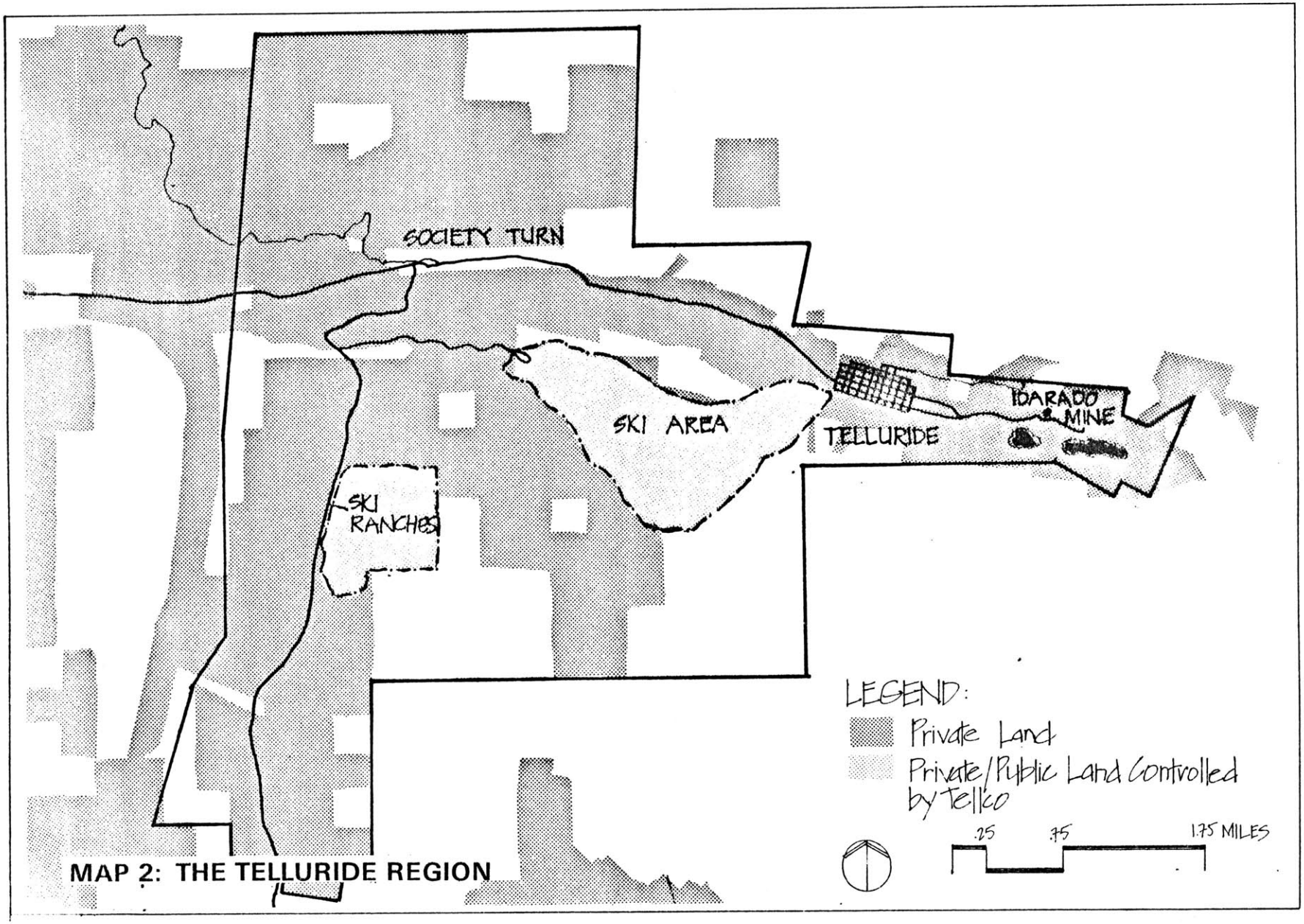
MAP 1: LOCATION MAP

future uncertainties).

Along with these "big ifs," however, are a number of characteristics which limit the uncertainties of the future. These characteristics fall into three categories: physical setting, economics of land development, and recreational industry.

Where growth can occur within the region is bounded by Telluride's physical setting. The options are limited to infill within the existing platted town; expansion to the west along the state highway; and development of the mesas within the defined Telluride Region. The diagrammatic map on the following page illustrates where development could occur. The predominance of National Forest lands, steep slopes and scarcity of lots larger than 5,000 square feet in town suggest that large development projects in town are unlikely except on its western edge. However, large development projects are possible in the region, but are likely to locate in proximity to existing roads and recreational amenities. In addition, growth in the region is bounded by the existence of National Forest lands and unbuildable terrain. (Appendix E presents more detailed information about Telluride's physical setting.)

The economics of land development also reduces some of the uncertainty about growth. It is unlikely that growth in the region will cease. The town, given any possible future, will continue to develop. Land is appreciating at a rate of five percent a month. Even though real estate seems overvalued, people continue to buy based on some notion of



MAP 2: THE TELLURIDE REGION

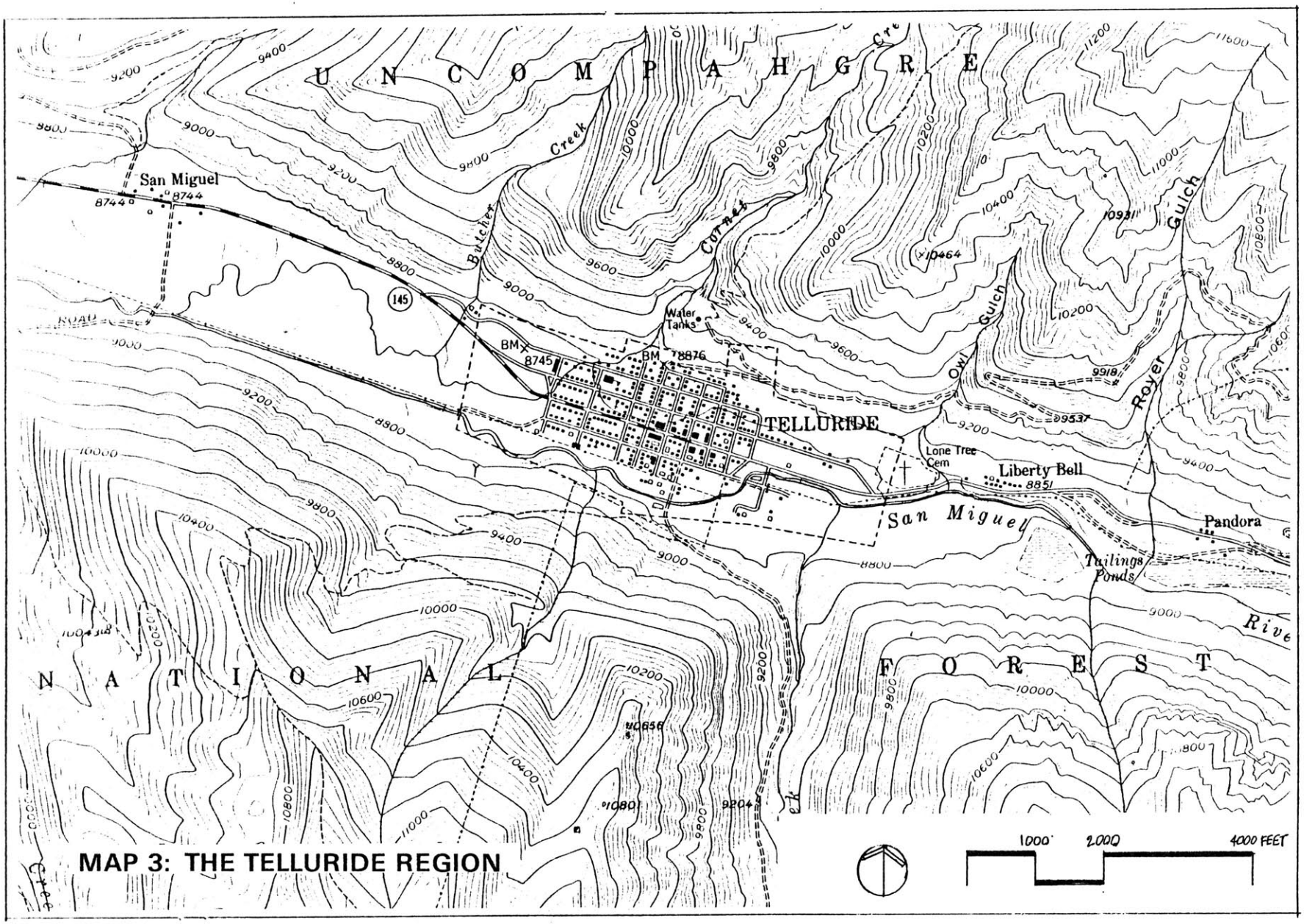
future value. This suggests that land speculation will continue.

2) As the supply of land in Telluride proper dwindles, in-town prices will continue to rise. Since demand is outstripping supply, those looking for land will continue to seek out substitutable lots in the nearby region. Further tightening of the money market may cause a slight drop-off in prices. Nevertheless, according to a Denver financial consultant, this will only increase demand, since more individuals will be able to buy at the temporarily lower prices.

There is also a degree of certainty about the type of housing being constructed since the economics of development on small, expensive lots tends to result in luxury units, condominiums and short-term rentals. Financing money has always been in short supply in Colorado mountain communities, and thus banks have favored the development of second homes and condominiums. It is unlikely that financing will be available for low- and moderate-cost housing without special programs.

The final category -- the recreational industry -- also assists in limiting future uncertaintly. Recreation will continue to be basic to the economy. The momentum of Telluride economic growth is evidenced by tourist-related businesses.

Between 1970 and 1976, sales in San Miguel County's restaurants, taverns, service stations and lodges increased



MAP 3: THE TELLURIDE REGION

from $894,000 to $2,621,000. In the period 1965-1974, personal income grew 81.5 percent and per capita income was up 64.2 percent, reflecting the increase in service-related jobs and managerial positions. [5] Skier visits to Telluride rose from 45,500 in the 1973-74 season to 105,500 in the 1978-79 season. [6] Other Colorado resort areas reported similar trends. Additionally, skier visits at resorts more than a two-hour drive from major metropolitan areas doubled between the 1969-70 season and the 1978-79 season.

The ski industry and related recreational amenities will dominate the economy and will continue to attract the upper middle and upper classes. Many in the ski industry believe that demand is inelastic; some venture to call it recession-proof. Market studies conducted by the Colorado ski industry over the past eight years show that demand has always exceeded supply. Since 1962, there has been a thirteenfold increase in the number of ski lift tickets sold in the state -- from 550,000 in 1962-63, to 7,200,000 in 1978-79. Yet, Vertical Transportation Feet (an index commonly used to determine daily mountain capacity: vertical rise of a lift times lift capacity divided by 1,000) has increased sixfold, from 30,096 in 1962-63 to 170,030 in 1978-79. According to the Colorado Ski USA Association, these figures demonstrate continuing demand for additional lift facilities. The association says these data support the view that recreation-growth is unlikely to do anything worse than slow down slightly in the next several years. [7]

The projections for the recreational industry indicate increasing demand. More time and attention are being devoted to physical well-being. Foreign travel, especially to the west (cowboys and Indians are becoming a growing fascination) is expected to increase sharply. Further, the economic, social, and activity profile of older Americans is changing dramatically, prompting new marketing efforts aimed at this group.

These characteristics demonstrate that although it is difficult to predict how large the town will be and what it will be like ten years from now, the possibilities are not limitless. An analysis of possible futures, given any combination of the four growth catalysts yields 16 possible futures for the Telluride Region. Of these 16, when consideration is given to current trends in the recreation industry, long-range plans for the Mountain Village, development potential and locational factors in the region, and characteristics of the existing mine, three growth scenarios emerge that have a high probability of occuring over the next ten years. (Refer to Appendix D which includes growth characteristics that can be influenced by community decision.)

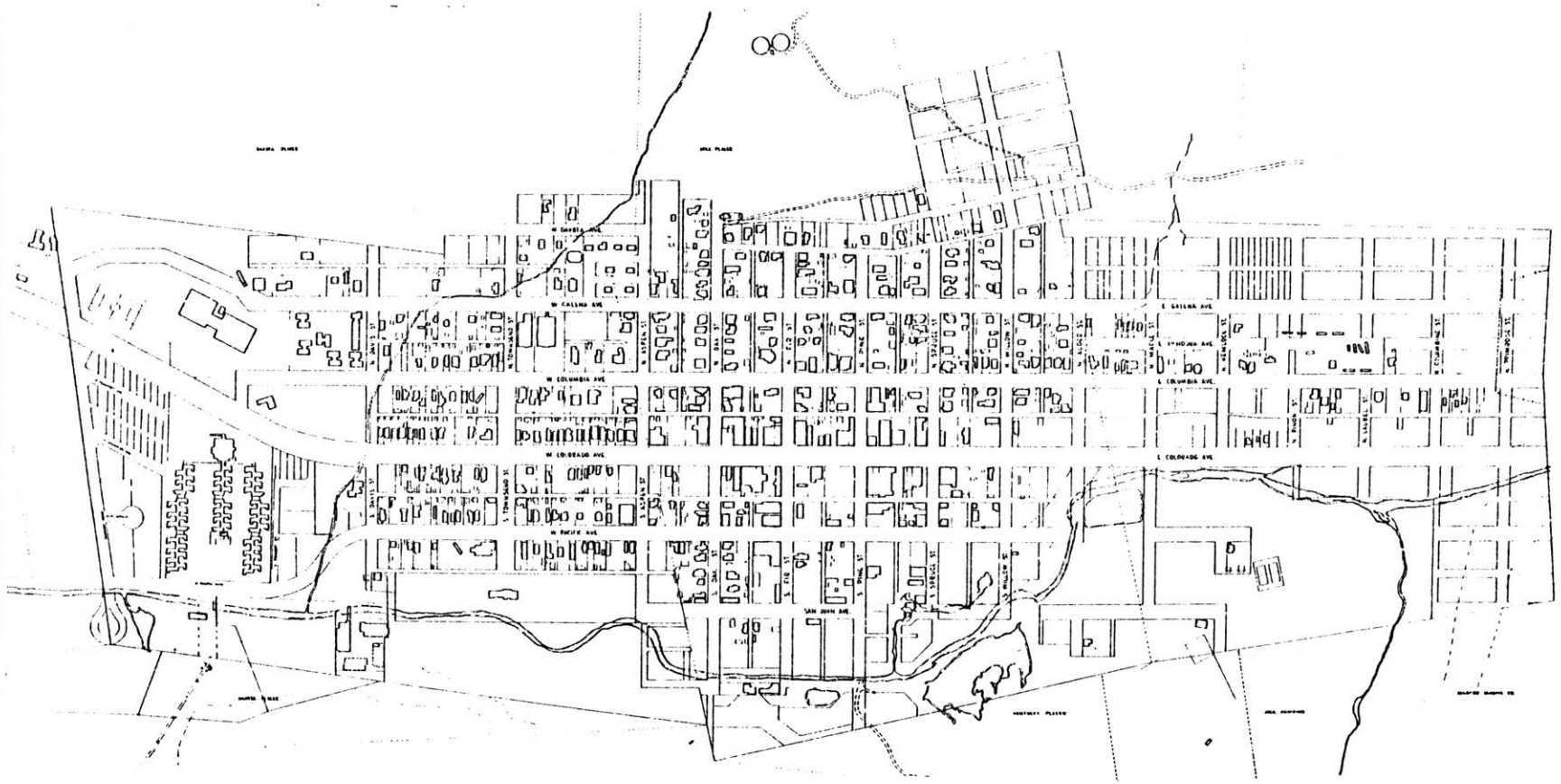
Based on the four growth catalysts -- the recreational industry, Mountain Village development, regional development in the valley and on nearby mesas, and the Idarado mine -- the three futures most likely to occur over the next ten years are:

FUTURE 1: In-Town Development

If the economy continues to be weak, it is unlikely that the Telluride Ski Corporation (Telco) will complete its planned Mountain Village or significantly expand recreational facilities within the next eight to ten years. Small improvements to the ski mountain are likely, but in the absence of a "hot" real estate market, no major improvements should be expected. If interest rates remain high and the planned expansion of the ski area does not occur, large development complexes in the region will probably be postponed. It is unlikely that the mine will reopen, given the unstable commodities market and the costs of reactivation. Only the so-called "recession-proof" ski industry will help the town continue to develop as it has in the past. The region might begin to see small development projects, but the focus of growth will remain in the town itself. The uniqueness of this remote mountain community, its spectacular views and accessibility to a diversity of recreational opportunities, will continue to draw new people to town -- people who can afford the high costs of transportation to and life in Telluride. Under this scenario, Telluride will not become a major resort complex. More likely, it will be a special resort that attracts a particular type of recreationalist.

FUTURE 2: Regional Development

This most likely future is similar to Future #1: the



MAP 4: THE TOWN OF TELLURIDE

recreational facilities and opportunities do not change drasticaly, the Mountain Village is not completed -- though some construction may begin -- and the mine remains closed. However, under this scenario, developers and property owners have increasingly high expectations about the future of the Telluride area as a resort. High interest rates and tight money do not seem to dampen significantly the demand for condos, second homes, or lodges in the area. Telluride is discovered, marekting efforts intensify, and tourists are attracted to ski or relax in the mountains. Foreign investors and large corporations view Telluride as a sound investment. The town continues to develop. However, overvalued in-town real estate, restrictive building regulations, and a limited supply of available lots shift much of the new large development activity to the region. Although investors are anxious to build, development remains responsive to a favorable economic climate. New construction occurs in spurts. Competition among developers to capture a limited market demand results in an overbuild/underbuild cycle. Expectations of high future appreciation fuel land speculation. While smaller, cash-poor developers find it increasingly difficult to enter the regional market, large-scale developers, backed by wealthy investors, find it profitable to package and develop vast tracts of land as resort complexes complete with recreational amenities.

FUTURE 3: A Boom in the Recreational Industry

Telco's plans to expand the ski area, first phase, are

completed, along with the first phase of the Mountain Village. This triggers large-scale development in the region. Telluride begins to develop into a major resort community. Due to the commodities market or a recognition that Telluride is best left as a resort community, the decision is made to keep the mine closed. While the town itself continues to expand, development is concentrated at the Mountain Village and in the region.

Recognizing that the recreational industry provides the town's best future, the community and even county residents express concern for "balanced growth." Housing is need for employees of the ski area and service industry; lodging and commercial services catering to the tourist are also desired.

Although the country is in a mild recession, financiers recognize Telluride as "the best investment for those individuals with lots of cash. The risk is similar to alternative investments, yet the return is better." [8] Like previously developed Colorado ski areas -- Aspen, Vail, Steamboat -- Telluride continues to grow, possibly even at an increased rate, during times of economic hardship. This characteristic, coupled with statewide increases in tourism and improved transportation to town, will result in an increasing rate of development. In addition, Telluride will find, again as have other areas in the state, that ski resort development leads to a tourist infrastructure which encourages year-round tourism. Although the ski industry at the east end of San Miguel County provides a basic economic development

alternative to agriculture, mining, and manufacturing, and it will serve to stimulate needed growth in a rural county, the increased cost-of-living resulting from resort development and tourist-oriented service establishments make it increasingly difficult to maintain socio-economic diversity within the community. The boom causes satellite settlements, less accessible to recreational amenities and retail establishments, to begin developing to meet the needs of low- and moderate-income families -- ski area employees, teachers, government employees, construction workers, and retail personnel.

These three futures demonstrate that the uncertainties of the future are in some ways bounded. Where, how much, and the type and quality of development is limited in all three cases by physical features, economic forces, and characteristics of the recreational industry. Growth will continue to be a result of recreational development. The type of housing constructed will be aimed at the upper middle and upper classes, given any of the three futures. Development can only occur within the town and Telluride Valley, and on nearby mesas. These likely futures provide a basis on which to develop growth management actions. The impacts or concerns related to these three likely futures are to a degree predictable. For example, the impacts or concerns related to "Future 1: In-Town Development" might be:

** A high degree of unpredictability in the rate of growth and, possibly, instability in the economy. Captial

investment will be characteristically speculative and inconsistent, and the community will continue to be anxious about the potential for growth.

** The per capita income of in-town residents will continue its climb as more of the "very wealthy" settle, at least on a part-time basis, in Telluride.

** In-town expansion will require an upgrading and expansion of public services and facilities. These improvements will have to be designed to meet peak demand as well as the needs of permanent residents.

** The cost of new public facilities and services -- and of development generally -- will be borne by property owners. It is likely that these costs will be passed on to tenants and, to some extent, consumers of local goods.

** Residents unable to pay ever-increasing living costs will continue to move "down valley."

The likely impacts of "Future 2: Regional Development" will include most of the Future 1 impacts. Additional repercussions, perhaps even more important, could include:

** The need for a regional sewer and water system to replace individual septic systems and wells.

** Even further expansion of public services than in Future 1 -- better fire and police protection, better school facilities.

** Since there are no incorporated towns in the immediate region, and vast tracts of unincorporated lands are

surrounded by national forest, new development is likely to be scattered. Locational factors such as access to highways, availability of water, views, topography, proximity to recreational amenities, and ownership patterns will determine where development occurs.

** Large-scale development within the immediate environs of Telluride will be difficult to monitor and control. Development will occur in unincorporated areas that fall under the county's jurisdiction. Although a cooperative relationship now exists between town and county governments, the town may be frustrated by its inability to guide or control development outside its boundaries, since this will likely result in adverse in-town impacts.

** The rate of growth is likely to be erratic and unpredictable -- the amount and location of development, while bounded by physical features, will still occur at an uneven rate and in disperse locations.

Finally, possible impacts of concern related to "Future 3: A Boom in the Recreational Industry" would grow out of the type of development occuring:

** Most development will be oriented toward tourists and second-home owners. As in other recently developed Colorado ski resorts, there will arise an ever-increasing need for employee housing.

** Satellite communities, inhabited mainly by the employees of the various recreational facilities are likely to

develop outside of town.

** The socially diversified current population within Telluride is likely to become a subculture. New commercial services and retail outlets will start to cater to the moneyed and short-term visitor. These wealthy residents and visitors will become the more visible social element in the community.

** The amount and rate of growth is likely to be great, making it difficult to provide new public services and facilities on a regional basis.

** Valued open space and scenic vistas are likely to be lost as more long-term land owners are either unable to hold onto their land in the face of rising costs, or are enticed by potential profit into selling it to developers or speculators.

In light of these three futures and the resultant impacts, government actions can be developed to manage the impacts of this growth. With any of the three futures, likely community concern centers on the timing of development, and its location, associated public costs, and the type of housing and people that it will serve. If these are indeed the concerns, then the more effective arenas where government should concentrate its efforts with respect to managed growth are:

A) THE PROVISION OF NEW AND/OR EXPANDED PUBLIC SERVICES AND FACILITIES, BOTH IN TOWN AND IN THE REGION. How facilites are provided can influence where and how much

growth occurs and the cost of serving new development.

B) THE GEOGRAPHIC SCOPE OF POLICIES AND REGULATIONS WITH RESPECT TO GROWTH MANAGEMENT TECHNIQUES. How the town and county decide to control growth can stimulate or curtail where and how much development occurs. For example, new policies and regulations can be enacted to guide growth in town but not in the county, which would encourage growth to spill over into the county. Alternatively, to avoid this, the town could expand in size; joint agreements or contracts could be made between the town and the county; or a regional authority could manage and control aspects of growth.

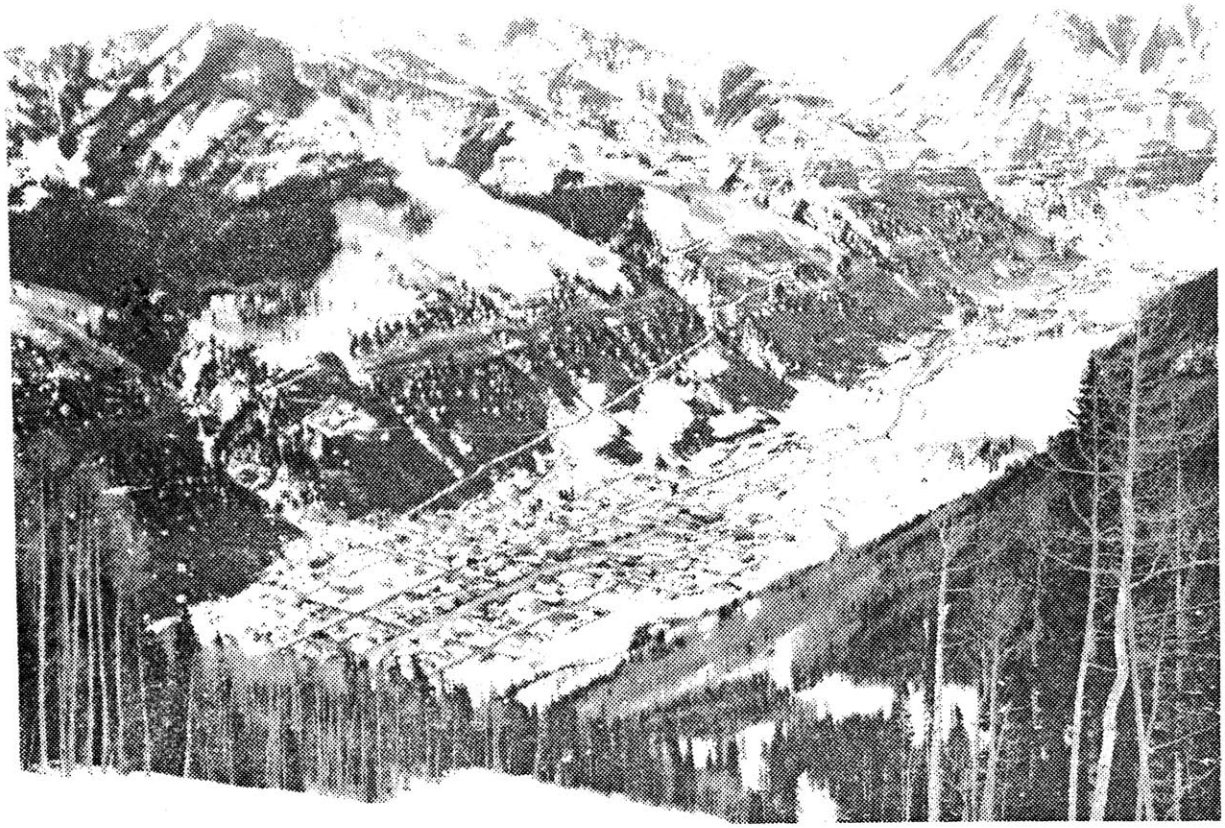
C) THE NUMBER OF ACRES WHICH CAN BE DEVELOPED, AND THE AMOUNT AND RATE OF DEVELOPMENT CAN BE DIRECTLY CONTROLLED THROUGH LAND ACQUISITION PROGRAMS AND RESTRICTION-BASED REGULATIONS. By limiting the supply of land that can be developed, it is possible indirectly to influence land costs, given somewhat elastic demand and the timing of development.

D) THE COMMUNITY CAN TAKE A STAND ON THE TYPE OF DEVELOPMENT IT DESIRES IN TOWN AND IN THE REGION. If the community is concerned about who lives in town and in the region, and about the type of housing being constructed, regulations can be aimed at encouraging lower-cost housing for employees -- ski area personnel, service sector employees, teachers, and government workers -- all of whom are important to the viability of

the community and the recreational industry.

E) TRANSPORTATION IN THE REGION AND TO THE TELLURIDE REGION. This can be an effective mechanism, useful in influencing who comes to Telluride, how many come, and even where new development locates. Issues of accessibility and convenience should be regarded as key factors in managing growth.

These arenas where community choice can best affect growth and the three most likely futures form the basis for developing preferred actions to cope with growth.



V. CONTROLLING GROWTH: WHY A GROWTH MANAGEMENT SYSTEM?

Given this background, the question of whether there is a need for a growth management system in Telluride remains. The community barely has 1,000 people, and there is a degree of predictability about what the future will be. The need for a growth management system in Telluride and its environs boils down to the need for more predictability in a rapidly changing environment. There is a desire to control the rate at which development occurs in order to allow effective and efficient servicing and to allow the community and government to better assimilate, adjust to, and monitor social and environmental change. The desire for predictability also reflects the community's desire for some assurance that its members can continue to afford to live in the Telluride area and that people with similar social backgrounds, with whom they can associate, will continue to reside in town. Few, if any, of the current land use regulations or government policies offer this sort of predictability. The rate of growth over the past ten years has been erratic, and the type and cost of housing constructed has shifted dramatically.

The Telluride economy could be characterized as growth-centered. Over the past ten years it has been driven by housing demand and expansion of the recreational industry. In 1971 there were 214 year-round housing units in Telluride. By 1973 the number had grown to 393. In 1973, ten* new permanent or longer-term rental dwelling units were authorized by the Telluride Building Department (*this number excludes hotels and motels because existing building records did not delineate these uses or the number of units provided). By 1979 the number of new dwelling units constructed annually, which had been rising steadily since 1973, reached 56. The number of construction starts each year has been augmented by extensive improvements or additions to existing structures. Single- and multi-family residences have had units added or have been completely renovated. Apartments have been created on the second floors of existing commercial structures. Major improvements of existing residential dwellings, defined as addition, remodelling, or renovation beyond normal maintenance and repair have added an average of 33 building permits yearly, over the past five years, to the total number of authorized construction starts. [9] Over the period 1971-79, 92 new housing units were added due to improvements. A housing study conducted in 1979 showed that 11 units were created due to the remodelling of either commercial, residential, or secondary structures in 1977, and ten units were created the same way in 1978. [10] Calculations based on a review of building permits since 1971, and on sewer, water and utility account records set the number of year-round housing units in Telluride at approximately 620. Capacity of hotels,

motels and lodges in town rose from about 500 beds in 1972-73 to well over 1160 beds in 1978-79.

FIGURE 3: BUILDING PERMITS 1971-1979

YEAR	TOTAL # OF PERMITS	NEW D.U.'S	NEW CONSTRUCTION PERMITS	NEW D.U's FROM CONSTRUCTION	NEW D.U'S FROM IMPROVEMENTS	IMPROVEMENT PERMITS
1971	16	20	5	15	5	8
1972	81	139	12	112	27	40
1973	50	20	14	10	10	21
1974	66	15	5	12	3	51
1975	79	29	21	13	16	33
1976	92	27	20	21	6	47
1977	69	37	17	26	11	26
1978	67	41	13	31	10	31
1979	77	60	21	56	4	28

FIGURE 4: GROWTH RATE 1971-1979

YEAR	D.U.'S FROM NEW CONSTRUCTION	D.U.'S FROM NEW CONSTRUCTION AND IMPROVEMENTS
1971	.070	.093
1972	.489	.594
1973	.034	.054
1974	.034	.038
1975	.036	.071
1976	.055	.062
1977	.065	.079
1978	.073	.082
1979	.123	.110

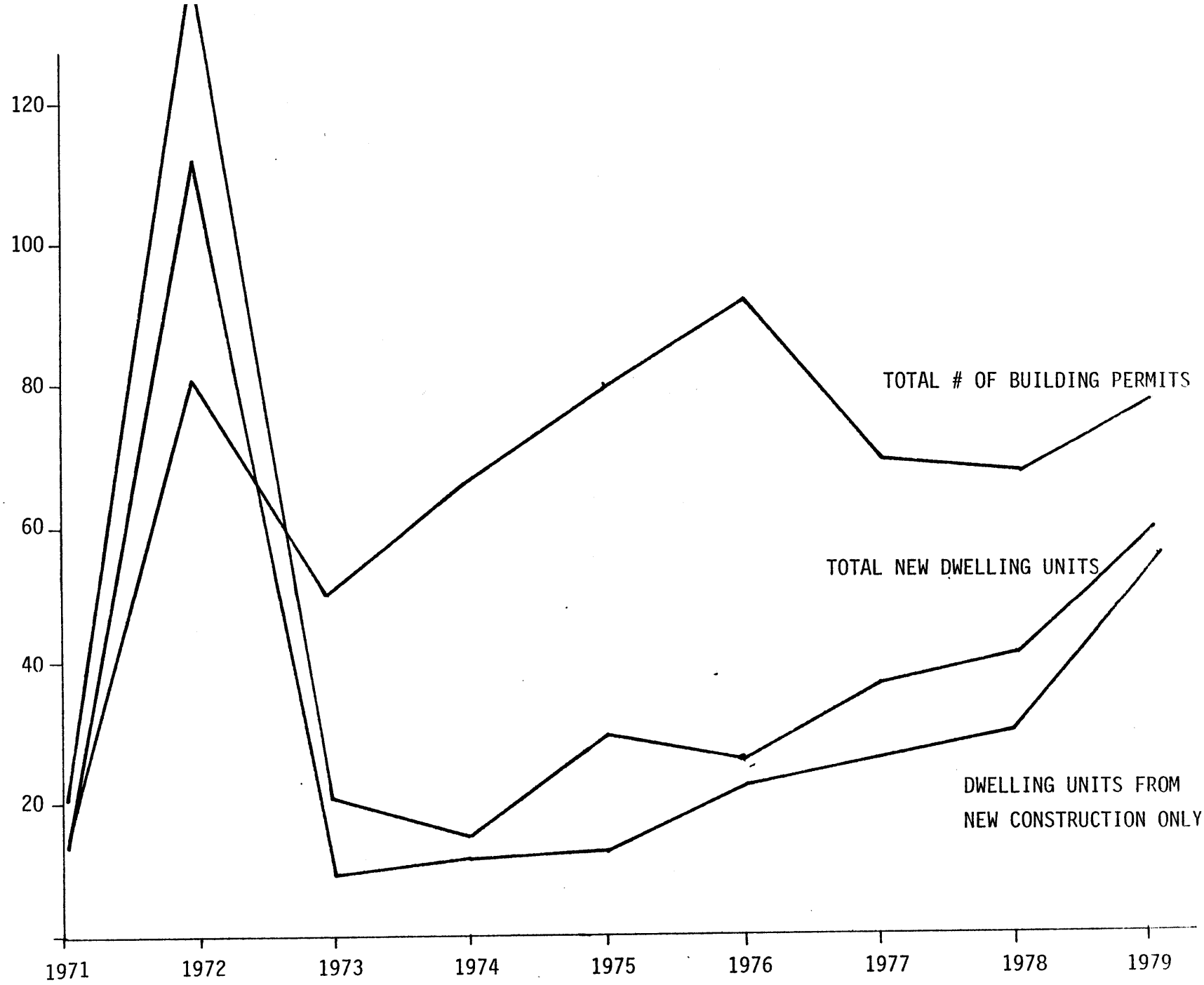


FIGURE 5: GRAPH OF BUILDING PERMITS

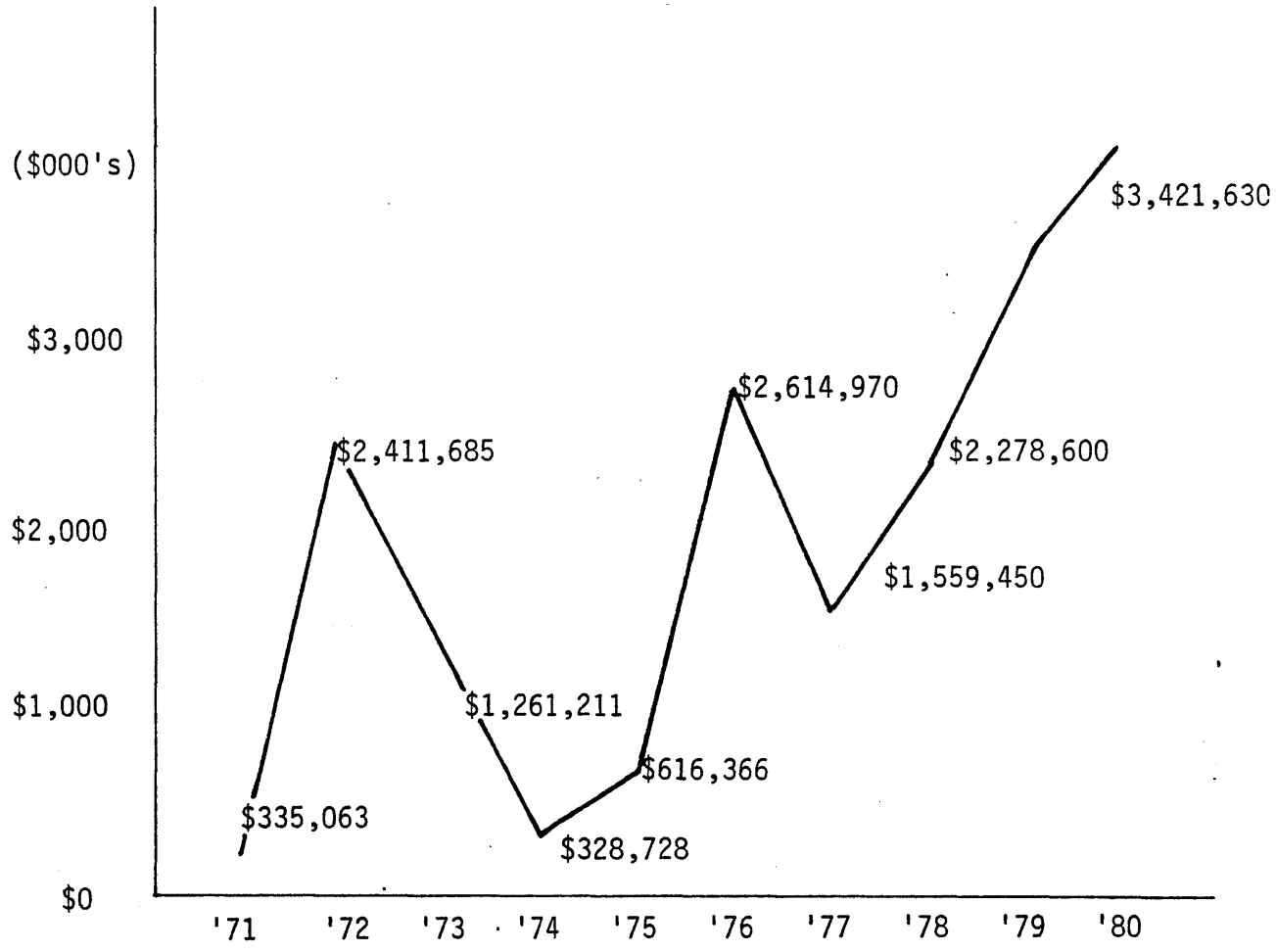


FIGURE 6: BUILDING PERMIT VALUATIONS

The steady increase in housing starts has brought more people to town to both live and work. It has meant more condominiums and single-family residences which must be serviced by sewer and water facilities. This has resulted in the need to expand these facilities. As the number of dwelling units increases, there are more people who demand both private and public services. This encourages more growth -- businesses open to serve permanent and part-time residents. Government services such as police and fire protection, and public facilities such as water and sewer systems and schools must also expand. This

growth is fueled by speculative building construction and land-buying. Improvements to the ski area, coupled with the provision of new recreational and cultural facilities, have led many people to believe that the Telluride area will soon become another resort on the order of Aspen or Vail. Land prices have increased in part from speculative holding and some notion of future value, and in part from a limited supply of developable lots. New building prices have increased because of the increase in the price of land, high demand, and low supply due to numerous regulations. The price of older buildings has tended to keep pace with the price of comparable new construction on the market.

The erratic yet increasing rate of growth and impacts associated with this growth have not gone unnoticed by Telluride's local government. The recognized need to control growth is evidenced by the tremendous amount of new and often innovative regulation for a town of 1,200 residents.

Not unlike many suburban municipalities facing similar kinds of problems, in the mid-1970's Telluride began to experiment with additive regulatory methods that would provide some control over where, how, and how much land development would occur. Telluride's use-by-right zoning was embellished with subdivision regulations, a planned unit development ordinance, and a historic district ordinance. The layering of land use controls over existing zoning regulations did not stop here, however. Recognizing the limitations of traditional land use restrictions in controlling and servicing growth, new concepts were employed. The creation of flood plain and geologic hazards

ordinances were attempts to prevent construction in unsafe areas, especially along the San Miguel River and on the northern hillside. A "mass and scale" ordinance which restricted the FAR to 2:1 was employed to reduce the potential density and size of new structures in the commercial district. Since building permit fees were not covering the costs of town inspections to insure safe building construction, plan check fees and clean-up bonds were instituted. By 1977, with a doubling of population in five years, the town recognized that water and sewer services would have to be expanded and improved; new fee schedules for connecting to both services were imposed. In addition, a use tax ordinance was established to recapture town revenue lost from the sales tax on tangible personal property purchased out of town, particularly building supplies. This revenue has been used to defray the costs of government services.

The motivation behind these regulations was understandable. As a group, these regulations were designed to:

** Maintain the environmental quality of the valley;

** reduce the visual impact of new construction;

** limit the size and density of new development; and

** ensure that public facilities and services continued to serve new development adequately.

Whether these regulations worked as they were designed to is difficult to assess. Many residents believe that the character and quality of the environment are still threatened and that existing public facilities and services cannot be maintained unless more controls are placed on new development. In addition,

a few of the regulations and policies that have been adopted have had socio-economic impacts and side-effects -- increased housing prices; population shift to the outlying region due to the rising cost of living in town; creation of allegedly illegal rental units in the residential zone; and increased requests for variances and special permits. While this is a recognized concern, the town government has just begun to confront the ways that new development affects employment opportunities, business

activity, population composition, or the mix and cost of available housing.

The additive approach to regulating land development in Telluride has also generated increasing hostility toward local government intervention. In part, the change in attitude has resulted from a change in the structure, style of operation, cost and range of government services provided. In 1977 the "Telluride Times" noted with disapproval that growth in the size of government bureaucracy had not produced any noticeable increase in solutions to problems. [11] Some residents complain that the amount of regulation has become "almost intolerable," and the staff is said to be "less accessible." The change from a statutory form of government to home rule meant a change from "cops, a water and streets crew, a clerk/treasurer and elected town board" to 17 fulltime employees in five years. [12] Growth in government and government regulation have kept pace with growth in the community.

The additive approach to controlling land development has yielded mixed results. On one hand it demonstrates town government's ability to handle a complexity of regulatory tools, but it has resulted, on the other hand, in continued efforts to amend the zoning ordinance, create new ordinances and expand government staff to process and administer the regulations. This in turn has led to increased resistance to more government regulations. I have not addressed the issue of how much government regulation is desirable in this report; the issue at hand is the fact that the community is still alarmed over the

possible shape of future growth.

Town government is looking for a new means to guide growth that can also accommodate the town's diverse interests, can be understood by people living under it, and can minimize probable price increases. Although they have looked into regulations aimed at limiting the number of building permits, such as those enacted in Petaluma, California, and Aspen and Boulder, Colorado; point incentive systems; population ceilings; and a development code similar to that enacted in Breckenridge, Colorado, there is as yet no consnesus about what should be done.

The lack of agreement about how to manage growth is in part due to the fact that the concept of "growth management" has radically different meanings within the community. For a Telluride developer it may suggest escalating land values, higher construction costs, and unnecessary delay costs. For a long-time resident or even a second home owner, it often suggests maintaining the unique character of a town and the social composition of a community. For still others, growth policies are seen as means to control the rate at which a town grows, thereby affecting the quality of new development and assuring that public facilities are not strained.

Although there is an inherent conflict between those residents who desire to control growth and those who desire to limit government regulation, actions to cope with growth, if designed correctly, can reflect the concerns of both groups. In Telluride, attitudes about growth can be viewed from the perspective of the five diverse interest groups presented in

Section Three. In simplified terms, local government comprises the previously identified New Pioneers and Young Entrepreneurs; those wishing to develop are the Developers and the Transients. Both groups look for some certainty and predictability about when, where, and how much development will occur. Yet neither group desires unnecessary or overly restrictive controls. Developers don't want them because they add to building costs and often cut into profits. Government doesn't want additional controls because they will add to an already heavy workload.

The desire for certainty and predictability, however, must be balanced against the desire for flexibility and adaptability, a mutual goal of both government and developers. Neither group wants to be locked into performing in a specific manner. Developers, feeling government doesn't understand real estate and finance, may be willing to conform to a regulation, but not in the manner prescribed. Government, recognizing that futures change, wishes to have a regulation that is responsive to different futures and community values. It must be recognized that one can't have certainty and predictability without giving up a degree of flexibility, or vice versa. The Actions for coping with growth presented in the next section of this report are an attempt to strike a balance between these two objectives.

Developers and government face another issue -- public confidence, the ability to perform as promised. It is a community perception that is acknowledged by both groups, especially in times of rapid change. In other communities, growth management systems, enacted for the most part through

citizen initiative, have been viewed as a response to the "confidence" issue. The phenomenon was stated succinctly by a large Miami developer:

> The motives behind growth control indicated a lack of public confidence in both government and developers and the absence of a good planning system that truly understands the real problems of the world today while simultaneously looking toward the future in a meaningful way. [13]

With the continually rising costs of acquiring and developing a piece of property, few in Telluride favor new controls which will add to housing or land costs. The community is looking for predictability -- a degree of certainty about what the future will be. The town staff feels that a growth managment system may be one way to achieve a degree of predictability without major expense. They are looking for some type of growth rate mechanism which accounts for "the people that are here now and the ski area." [14]

The erratic rate of growth, the dramatic shift in the type of housing being constructed, and the need to service potentially scattered development in the Telluride Region suggest that growth management controls should be considered. Such controls can be designed so as to stipulate or influence the location, amount, timing, type and quality of development (Appendix F provides an

overview of growth management systems). Growth managment controls do not necessarily have to slow growth or stop growth. Ideally, growth management controls should be designed to encourage balanced growth. Based on my analysis of the growth problem in Telluride, balanced growth suggests growth that meets the housing and socio-economic needs of all segments of the community; can be serviced adequately; is characterized by a steady rate rather than excessive peaks and valleys; and is directed in a manner that will least harm the environment. The issue of balance requires that some middle ground be found between development and preservation; between public and private rights; and between the needs of the less advantaged and the affluent.

Growth management controls for Telluride and the region seem appropriate for a number of reasons. First, current zoning regulations and environmental ordinances have had little influence on the timing of development. Although increased lot sizes, improvement requirements, and even the moratorium on subdivisions in town have either limited the amount of growth or temporarily discouraged growth, these regulations have not regulated the rate at which development is occuring. The erratic and unpredictable rate of growth is making it difficult and expensive to service development, and is also resulting in social and environmental change distressing to current residents. As Frank Gray, designer of both the Petaluma and Boulder growth management systems indicated (paraphrasing Alvin Tofler in Future Shock), "The resistance to change increases in direct relation to

the rate of change." In his view, it is the rapid rate of change that has given birth to growth-rate controls. [15]

The second reason to consider growth management controls is that, currently, there are no regulations in the unincorporated area known as the Telluride Region which directly control the location or timing of development there. Although the enactment of a comprehensive zoning ordinance indicating intensity and type of uses could serve to influence where and how much development occured, such regulation would not assist in preventing scattered development. In addition, zoning does not make it any easier to service development, nor does it lessen public servicing costs.

While the county government could consider strategic public acquisition of land to prevent scattered development, funds are not available. Exactions to help defray the costs of servicing regional development represent another possibility, yet that would only add to the price of new housing. Thus, a phased growth management system -- one which ties development of land to the provision of public facilities -- seems to be a feasible option, particularly since it helps influence both the location and timing of development, and it can lessen the costs of servicing new development.

The third reason to consider growth managment controls relates to the issue of housing -- both type and quality of housing constructed. The price range and availability of housing is of concern to the community. Current in-town regulations (with the exception of the condominium conversion ordinance) discourage the development of low- or moderate-cost housing, or

of long-term rental units. Growth management controls, such as a building permit allocation system or other types of quota systems, can be designed to encourage low-/moderate-cost housing (Appendix F explains the various types of quota systems available). Inclusionary policies can be added on to most growth management controls to assure that low-/moderate-cost housing is provided.

Although many residents in the Telluride Region may feel that growth controls are unnecessary, I know of no other way to control directly the rate at which development is occuring. Too-rapid growth in the Telluride region is a possibility as evidenced by the 300 dwelling units planned for the 1980 building season. Although, due to financing difficulties, the number has been reduced to 50 new dwelling units for 1980, one can imagine the adverse impact if this sudden growth had occurred. For example, public facilities -- water, sewerage, roads and schools -- would have been strained. Instead of having to add the new sewer lagoon as planned, the town might have been faced with the need for much costlier, more elaborate sewer expansion. Building permit review proceedings would have been overwhelming, resulting in either careless review and/or added delay for the developer.

Another related reason to consider a growth management system now is that municipalities that have not anticipated future growth, or have waited until growth's consequences reach a critical stage, are often put in the position of having to enact any legal mechanism which is purported to slow or stop growth. These mechanisms are often characterized as rash emotional

responses to the impacts of sudden or excessive growth. Common response which do not entail much forethought, technical expertise, or administration include large-lot zoning, various types of development moratoria, pre-meditated administrative delay, and exactions of land or capital facilities. There are many problems with this we-must-act-before-it's -too-late approach. Aside from the fact that the side effects of precipitate growth-limiting devices are usually not considered, another serious problem with this approach is that the full range of impacts is not considered. For example, a side effect of large-lot zoning, administrative delay and exactions, is often higher housing costs for consumers. Another type of impact is that these types of mechanisms offer little flexibility to the developer and tend to limit further the price and type of housing provided.

The current 15% rate of growth in Telluride, coupled with the erratic rate of growth over the past ten years and the consequences of rapid change, suggest that growth management controls should be considered. If growth management mechanisms were in place, the town and country governments would not be put in the position of continually having to amend the zoning and related ordinances in an effort to limit growth and its impacts.

Allotments shall be issued shall not exceed established by the City Council in accordar Section III herein.

Allocation Limitation.

NO SINGLE DEVELOPMENT SHALL ONE YEA DEVELOPMENT ALLOTMENT FOR UNITS I NUMBER TO BE ESTABLISH OF COUNCIL.

The City Counc time it est

When a ment qu

TELLURIDE ZONING ORDINANCE NO. 231

ORDINANCE TO REGULATE AND RESTRICT THE HEIGHT IES, AND SIZE OF BUILDINGS AND OTHER STRUCTUR TAGE OF LOT THAT MAY BE OCCUPIED; THE SIZE OF D OTHER OPEN SPACES; THE DENSITY OF POPULATION CATION AND USE OF BUILDINGS, STRUCTURES, AND LAND INDUSTRY, RESIDE TO REGULATE AND PURPOSES IN TELLURI STRUCTION, ALT THE ERECTION, CONSTRUC OR LAND IN TH OR USE OF BUILDIN INTO ZONING TO DIVIDE DISTRICTS A FOR THE BU DISTRI MINED, EST SUPPLEMEN AND APPI THE OFF BUILDING

4810. Moderate Building. If permit issuance result in fewer than 400 new dwelling units hav been authorized town-wide within a twenty-f month period, permits may be issued without sch uling limitation.

4820. Rapid Building. If permit issuance will re in 400 or more new dwelling units having b authorized townwide within a twenty-four mc period, permits shall be issued only if one or m of the following is the case:

(1) If permit issuance will not result in more twenty dwelling units having been authori within a twenty-four month period for that an contiguous subdivisions or parcels which h been in the same ownership at any time su quent to May 1, 1979.

(2) If permit issuance will not result in authoriza

VI.
TAKING A STAND: PREFERRED ACTIONS

Based on my assessment of the growth problem in Telluride, I have proposed three actions to manage specific aspects of growth. The main emphasis of these actions reflects the need to a) control the rate of development (Action 1); b) influence the timing and location of development in the region through the provision of necessary capital improvements (Action 2); and c) assure a fair share of low- and moderate-cost housing (Action 3).

These actions for coping with growth should take into account what the future may be like and what impacts it may bring. The following three preferred actions (or "options") can be characterized in terms of assumptions, intentions, and mechanisms, with emphasis on intentions. In the design of any growth management system, these three aspects should be considered simultaneously.

Assumptions include judgments made about: most likely future(s); crucial aspect(s) of the growth problem; and appropriate style of government intervention. Intentions refer to what the action can accomplish; they reflect community goals and objectives. Mechanisms are the regulations and policies enacted with specific intentions in mind.

The assumptions underlying Action 1 are:

** This action should be considered given any of the likely futures. minor adjustments were made.

** The crucial aspect of growth is the erratic rate of growth.

** The style of government intervention should be direct and should offer a degree of predictability.

The intent of Action 1 is to produce an acceptable and predictable growth rate by evening out extreme peaks over an established period of years. The action is aimed at large development project; during the past ten years, construction of such projects over short periods of time has resulted in an excessive rate of growth.

In addition to controlling the timing of development, this Action is intended to help defray the costs of servicing large development projects. The mechanisms used to accomplish these objectives are a triggered building permit system and a development tax.

Action 2 is a phased growth management system. The assumptions underlying Action 2 are:

** Development is likely to occur in the region (Futures 2 and 3).

** Both the rate and location of regional development will pose public servicing difficulties.

** The style of intervention should rely in part on incentives and allow some flexibility for developers. Although the Action requires long-range planning, the

Action's plans can be revised (albeit with some difficulty) to reflect future growth projections.

The intent of Action 2 is to influence the rate, public cost, and location of new development in the region. The mechanisms employed to accomplish this include a capital facilities program which ties the provision of public facilities to new development, and exactions for those developers who wish to develop in undesired and not-yet-to-be serviced locations.

Action 3 deals with the issue of housing. The assumptions underlying this Action are:

** Given any of the three possible futures, the cost of housing is likely to be prohibitive for a large portion of the working population.

** A crucial aspect of the growth problem is that low-/moderate-cost housing will not be available in the immediate vicinity. This is likely to lead to long commutes for service personnel, government workers, and teachers.

** Government should intervene to insure that a reasonable number of low- and moderate-cost housing units are provided. The policy to achieve this should offer predictable results and needs to operate on a constant basis.

The intent of this Action is to assure that a range in the price and type of housing is made available. The mechanism to achieve this objective is a type of quota system that requires the establishment of a pre-determined ratio of low- and moderate-cost to market-rate housing.

These three options are not the only possible actions for managing growth. Rather, they constitute preferred actions if the assumptions about the future, crucial aspects of the growth problem, and appropriate style of intervention are accepted. The actions share certain characteristics that flow from an assessment of the growth issue in Telluride. Each action is relatively easy to administer and requires no new citizen's board. Each assumes development will continue in the town and

the region, although Action #1 places the responsibility for regional growth management policies in the hands of county government. Each action is based on the prediction that growth will continue in the Telluride area over the next five to ten

years. The boom-and-bust scenario is unlikely. All the actions treat rereational tourism as the mainstay of the of the economy. Mining, agriculture, and manufacturing are not assumed to be major economic forces. Finally, each action reflects the need for a five-to-ten year growth plan.

I have suggest the five- to ten-year growth plan since I believe it to be a necessary step in the development of a growth management system* I strongly discourage immediate action for two reasons.

** An immediately enacted system that is intended to slow or even stop growth temporarily could have severe repercussions for Telluride's economy because it is so dependent on construction, real estate transactions, and development. The ultimate benefit of a "crisis-oriented" approach is questionable. It is important to consider the full repercussions of enacting a growth management system. The system should reflect a five- to ten-year growth plan, indicating how and where the community wants to grow.

** Precipate or immediate-action is also unnecessary since the town is already experiencing a slowdown in building starts. This factor, coupled with a relatively short building season, provides the community with almost a full year to consider a more comprehensive and thoughtful approach.

Systems that depend on long-range forecasts (20-30 years) should also be avoided when possible, although it is necessary in the case of the capital facilities programming (Action 2). There are certain dangers inherent in enactment of long-term systems:

** Systems which rely on long-range forecasts may not be reliable, given the uncertainties of the future. Plans are susceptible to change, and projections about future population are based on current trends which may not continue. As an example, population projections incorporated in planning and facilities studies made between 1970 and 1975 estimated that the town would have 5,000 residents by 1980 -- over four times the actual figure.

** Systems dependant on long-range forecasts tend to become meaningless over time, given the rate of change in America today. Growth, especially in the recreation industry, is not necessarily inevitable, particularly for remote areas such as Telluride. In the next 20 years, our society's value structure may dictate very different approaches to resort development and growth in general. Leisure time may no longer be oriented toward a winter ski vacation in the Colorado mountains. It is worth remembering that just 15 years ago there were only 50 ski lifts in Colorado; today there are over 196. The development of new ski areas, which have contributed to a 20 percent in skier visits to

Colorado over the last six years, began in the early 1970s. [16]

Although Action 2 requires longer range planning than the other actions recommended, and thus runs the danger of not being able to respond to changing futures. The capital facilities program can be presented in five-to-ten year stages, indicating that the plan, over the long term, may have to be amended to account for changing conditions. The long range planning necessary for Action 2 is admittedly a drawback of this approach, but it is partially offset by the fact that a capital facilities program is necessary for servicing development in the unincorporated Telluride region.

It is important to view these proposals as independent actions. They are intended to assist the town and county governments and community develop an acceptable, growth management system for coping with the timing, location, cost, and type of growth likely to occur. The discussion of these preferred actions seeks to demonstrate a way of tying together different growth management mechanisms in order to achieve a desired approach for managing growth in the Telluride area. (Appendix F comprises a complete list of growth management mechanisms.)

The three approaches reflect my assessment of citizen concerns, possible futures, and means by which the town, county, or a regional government could intervene. They suggest that there is no single solution to managing growth in Telluride, but that a number of actions should be considered in concert.

In order to deal successfully with community concern about rate and type of growth, the preferred actions outlined below suggest that government should concentrate its energies in three areas: the timing of development, the timely provision of capital facilities, and the provision of low- and moderate-cost housing. There are a number of reasons for stressing these three:

TIMING OF DEVELOPMENT:

** Although residents frequently insist that growth be limited through enactment of population ceilings, or density-reduction devices, these same residents insist on the need for more tourist pillows and moderate-cost housing. My interpretation of these seemingly contradictory positions is that they represent a desire for steady, predictable growth (which has been as low as 3 percent and as high as 48 percent annually during the last decade).

** Based on permit applications, 300 building starts were predicted for the 1980 building season. High interest rates and difficulties in obtaining financing may lower this figure to less than 50 units. Residents, employers, and those in the construction trade have no way of knowing what to expect.

** A capital facilities-based program for phased growth (Action 2) will provide a degree of predictability as to the location and timing of development. However, since its usefulness will be primarily regional, efforts

should also be directed toward the timing of in-town development, which also worries the community.

** Timing of in-town development can be accomplished most efficiently through a triggered building permit limitation policy. Figures for yearly growth rate and actual number of units built annually were calculated for this report. Analysis of this data will provide indication of an excessive rate, and what size development projects contributed to this excessive rate. The quota system approach is easy to comprehend and adjust to meet changing conditions. It provides a firm growth ceiling and a predictable rate of growth. Staff time needed to explain and administer the system is minimal.

** Unlike other growth-limiting measures such as large-lot zoning, FAR's, increased parking requirements, and more restrictive zoning districts, Action 1 -- a triggered building permit limitation -- does not give rise to excessive variance proceedings or involve grandfathered lots and uses. It has the added advantage of not placing excess burden on anyone wishing to develop when growth is slow. Again, this can be viewed as an energy-conserving measure for both staff and property owners.

** The need for a long-range capital improvement program is recognized by both town and county governments.

** The existing sewer facility is inadequate: its discharge does not meet state health code requirements. In addition, a third sewer lagoon is needed to handle the waste produced by the town's growing population.

** Population growth in the region has meant more time devoted to reviewing septic tank systems and proposed sanitation districts.

** Consulting engineers have found that new subdivisions or annexed property, which are required to extend needed sewer and water lines, have not necessarily built them to code.

** Decisions regarding new and expanded sewer and water facilities have not necessarily been related to policies about where and when growth should occur.

** Decisions regarding expansions of facilities have, in the past been stalled, since this has often been regarded as a "go-ahead-with-growth" position.

** With no long-range capital facilities plan, numerous consulting engineers have been called in on a short-term basis by both town and county governments. Relearning the system, rereading past studies, and coordinating work with other governments adds to the cost of hiring consultants. [17]

** The development of a long-range, regional program that coordinates residential growth with the provision of

capital facilities will enable the region to provide efficient and cost-effective services while making more predictable the location and rate of that growth. Concentrating efforts on the location and time of capital facilities construction helps the town meet several recommended objectives: the region and even undeveloped sections of town can develop at a reasonable rate. Needed public facilities are provided efficiently, possibly even cutting costs.

LOW- AND MODERATE-COST HOUSING:

** A good deal of research has already been completed on existing housing stock and assessment of future needs. [18]
** All interest groups in the community agree on the need for low- and moderate-cost housing.
** Agreements have already been reached with certain landowners and developers to provide employee housing. This has entailed separate town-developer negotiations for any large development project. Development of a standard policy for inclusionary housing would be more efficient and more equitable since it would apply to all large developments rather than a special few.
** Who can afford to buy or rent housing directly affects the social character of the community.
** Any growth plan or management system should consider its effects on housing costs and housing availability. Any system enacted to manage growth should include devices to encourage a fair share of low- and moderate-cost housing.

Instead of attempting to design specific regulations for any of the three preferred actions, I have included below a summary of what each action could accomplish if specific mechanisms were utilized. Incorporated in this summary are descriptions of instances in which other communities have enacted components of these systems. Because this report is intended to provide Telluride with a means of understanding the complexity of

growth and to assist in the development of a predictable growth management system, the three options are presented in terms of what they can accomplish instead of how regulations and policies might actually be designed.

ACTION 1, whose main components are a triggered building permit limit in town and a mandatory development tax, could be oriented to accomplishing the following:

1) Since the town is almost totally subdivided, the system could regulate the construction of housing units and lodge facilities through the establishment of a maximum allowable rate. This rate could be figured on the basis of new multi-unit developments added to the existing base. Single-family homes and low-/moderate-cost housing could be excluded when calculating the rate, since they could be viewed as "desirable growth."
2) The system could prohibit completion of large development projects (defined as those over "x" number of units) during periods of rapid growth in town. Such projects could be required to stretch the building of their units over a number of years.
3) At times when the number of units must be limited, desirable growth (e.g., single-family homes and least-cost housing) could be exempt from the regulation.
4) Development projects which are easily serviced or make substantial contributions toward service costs could be given priority over projects that are more difficult to

service, if and when developers have to compete for permits.

5) The system could be designed to allow all developers to build at least part of their projects in a given year without any one developer having the opportunity to preempt other developers.

6) If developers were allowed to build only a fraction of their projects, the system could be designed to guarantee completion of the total project with a defined period of time. (Refer to Appendix G, Development Schedule Covenant.)

7) Development project of over "x" number of units could be required to pay a minimum development tax, figured on a per-unit basis, to help defer the costs of expanded public services and facilities. A developer might negotiate with the town to provide needed public amenitites, improvements or least-cost housing in lieu of the tax.

8) A second permit limitation provision could be triggered if the stretch (see #2) does not sifnificantly lower the rate in the preceding 12 months. Developers would then compete for a limited number of permits, which would be granted to those development projects that scored highest when measured against pre-determined criteria. A formula-based point system derived from the criteria could be administered by the building official rather than a town review board.

The establishment of any permit limitation program, whether

enacted on an annual basis or triggered when the rate becomes excessive, requires professional evaluation of existing capacities of public services and facilities. In addition to this, the establishment of building limitations should be based on assessments of availability of land, rate of growth, estimated housing demand, and capital facility needs.

The enactment of a development tax should be based on the estimated costs of new facilities and a comparison of alternative financial arrangements (e.g., special assessments, general obligation bonds, user fees, etc.).

Two communities in Massachusetts established growth mechanisms similar to this triggered building permit limit strategy.

Falmouth, a recreationally based community on Cape Cod, proposed a growth-phasing ordinance for the purpose of slowing the annual rate of growth from an average of 450 dwelling units to 320 units. Residents were concerned about the town's ability to expand facilities to service new development and about the rate of social and environmental change brought on by rapid growth. An annual permit limit was chosen for its predictability. Falmouth designed a point system, administered by the Town Building inspector, under which scores were determined by each applicant and reviewed by the inspector. A copy of the ordinance and point system formula, prepared for the town by Philip B. Herr & Associates, can be found in the Appendix G.

Sharon, the second Massachusetts community, enacted an

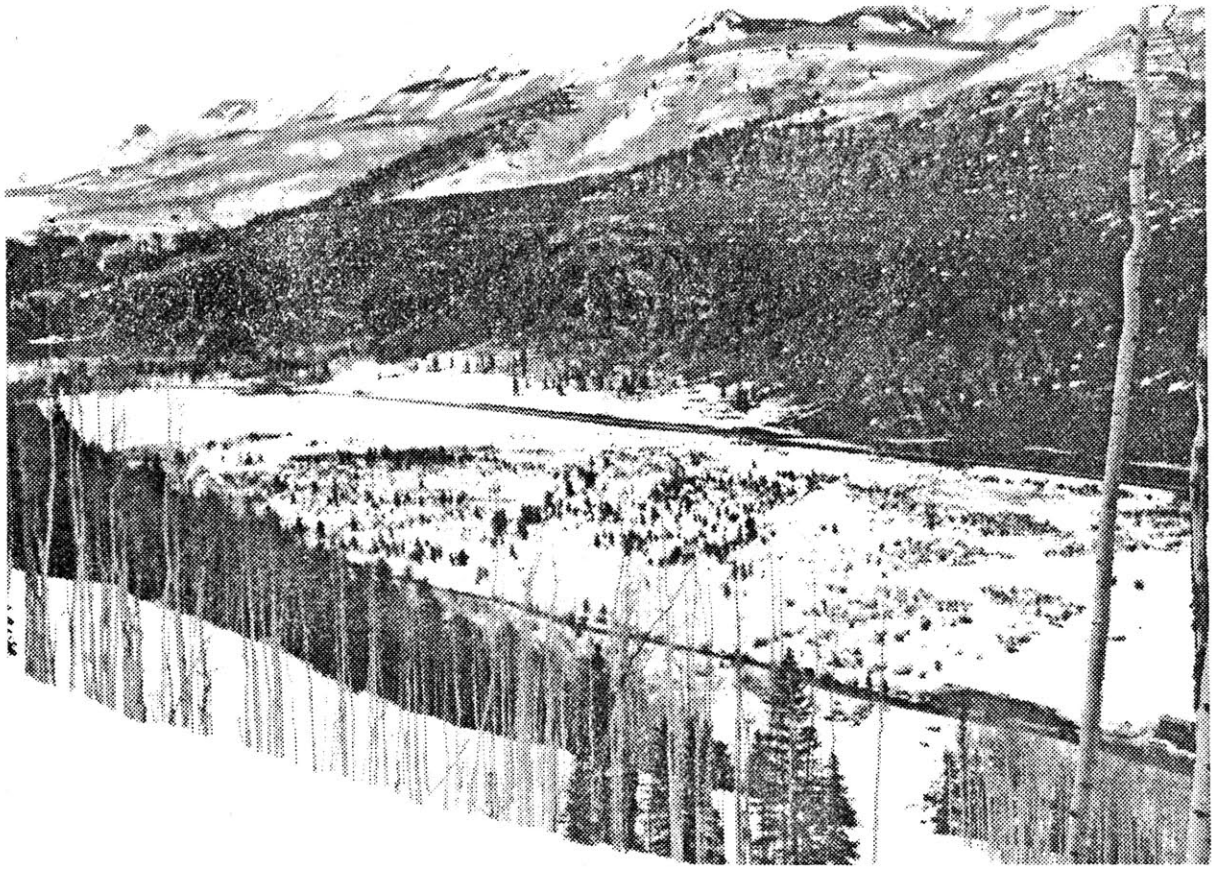
amendment to its zoning ordinance that limits the number of dwelling units constructed by any one developer only during those periods when the growth rate becomes rapid or excessive. The amendment is an outgrowth of concern for the possibility that changes outside of the town's control could lead to a furious pace of growth. The amendment involves no new limitations under normal circumstances, but

> When growth is rapid (more than 200 new dwelling units in 2 years) large developments would be limited to 1/8th of their total planned dwellings in any one year. When growth is extremely rapid (more than 300 dwelling units in 2 years) each developer would be limited to four dwelling units per year. [19]

(A copy of the proposed amendment is included in Appendix G.)

Although both of these communities chose quota systems affecting when and how much a developer might build, the effect of each system is quite different. The Falmouth device slows the rate of growth absolutely, while the Sharon system only prevents periods of excessive growth.

Action 1, outlined above, employes different means to reach the same goal as the Sharon system -- preventing periods of excessive growth. Whenever its maximum allowable limit is surpassed, this type of action would allow developers to build only a percentage of a proposed project. If that mechanism alone does not lower the rate sufficiently, developers would have to compete for permit allotments on the basis of pre-determined criteria. Thus, a built-in double trigger serves as a safeguard without adding unnecessary restriction.



ACTION 2, whose main components are a phased capital facilities program (also referred to as a capital improvement program) in the region and a concurrent land acquisition program, could be oriented to accomplish the following:

1) There is now no coordinated public facilities plan for the unincorporated land south and west of Telluride. With no area-wide sanitation or water distribution facility, new developments have relied on septic tanks and wells, or created their own mini-sewer and water systems. Establishment of an area-wide capital improvement program (CIP) could provide the means for controlling the availability of new public facilities and services. It would also be another safeguard against the underbuild/overbuild syndrome that frequently accompanies the unplanned provision of such facilities.
2) A capital improvement plan could include the establishment of service districts. A full-service district would be made up of those areas that were already developed and those areas in which new growth was desired. Guaranteed provisions of adequate sewer and water facilities in this district would encourage infill and compact development.
3) The establishment of partial-service districts, where limited facilities exist, and no-service districts, could provide a disincentive to develop in those areas. This would discourage "leapfrog" development. The CIP would indicate when an area would receive service, and might include a compensation clause-in the event that services

were not supplied within a reasonable amount of time following that date.

4) Permission to develop could be tied to access and proximity to existing or planned public facilities and services. A point system, based on availability of sewer and water, proximity to sewer and water facilities, access to the state highway, county roads, and local streets, proximity to firehouses, and possible impact on the Telluride schools, could be designed to help minimize large, untimely captial outlays.

5) To assure compliance, the point system could be designed so that a minimum score would be necessary in order to obtain a building permit. Development projects unable to make the minimum score (this would include all projects in partial-service and no-service areas) could be built, if developers were willing to provide necessary facilities in advance of the publicly planned facilities.

6) Single-family homes and/or small development projects could be exempted from the policy if they met minimum state health requirements for providing wastewater disposal and an adequate water supply.

7) Inclusion of a public land acquisition program as a part of the CIP could minimize future land acquisition costs or new public facilities while assuring the most favorable locations for such facilities.

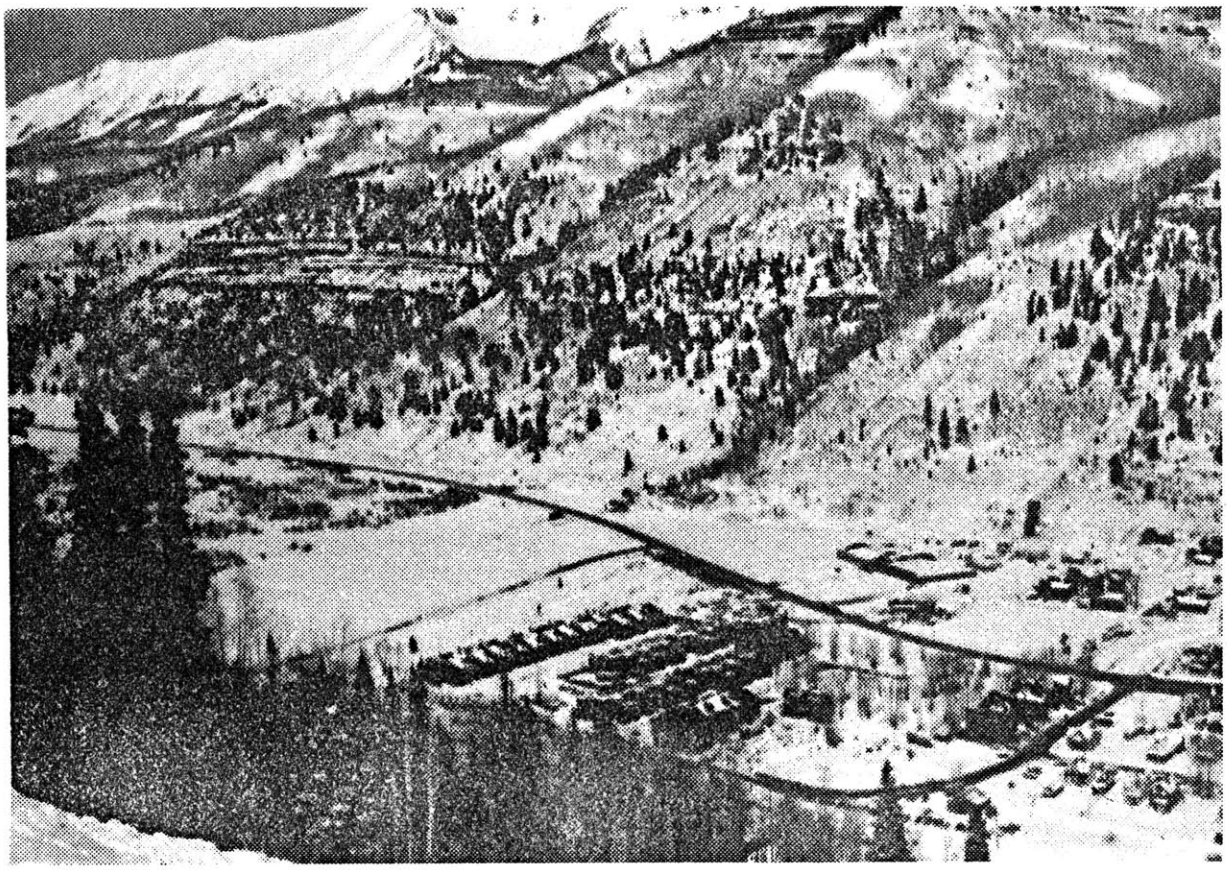
8) The land acquisition program could be expanded to meet other public goals (e.g., preservation of open space,

provision of low- and moderate-cost housing, etc.).

To be effective and legally defensible, application of a phased growth management policy tied to the provision of capital facilities and public services must rely on a realistic assessment of growth and the future provision of necessary public facilities and services. If facilities are scheduled to be provided by a certain date, those restricted from developing must be given a guarantee that they can develop or will be compensated if promised facilities and services do not appear. In addition, methods of financing capital improvements for both the public and private sectors should be identified. Cost estimates must be realistic, and projections of need should take into account the fact that public facilities in Telluride must be able to accommodate peak as well as average demand. Projections should be figured for low, moderate, and high growth rates, population, and seasonal service demand.

In Colorado there has been some discussion of the legality of limiting physical expansion by controlling the provision of public services -- particularly in the wake of a civil suit, Robinson v. City of Boulder. In that case, the Colorado Supreme Court ruled that the city was acting as a "public utility" in providing certain water and sewer services outside the city limits:

> Boulder had "staked out" a particular area beyond its boundaries and sought to become the sole supplier of water and sewer services within that area. Consequently, the Court decided the city could not refuse to serve property located in that area except for utility related reasons. [20]



Two points should be recognized. Colorado law empowers home-rule municipalities to serve water users beyond their boundaries. Boulder, a home-rule city, consolidated its position as exclusive source of sewer and water facilities. In the suit, Boulder argued not that it had planned to provide facilities in time or allow others to provide facilities. Instead it had taken the position that it would not at any time extend services beyond a certain line. Under Action 2, as outlined, Telluride would not be in the position of refusing to deliver service; it would simply announce schedules of when the service would be provided. Although Colorado statutes do not prohibit this timing of service delivery, any effort to do so will require careful consideration of applicable case law and state statutes.

Perhaps one of the most widely cited examples of the capital improvement approach to growth management is that used by the community of Ramapo, New York. Detailed information about the town's program is found in the references listed in the bibliography. The co-author of Ramapo's phased growth plan, Dr. Robert Freilich, has worked more recently with San Diego, California. The approach that city chose is interesting because it is praised by developers for striking a balance between the forces promoting and limiting growth.

San Diego's program of phased growth management begins with the division of the city into three distinct areas:

(1) The "urbanized" sector of the community consists

> of those older and established portions of San Diego which have been blessed with the necessary amount of public services. Here new growth and development is encouraged on the theory that land, which had at first been passed over by developers as uneconomical, can now be developed to "densify" or "infill" these areas.
> (2) The "planned urbanizing" sectors are those areas already partially developed with approved community plans. New development will be allowed here as developers establish programs to pay the costs of servicing new homes . . . .
> (3) Lastly are areas of "future urbanizing" which will remain undeveloped for an indefinite period of time . . . . The banner of current urbanizing to future urbanizing is not irrevocably set, however. If developers in the outlying lands want to develop sooner than might have previously been allowed, they can map out plans, but must include assessment districts and programs oriented to paying for the costs of required services." [21]

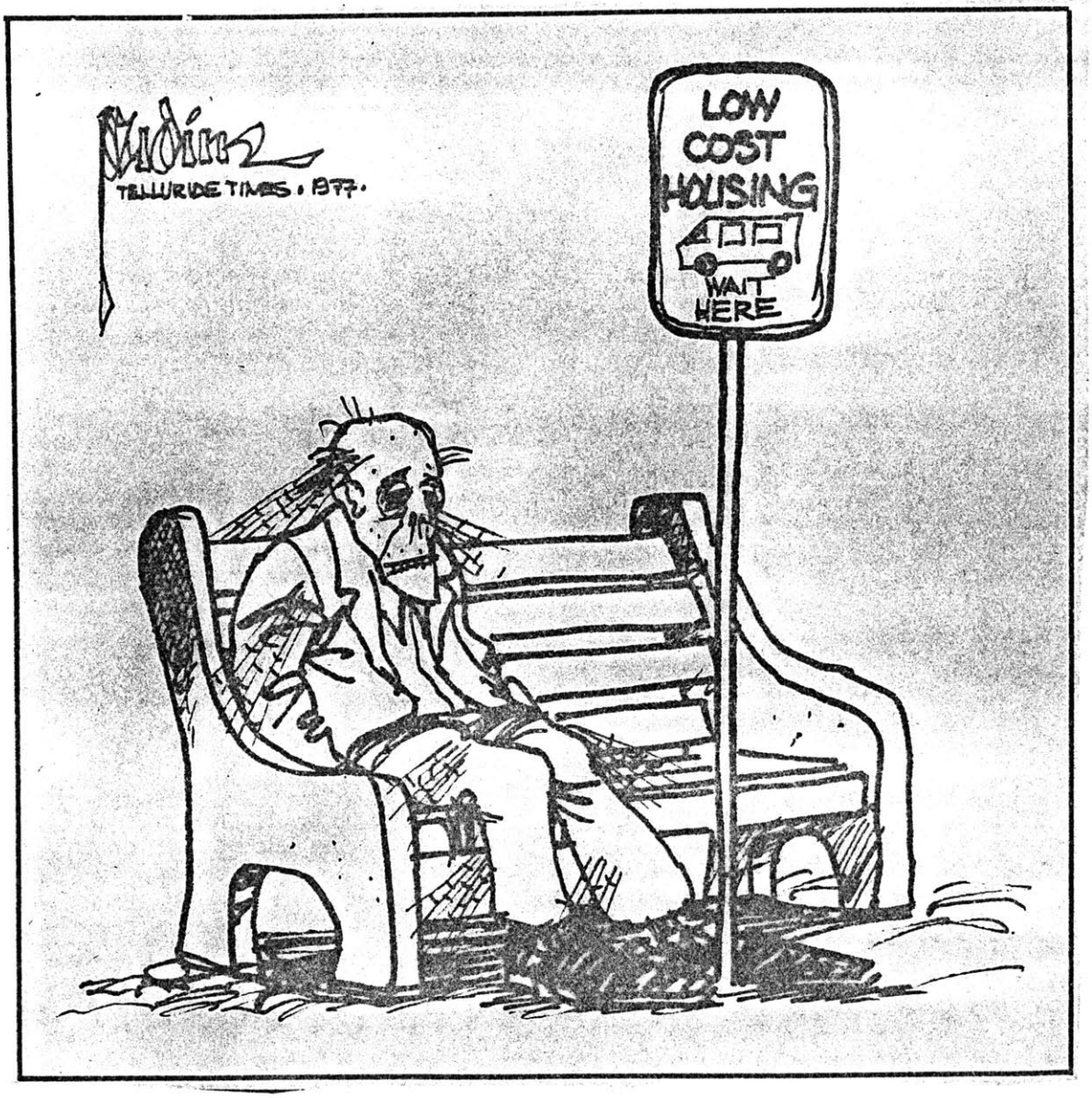
Like Alternative 2 for the Telluride Region, this plan rests in part on the establishment of service districts. However, the legality of such a system is questionable, since the established rules have not necessarily guaranteed development approval. One development project proposed in 1972 has been delayed nearly ten years, with completion now slated for 1983. The costs of providing public facilities, coupled with the costs of the delay, have added at least $10,000 to the price of a dwelling unit. [22] While this does not negate the usefulness of such an approach, it indicates that the delineation of service districts and capital improvement programs must, first, be tied to a continually reviewed schedule detailing provision plans and, secondly, be based on a reasonable rate of growth.

Along similar lines, the New Hampshire Office of State Planning notes that, first, "the extent of the service area which is delineated should be sufficiently large to assure that

development can occur without driving up land prices unreasonably. Second, controls over services must be developed jointly with those agencies that are responsible for the provision of services . . . ." [23] Consideration of any type of capital improvements approach requires careful planning and budgeting. References are included in the bibliography to assist the community in understanding the process of developing a sound capital improvement program.

The last action, Action 3, is aimed at guiding the type and quality of new development in the region. The main components are a fair share housing ratio, a type of quota system, and development standards. This action could be designed to accomplish several things:

1) The requirement that low- and moderate-cost housing make up a certain percentage of the total number of units built could insure the development of least-cost housing.
2) The system could be designed to allow a potential developer some degree of flexibility. If the ratio of low-/moderate-cost housing units to other units prevented devlopment of only market-priced units, the developer would be afforded a number of choices: a) waiting until more low- and moderate-cost units are built, which would bring the ratio back into line; b) providing low-/moderate-priced units within the proposed project; c) contributing funds to a public housing agency to supply least-cost housing; c) subsidizing another developer's effort to provide least-cost housing; or 3) building low-


TELLURIDE TIMES • 77•
LOW
COST
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and moderate-priced housing at another site.

3) The development of low-/moderate-cost units could include specifications restricting the sale price of a unit so as to avoid substantial profits by initial and subsequent buyers. If low-/moderate-cost housing were rental rather than sale units, restrictions defining "long-term rental" could counteract the temptation to rent to tourists and visitors on a short-term basis.

4) To offset potential losses for developers, incentives could be offered to those who choose to build low-/moderate- cost units within their proposed projects, rather than opting for the alternative remedies listed above. The Regional Planning Authority established under this action could guarantee speedy passage of these projects through bureaucratic channels, relax some building and development standards, or grant a density bonus by discounting the low-/moderate-cost units in calculating the the density per acre.

5) Unlike inclusionary policies, which simply state that large builders must sell a percentage of their units below cost, the establishment of a fair share housing ratio could indirectly encourage slow growth during region-wide construction booms. During periods of high demand and low supply, housing prices usually soar, providing a comfortable profit margin for builders. This allows them to sell some new units below cost and still make a healthy -- though reduced -- profit from the development. If

demand is not strong enough or steady enough to enable builders to charge top dollar for their regularly priced houses, it becomes difficult for developers to absorb the expense of providing units at prices below the market rate. This usually prompts developers to build elsewhere or stop building altogether. In the past, the lack of strong, steady demand in Telluride has followed periods of excessive growth, and developers have been forced to lower prices in an effort to maintain their respective shares of the market. If this trend continued, a fair share ratio could assist in slowing development during periods of excessive growth.

6) The use of development standards in conjunction with this quota system could provide assurances that development would be of high quality and would meet urban design goals for the region. The standards could be weighted numerically to reflect their value to the community as well as their cost to the developer. In order to receive a building permit, a developer would need to achieve a total minimum score in addition to a minimum score in specified categories. Development evaluate their effectiveness in fostering stated goals for urban design and quality of development.

A number of communities across the country have adopted similar inclusionary housing policies -- in California, Palo Alto and Orange County; in Colorado, Boulder and Mt. Creste Butted in Gunnison County. While none of these systems operates in the

manner proposed for Telluride, they all set standards requiring the provision of below-market-rate housing. In Mt. Crested Butte, an ordinance provides for employee housing in each newly-constructed multiple-family building. One employee living unit of 220 square fee is held for long-term rental for each 8,000 square feet of saleable condominium space. The rental units are dedicated to the condominium association, which is responsibility for maintaining and managing the rental units. [24] Palo Alto, California, requires large builders to sell 10 percent of their new units below income to moderate-cost families that otherwise could not afford them. According to the Wall Street Journal, "The prices are controlled by a public housing agency, which must clear both the initial buyer and subsequent purchasers. It is up to the agency to ensure that resale profits don't exceed a rate tied to the Consumer Price Index." [25] that this approach is most likely to succeed in areas "where the circumstances that sparked California's [inclusionary] drive also exist: exclusionary practices and heated demand cause a severe housing shortage that sends prices soaring, thus frustrating the politically powerful middle class." [26] The healthy profits currently reaped by developers in the Telluride Region, and seemingly high demand, may justify such a strategy.

A number of communities have also chosen to establish development standards, most notable among them Breckenridge, Colorado. Although the Breckenridge system is more encompassing than the approach outlined above, and perhaps too complex to administer for the Telluride Region, the system's "relative

policies," which encourage or discourage features by assigning positive or negative performance points to the development proposal, are worth considering. Points are awarded on the basis of architectural compatibility, building heights, fire control and prevention measures, air quality, water and energy conservation, barrier-free construction, general site suitability, improvements of hazardous conditions, placement of structure, site design, internal and external circulation, parking, snow removal and storage, general storage, provision of recreational facilities, open space, and landscaping. A copy of Breckenridge's Development Code is available at Telluride's Town Hall.

These three preferred actions represent distinct approaches to managing growth. Assumptions about crucial impacts of growth and how best to intervene in the process have shaped the intent and focus of each option. Predictions about the future also influence the form of each.

It is important to recognize that these actions could have profoundly different effects on growth under a different set of assumptions and intentions. Any mechanism developed as part of these preferred actions is flexible and should be guided by a clear sense of goals. In addition, any mechanism should be evaluated -- can it achieve its objectives in a clear, efficient, and effective manner? (This concern is addressed in Appendix H.)

In summary, the goals underlying the proposed actions are:

1) To control the timing of development (Actions 1 and 2);

2) to minimize the public costs of servicing development (Action 1 and 2);

3) to influence the location of development in the region (Action 2); and

4) to insure a range in the price of housing constructed (Action 3).

VII. RECOMMENDATIONS TO TOWN GOVERNMENT

This report has addressed the question of coping with the uncertainties of growth in the Telluride Region. Its intent has been to encourage circumspection about the growth problem and its possible solution. The means of accomplishing this have been: through an understanding of how various interest groups in the community view the growth problem; the identification of characteristics that reduce the uncertainty of the future, thereby offering a degree of predictability about what the future will be and what impacts are likely; and an explanation about why growth management controls are desirable. This discussion formed the basis for the development of three preferred actions to cope with crucial aspects of the growth problem.

If the town government is striving for more predictable growth, then a growth management system should be considered. If the analysis is correct -- the community wishes to control the rate at which development is occuring to assure that new development can be effectively and efficiently serviced and to better assimilate, adjust to, and monitor social and environmental change -- then it is recommended that Actions 1 and

2 be more fully developed into a system for coping with growth. If citizens also desire assurances that they, and people like them, can continue to afford to live in the Telluride area, then further development of Action 3 is recommended.

It should be recognized that Action 1, the triggered buiding permit system, ought to be considered if any of the future growth scenarios occur. Action 1 is an energy-conserving approach. Once designed, it requires little administration or cost. Action 2 requires more effort/planning and administration, but it has the advantage of possibly saving taxpayers money. Action 3 is perhaps easiest to design, but will require monitoring and administration.

Below, I have outlined a process by which to develop further the three preferred actions proposed in this report. The intention of this recommendation is to outline a planning process with which to develop a growth management system on the basis of the preferred actions.

RECOMMENDATION ON HOW TO PROCEED

BACKGROUND: In many communities, the success of growth management programs has depended on meaningful participation by the public and elected representatives from the beginning of the planning process. Community goals and objective have provided essential guidance in the formation of the system. Another tactical move important to effective programs has been the encouragement of community involvement throughout the process, keeping "more than one alternative in front of the public until

the final goal selection process . . . . Presentation to the community of a single set of growth goals [or strategies] that appear to be the decision of 'city hall' would seem doomed from the beginning." (27)

RECENT CRITICISMS AND SUGGESTIONS: Residents' disenchantment with decisions and the way they are reached is real and should not be ignored in developing a growth management program. Whether or not the criticism is deserved, the perception exists and must be dealt with. Ignored, it will only intensify. Procedurally, government should consider the merits of public participation from the outset, a diverse array of concrete actions for the public, council and staff to review, and some flexibility in the process and recommended solutions.

WHAT CAN BE DONE: The following steps outline a recommended path for town government to follow in developing a growth mangement system. Where possible, I have attempted to tie those steps to other government efforts already planned or underway.

Step 1: The Town Manager should appoint a task force to assist in developing a growth management system. The task force should be a small representative community group. It is recommended that two or three members of the five interests outlined in Section III make up the task force. The members should be recruited with the intention of avoiding representatives of special interest groups or recognized community "movers and shakers."

Step 2: The task force should consider two topics: the development of a triggered building permit system which

could serve to control the timing of development as outlined in Action 1, and the possibility of a regional authority, preferred for Actions 2 and 3. The development of the triggered building permit system should ideally occur after the town government revises its master plan.* Consideration of a regional authority should reflect findings reported by the Telluride Regional Advisory Commission.

In considering these two topics it is recommended that the task force divide into subgroups composed of those people most comfortable with each other. Each subgroup would assemble its own set of recommendations. These could then be presented to the entire group for discussion and agreement about what the staff should pursue.

Step 3: Based on the task force recommendations concerning a timing of development control and establishment of a regional authority, staff should arrange the community-based recommendations into a few concrete proposals for controlling the timing of development and establishment of a regional authority. They should include an explanation of methods for their implementation and administration. The specific proposals should be presented to the task force and general public. Realistically, the options should be discussed in terms of the ten criteria for evaluation (see Appendix H), making clear the cost, legality and likely consequences of each one.

Step 4: The task force members should review the proposals

presented, asking such questions as:

** Which growth rate system (regional authority) best reflects community goals and objectives?

** What assumptions underly each system? Are they correct?

** Are we in agreement with staff's evaluation of the proposals?

** Could changes be made in the growth rate system (regional authority) to make it more responsive to any of the outlined criteria?

** Is the intent and design of the growth rate system (regional authority) clear and understandable?

** Which growth rate system and regional authority is most likely to achieve the desired effect?

** What limitations will serve to restrict these actions?

Based on a review of staff recommendations, a critique and possible modification of the proposals, the task force should select the system they favor most strongly. The task force should then present its recommendation to the public for comment , possible revision and adoption.

Step 5: Having considered and acted on the topics of timing of development and regional authority, the task force should next turn its attention to the provision of capital facilities and low/moderate cost housing (Actions 2 and 3). Development of these actions into a growth management system will depend in part on decision made

about the timing of development and the establishment of a regional authority and the effect of these decisions on growth in the region. Again, a process similar to that outlined above is recommended in developing these actions.

Although, I have outlined three preferred actions to cope with the uncertainties of growth in the Telluride area, I have resisted the temptation of stating "you should develop Action 1, establish a regional authority and then develop and implement Actions 2 and 3." I feel that this sort of decision is best left to the community. What I have done is outlined the problem, presented a number of options and briefly outlined a process. As an outside consultant, I view the three actions as the best strategy to take to cope with growth. Yet, because I do not live in the community or experience the impacts of growth, I see a need for these preferred actions to be discussed and debated in length by the community. They should be considered in conjunction with other community-based recommendations or options about how to cope with growth. It is only through discussion, debate and review of concrete actions that the community will come to agree on a possible solution. It is my opinion that the discussion and development of the preferred actions along with alternative community-based recommendations will provide a richer set of possible actions and, in turn, a set of possible growth management systems which are relatively immune to manipulation. Under this process, government staff may be viewed as facilitators rather than decision-makers. The choice of what type of system to enact will reflect community attitudes and

agreement. While this process will take more time, it should also produce more effective regulation. Since repesentatives of different community interests will be directing the development of a growth management system perhaps such comments as "Lots of people in town don't care about our ordinances" will no longer be heard at Town Council meetings. [28]

* The revision of the master plan should include new community goals and objectives, an inventory of the capacity of existing public facilities and services, an inventory of housing stock and developable land and a review of population trens. Major policy issues such as the provision of public facilities and services; housing; environmental protection; transportation; property values and public financing should also be dicussed. Growth impacts related to these issues could be identified by the new growth task force for consideration when revising the master plan.

VIII.
Appendices

APPENDIX A

A Brief History of Development.

In part, citizen concern about the erratic rate of growth stems from a history of dramatic fluctuations in economic activity and population.

In the 102 years of its existence, the town of Telluride has experienced frequent boom-and-bust cycles. Known once as the "City of Gold," it sat in the center of a rich mining district in the Uncompahgres mountains and produced nearly one-quarter billion dollars' worth in precious metals. Its population has fluctuated from a high of 5,000 people during the 1890's to less than 500 people in the early 1930's and, again, in the 1970's.

Gold was first discovered near present-day Telluride in 1875, but by the 1880's the town was primarily a silver camp, with a population of 600-700. [29] By 1891, the town was connected to the Denver & Southern Rio Grande Railroad, and, rich ore from the mountains could be easily transported. Operating costs plummeted, spurring more development. Within the next few years, Telluride inventor L.L. Nunn, working under a contract from Westinghouse, succeeded in generating power using alternating current for the first time anywhere. Electrification of the town and mines followed, and by 1894 low-grade ore veins became profitable. The railroad and electric power guaranteed prosperity and rapid growth for the rest of the decade.

A series of events, beginning with the 20th century, contributed to Telluride's decline. A labor strike called in 1901, lasted three years. The breaching of a dam in 1909 was followed by a flood which isolated the town and washed away 16 miles of railroad track; another flood five years later killed one resident and destroyed many houses. By the early 1920s, even with the discovery of uranium and vanadium, most of the mines had closed due to rising operating costs. Population was down 40 percent from its 1890s peak. In 1929, at the outset of the Depression, one of the oldest and largest mines, the Tomboy, closed -- as did the town's bank. Telluride's population continued to decline, reaching 512 in the 1930s, a fifth of what it had held at the beginnning of the century.

The Tomboy reopened in 1938 and remained under the same ownership until 1942, when it and adjoining mines were bought by Telluride Mines, Inc. At that point, population in town had grown to over 1,400. Eleven years later, in 1953, Telluride Mines announced it would shut down due to losses -- this, ironically, at a time when San Miguel County, of which Telluride is the county seat, ranked first among metal-producing regions in Colorado and led the state in retail production. The closing threw 230 miners -- approximately 90 percent of the town's male workforce -- out of work. Two weeks after announcing the shutdown, Telluride Mines sold Tomboy to the Idarado Mining Company, a subsidiary of the Neumont Mining Company of New York. The new owner

constructed a million-dollar mill designed to process 1800 tons of ore daily. During the 1950s, however, the town's economy never really stabilized, and population began to drop again. Idarado Mining Company began to provide bus service in order to recruit employees from towns up to 90 minutes away. Although summer recreation began to grow in the early 1960s, few businesses managed to operate year-round, and property values continued a steady downward drift.

Throughout the early 1970s, the mine employed 175 people, and in the first quarter of 1974 the company posted its best profit ($5,738,000) in several years. [30] Although the mines were producing gold, silver, copper, lead, zinc, and radium, Idarado Mining, as so many companies before it, decided to close in September of 1978. The state of the world commodities market, coupled with required safety and technical improvements, were the reasons the company gave for its decision to close.

The 1978 closing did not affect the town as severely as had earlier shutdowns because Telluride's economy was no longer based solely on mining. The announcement of a major ski area in 1969 by Joseph T. Zoline, and its subsequent opening in 1972, had provided the town with a major new economic activity. By 1973, 87 condominium units had been constructed by Zoline's company, and new businesses began to appear on Main Street. By the time the mine closed, nearly 1,200 people were living in town, and most of the old homes that had stood vacant for many years had been sold and renovated.

The following chronology highlights the dramatic change in the community's economic base from mining to tourism from the end of 1968 through 1979. It charts the movement of community sentiment from initial support of to apprehension about development. The chronology illustrates both the dgree of change the community has experienced in the past ten years and also local government reaction to events that constitute change.

THE EVENTS WHICH HAVE CONTRIBUTED TO CONCERN ABOUT GROWTH IN TELLURIDE

DATE	TEXT
13 December 1968	Joseph Zoline, president of M.S.L., Inc., of Los Angeles, announces the development of an "Aspen or Sun Valley type of ski area" near Telluride. Having already acquired 7,200 acres near the town, Zoline estimates an initial investment of $10-15 million for the ski area.
9 January 1970	Preliminary plans for the ski area are made public. They include lodges, hotels, restaurants, entertainment facilities, improved transportation between Telluride and Montrose, and an airport to handle small planes. Total expenditures are set at $150 million over 20 years.
8 October 1970	The town demonstrates its support for the ski area by approving sale of the town dump site to Zoline. No other in-town site replaces the parcel sold.
10 December 1970	Zoline acquires a limited skiing permit from the U.S. Forest Service.
8 October 1971	Zoline receives a commercial permit from the Forest Service to construct the ski area.
March 1972	An amendment to the zoning ordinance is proposed by the Telluride Planning Commission. Its intent is to "prevent the destruction of the special character of Telluride" by eliminating multi-family dwellings in the residential zone of town. Many residents fear that the town will soon become "jammed with people and automobiles."
9 March 1972	County Commissioners approve Zoline's Master Plan and zoning.
22 June 1972	The Town Board passes an ordinance to vacate certain streets and alleys for construction of Zoline's 87-unit lodge.
July 1972	A graduate student in the planning program at UCLA arrives in Telluride to

	prepare a master plan for the area. Arrangements have been made by Zoline's architect, and the developer contributes one-half the cost of the study.
August 1974	HUD classifies over one-half of town land as a special flood hazard area. This designation prompts officials to adopt a flood plain ordinance with less restrictive boundaries.
October 1975	William H. Lewis, managing director of a New York investment banking firm, along with his partner Antonin Febres-Cordero of Ecuador, completes long-term arrangments to acquire controlling interest in the Telluride Ski Area and associated real estate. Once again, residents anticipate rapid devlopment of the ski area.
9 December 1975	Proposed zoning amendments are presented to a panel of local designers, developers, realtors, and residents by a coalition known as Citizens for Responsible Growth (CRG). The group has formed in order to respond to zoning problems that have been crystallized by a proposed motel complex, designed by noted California architect Heinrik Bull. The most controversial of CRG's proposals would restrict the FAR to 1:1 and would limit all buildings to 10,000 square feet of floor space. Although the proposal is viewed as a "no growth" control, and has no real proponents, many townspeople agree that more zoning controls are needed.
March 1976	An extremely bad ski season, with almost no snow, results in the loss of anticipated tourist spending and severely strains the local economy.
March 1976	Local developers complain that more zoning restrictions would jeopardize a developer's chance of securing financing.
April 1976	A rumor spreads that Telluride Ski Area has been sold to Walt Disney Productions, Inc.
April 1977	Lewis and associate Febres-Cordero

	forefeit their interest in the Telluride Company by failing to make a $1.85 million payment. Lewis's company has paid an estimated $1.25 million to Telco since 1975, but it loses all shareholdings.
June 1977	An inadequate water supply for a growing population and for fire protection prompts the Town to budget $24,000 for initial work on a groundwater supply project. Recommendations are also made to replace antiquated distribution lines.
September 1977	Town Building Official Terry Starr serves Zoline with a notice ordering him to correct structural deficiencies in the 87-unit Telluride Lodge. Zoline states that there are no such deficiencies and files suit against Starr.
20 October 1977	The condominium owners at the Lodge file million-dollar lawsuits against Zoline on the ground that they have been "sold the services of certain architects and engineers . . . but the project was not constructed according to their plans and specifications."
December 1977	Studies of the 50-acre Idarado Mines tailings pond, conducted by the Colorado Department of Health and the Center for Disease Control, indicate a high level of arsenic and lead in the tailings. Many residents express fears of water contamination and hazardous air pollution.
January 1978	Telluride adopts a Home Rule charter and hires a new town manager and a fulltime town planner.
February 1978	Benchmark Company assumes control of the Telluride Ski Company (Telco) by purchasing over 50% of its stock. Zoline retains 30% of shares and Basiliana, A.G., a Swiss corporation, 20%. Included in the purchase are 3,000 acres of land, of which 13 acres lie in the southwest corner of town. Benchmark Company, under the direction of Ron Allred, is known for the successful development of a new town near the ski area of Vail, Colorado.

September 1978	The Idarado Mining Company, once the largest employer in the valley and a mainstay of the economy, closes its operation due to financial losses.
November 1978	Plans for 18 units of Section 8 low-cost housing, slated for the east end of town, are defeated during municipal elections.
January 1979	Walter McClennan, having recently renovated the Sheridan Hotel, buys 47 acres of land immediately west of town from the Telluride Valley Corporation, a subsidiary of the mining company. McClennan wants to annex the land to town.
1 June 1979	An accommodations tax (or "bed tax") is instituted in Telluride to generate revenues for necessary public improvements. This particular type of levy is chosen because it is felt that "public services are used by the Telluride visitor as well as the Telluride resident."
29 June 1979	The 10.5 acres of Telco land known as the Backman Subdivision are annexed under the following town-imposed conditions: ** Telco must construct 170 units of employee housing, financed through Industrial Revenue Bonds; the first 34 units are to be leased to the town. ** The old dump site is to be used for a parking lot for both the ski area and subdivision units. ** Land along the San Miguel River is to be dedicated to the Town's River Park. ** Ski tickets will be sold within municipal limits, and there will be no limitation on the number of season passes sold. This marks the first attempt by the town to engage in negotiating procedures on land use matters.
September 1979	The Telluride Regional Advisory Commission is formed to discuss future growth in the region. The Commission has enabled conflicting interest groups to discuss concerns about growth in an open forum.

27 September 1979 The Town Council passes an ordinance which regulates the conversion of rental units into condominiums.

August 1979 The west end of the new Backman Village subdivision is designated a wetlands by the Army Corps of Engineers; the developer is obliged to go through a permitting process in order to build there.

November 1979 The Town Council approves three zoning amendments, thereby creating three new zoning districts in town. Located in the southwestern portion of Telluride, these three districts are expected to receive the major ski-related development. The new zones reflect a need for more lodging units and condominiums while limiting the level of commercial use.

APPENDIX B
Types of Impacts.

In analysing the impacts of growth on the community, I categorized the impacts (both good and bad) into six types: economic, environmental, fiscal, social, transporation, and visual. They are described below.

The more important economic impacts in Telluride have to do with the town's economic base, jobs and businesses, and property values. On one hand, development can serve to diversify and stabilize the economy; on the other hand, growth can do little more than exacerbate the boom-and-bust cycles characteristic of the town's economy in the days when mining was the dominant economic force. Growth also has a profound effect on the availability and diversity of job and business opportunities. It can affect the number of jobs available, the type and range of jobs and of business opportunities, and the income level of local residents.

Environmental impacts have to do with the quality of the air, ecological stability of the land, and the availability and quality of water. Growth may result in a loss of green space, or it could mean aggressive government land acquisition in order to secure park lands and river access.

Fiscal impacts relate to issues of municipal finance and the quality and quantity of public facilities. The range and cost of government services usually increase as a town grows. The tax burden may increase or decrease, or even be shifted to different segments of the population. If the town grows, questions and concerns arise over the cost of expanding water and sewer facilities and over who pays for new schools.

A fourth category of impacts related to growth is social. Often the most difficult to understand and describe, social impacts have to do with quality of life, community character, and similar subjectively judged characteristics. The number of people in town and the mix of people can change dramatically as a result of rapid growth. The supply, range, and cost of housing is affected, and the size, structure and style of government usually changes. Special amenities -- a favorite park or a special historic building -- are sometimes lost. New cultural amenities and recreational facilites may be provided when change occurs.

Transportation impacts constitute the fifth category of possible effects. Impacts usually relate to concerns about parking, congestion and getting to and from town. Accessibility, availability, and cost of transportation often change when the rate or type of growth alters significantly.

The final category, visual impacts, centers on community appearance and image. Perceptions of local residents often differ from those of visitors, yet both are important and will be influenced by growth-related changes. Visual issues specific to Telluride include concern about the historic district and expansion of the town.

APPENDIX C

How Various Interest Groups have been Influenced by Growth.

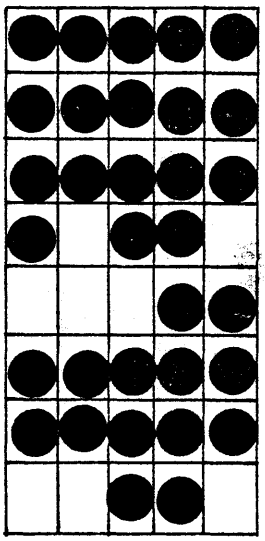
This chart lists good and bad effects of growth by category of impact -- economic, environmental, fiscal, social, visual, and transportation. To the right of each impact is an indication of which interest group(s) is(are) most affected and vocal about that particular impact.

Proposals aimed at guiding or influencing growth should include consideration of how each group might be affected by any change.

ECONOMIC IMPACTS

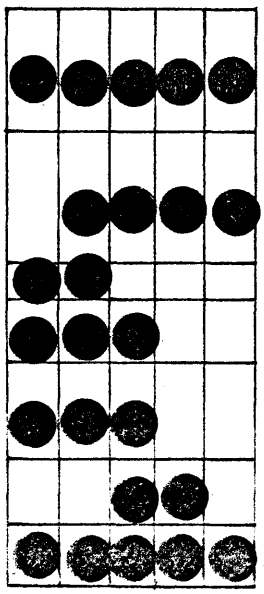
GOOD:

* The economy is healthier than it was 10 years ago.
* There are more jobs and business opportunities in town.
* Property is no longer undervalued, as it was before the ski area opened.
* There has been a fivefold increase in the value of real estate assets.
* Higher land costs have justified higher quality construction.
* The average income level of residents has increased.
* There are more and more varied business establishments in town.
* More residents have profitable jobs in their chosen profession.

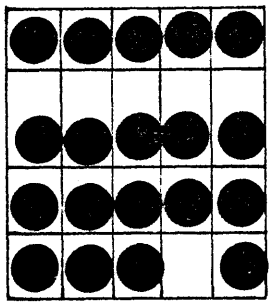


BAD:

* The economy is still single-based and influenced by factors outside our control -- the national economy and amount of snow.
* Local wages are not keeping pace with housing costs, making it difficult to attract service personnel, teachers, and government workers.
* Income barely covers living costs.
* New job opportunities are not necessarily filled by locals.
* The types of job opportunities are for the most part limited to service, government, and construction.
* Competition is increasing among businesses and among developers.
* Property taxes and user charges are increasing.



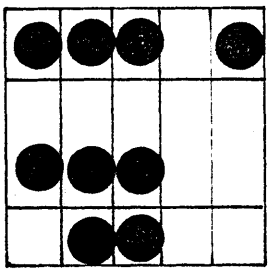
* Land speculation is resulting in higher costs, since land is kept off the market.
* Land prices have been rising at 5 percent a month, driving up overall business and housing costs.
* Higher land costs have dictated higher-density development.
* Blue chip businesses are creating an imbalance of activity on Main Street.



ENVIRONMENTAL IMPACTS

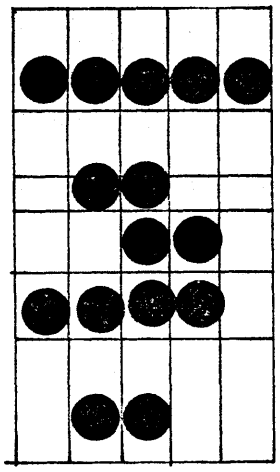
GOOD:

* Land along the San Miguel River has been dedicated for use as open space.
* Community concern about environmental quality has resulted in an air pollution ordinance and protective measures for the hillsides and flood plain.
* Town has traded park in-holdings for other town land.



BAD:

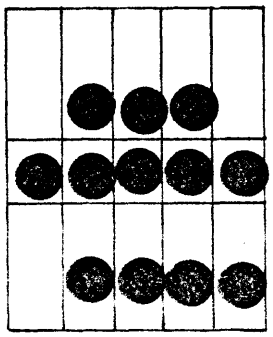
* More cars, more housing units with woodburning stoves, and more business establishments have increased air pollution.
* There has been a loss of open space due to infill construction and town expansion.
* Wetlands are endangered.
* Existing sewage treatment facility is not adequate.
* New water supply systems are more complex and thus more expensive than current system.
* Demand for paved streets is increasing. This is both esthetically unpleasing and costly since runoff will need to be channelized and roads maintained.



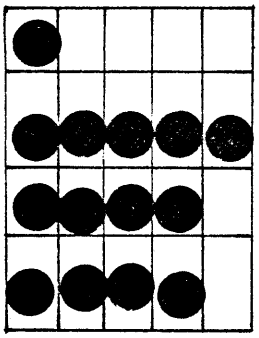
FISCAL IMPACTS

GOOD:

* The school system has benefited from better teachers, a new solar collector to reduce heating costs, and a free ski program for children.
* Improvements have been made in both water and sewer systems.
* Local government has initiated a number of new public site improvements -- new street lights, a new downtown minipark, grass sodding program, and public signs.

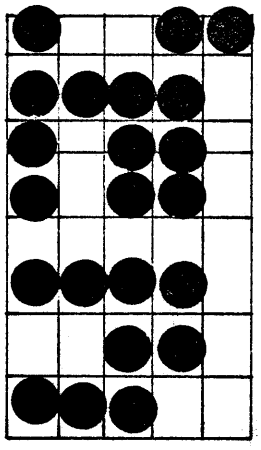


* Senior citizens receive public services and utilities at reduced rates.
* Government revenues have increased due to a broader range of taxes (increased sales tax, bed tax, etc.).
* Government is able to deliver a wider range of services.
* A portion of the burden has shifted to tourists and consumers, and this is less regressive.



BAD:

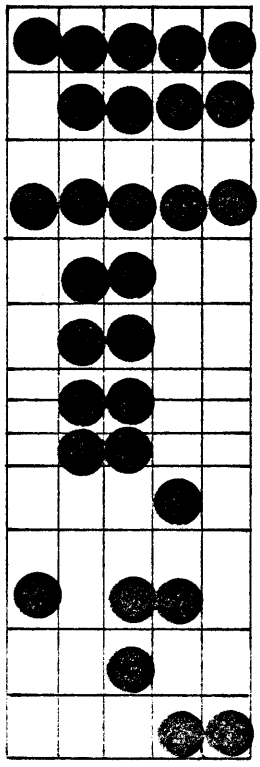
* Garbage collection is not adequate.
* Solid waste must be hauled 68 miles to Nucla because dumpsite was sold to developer.
* The school is currently filled to capacity.
* The school system needs to expand its bus routes, given development in the region.
* Outlays for sewer and water facilities have increased because the system is always expanding and being improved.
* It's difficult to plan for capital improvements given a fluctuating growth rate.
* Facilities must be designed for peak rather than average demand.



SOCIAL IMPACTS

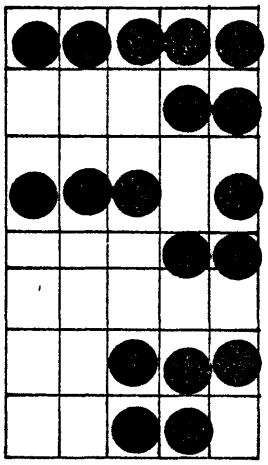
GOOD:

* There are a wider variety of activities in town.
* There are more recreational opportunities (skating rink, XC trails, ballpark).
* There are more cultural opportunities -- festivals, cinema, playhouse, radio station, arts commission, library.
* Government organization is better able to handle new problems.
* The town is receiving more state and federal funds because of good grantsmanship.
* There is broad-based public particpation.
* There is home rather than statutory rule.
* The town has a professional government staff.
* Housing ownership is possible, given condo conversion.
* The cost of housing is increasing, pushing up the value of all existing units; homeowners' equity is rising.
* Secondary structures are being converted into housing.
* The mix of housing has increased -- there are more condos, short-term rentals, mutli-family



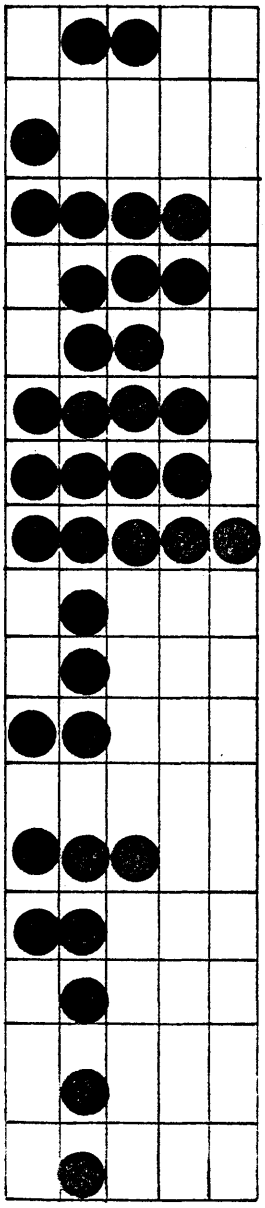
units and lodges.

* Substandard housing is being upgraded to code.
* There has been steady construction of housing to try to meet demand
* Short supply of buildings has provided incentive for renovation of old structures; there has been virtually no demolition.
* The absolute number of units has increased.
* A healthy political dynamic has developed among interest groups.
* There are more people with similar social backgrounds with whom to associate.
* More people are supporting more businesses and services.

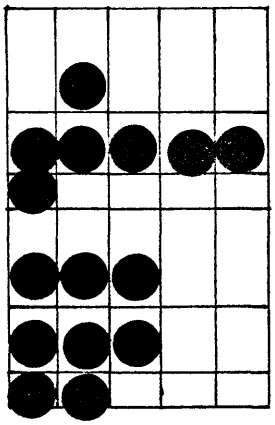


BAD:

* It has become difficult to use recreational facilities during peak tourism periods.
* The town has become "over-populated" during festivals -- they cause too much traffic, noise, and trash.
* There are too many public meetings and too many commissions.
* High housing costs are resulting in an outflow of service personnel.
* It has become increasingly difficult to enforce government regulations.
* Government favoritism is perceived as a problem.
* The town staff is not as accessible as it once was.
* Regulations are becoming too complicated and are difficult to understand.
* Many Telluride residents find it increasingly difficult to finance housing.
* Summer service personnel have to "live in the woods."
* Mobile homes are not allowed in town limits anymore.
* The price range of housing is not very broad, as more high-cost housing is built; existing rentals are lost and short-term rentals increase.
* Short supply and high demand is causing inflated prices and displacement.
* There is almost a zero vacancy rate for long-term rental housing.
* A number of families are forced to move numerous times as rentals are sold or converted to short-term rental.
* The number of units of low/moderate cost housing is decreasing; regional banks won't



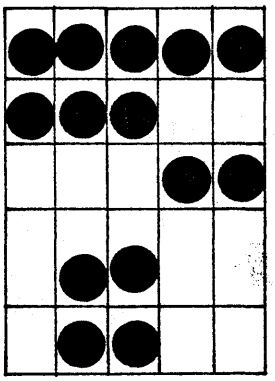
lend for lower cost housing, and condo conversion is wiping out existing low-cost rental units.
* The town has become increasingly factionalized.
* There are fewer old people in town.
* The town is losing its diversity; there are more and more rich people and part time residents.
* The population fluctuates tremendously on a seasonal and week-to-week basis.
* The rate of growth is too high.



TRANSPORTATION IMPACTS

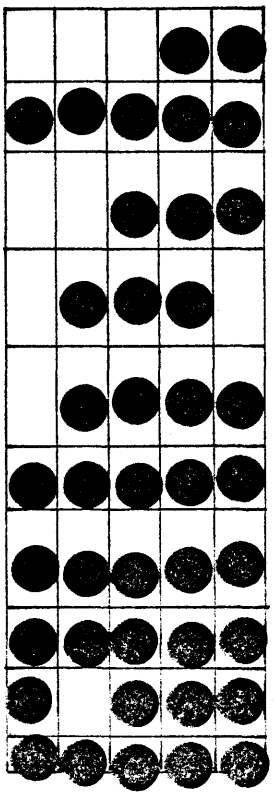
GOOD:

* There are now more connections via transport service to town since the ski area opened.
* Weekend visits are low since Telluride is so isolated.
* There is free public transportation during the ski season and peak periods of tourism.
* The community has become more pedestrian-oriented due to difficulty in parking and to congestion.
* Parking requirements are serving to limit density in town.



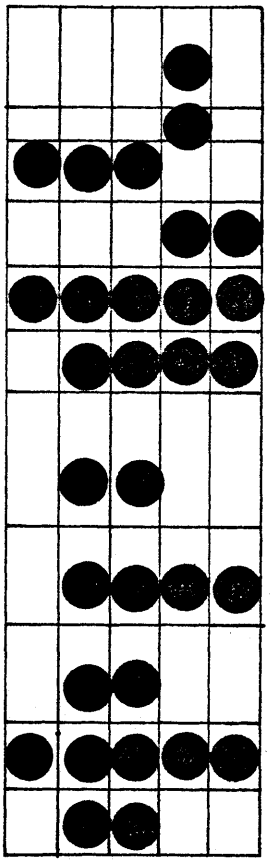
BAD:

* Weekend and weekly visits are low due to poor access.
* There are no direct public transportation connections.
* The nearest airport is 1 1/2 hours away; the recent development has not improved air routes.
* The perceived failing of the experimental public transportation system bods ill for future development of the P & T plan.
* All construction and service vehicles use Main Street; the number of these vehicles has increased in the last few years.
* Congestion has made snow removal more difficult.
* Increased traffic has increased the amount of street dust, thus adding to the air pollution problem.
* Onstreet parking is now infeasible during the winter if snow is to be removed.
* There have been more restrictions on where and when you can park your car.
* There is a need for more parking spaces.



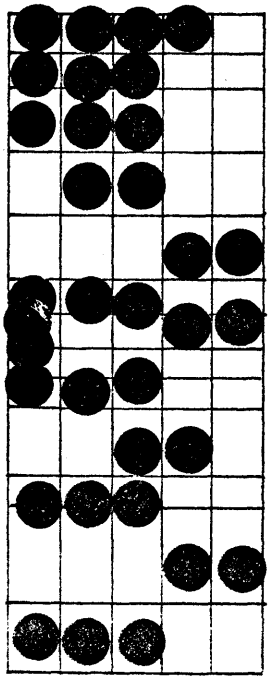
VISUAL IMPACTS

* Infill within town relieves pressure for town expansion into open space; lowers development costs.
* Infill contributes to visual cohesiveness.
* Increased safeguards for hillside construction.
* Upgrading of community's appearance -- town isn't as dumpy as it was before.
* Existing, once-vacant structures have been renovated.
* There is a heightened sense of design quality within the community.
* The difficulty in designing and building to meet local approval has encouraged newcomers and nonresidents to seek and employ local design services.
* The continued physical attractiveness of infill buildings has contributed to tourism and to Telluride's uniqueness.
* New anti-demolition ordinance and historic preservation ordinance help preserve the historic district.
* Visual character has resulted in national publicity about historic town.
* Town has received grants to pursue historic preservation efforts.



BAD:

* There is a growing perception of crowdedness.
* Road cuts are being made on the hillsides.
* Scenic view diminished as more people build on the hillside.
* Strip development along valley floor road corridor has marred visual approach to town.
* Sidewalks are in disrepair, streets not maintained or paved.
* Loss of trees and natural vegetation.
* Too much litter and trash.
* Parts of town look like a construction site.
* Loss of open space; views blocked.
* Design review has thwarted locally initiated projects.
* Loss of old buildings.
* Development projects have been scared away, delayed, or stopped by regulations and citizen pressure.
* New buildings often overpower small existing buildings, blocking sun and views.



APPENDIX D
Characteristics Influencing "The Big Ifs."

These factors repressent characteristics that influence the likelihood of a major change in the status of the four interrelated growth catalysts -- expansion of the recreational industry, development of the Mountain Village, regional land development, and the possibility of the mine's reopening. The first list can be viewed as "chance factors," characteristics outside the influence of the town government. The second list of characteristics, conversely, offer some opportunity for affecting how, when, where, and what kind of growth will take place. These are referred to as the "choice factors."

This inquiry provided the basis for development of the future scenarios.

RECREATIONAL INDUSTRY:

** The availability (and cost) of fuel will affect how, when, where, and how much growth occurs.
** Interest rates will affect what is built, when it is built, and how much is built.
** The expansion of the recreational industry, especially the ski area, depends largely on agreements between Telco and the town, the county, and the U.S. Forest Service. No single entity decides what should be done. Unlike the development of areas such as Vail or Keystone, which involved one corporation developing a vast tract of unimproved land, expansion decisions in Telluride must be negotiated with a multitude of influential organizations at every step.
** Growth in Colorado's tourism industry is difficult to predict. Since 1960, tourism on a national and international level has grown at an average yearly rate of ten percent. In Colorado in 1979, however, tourist spending dropped five percent, and actual visits were down 15 percent. The resulting $45 million loss was felt more by small business than by the ski industry or convention business. Although sharp increases in foreign travel are expected to boost the state's tourism and recreation industry, even this gain may be offset by increased travel costs and a recession.

MOUNTAIN VILLAGE

** There is still uncertainty about the size of the Mountain Village and how many jobs and businesses it will create. It is difficult to estimate the project's economic impact, which will certainly be intensified by a multiplier effect. (Multipliers

in the Colorado ski industry range from .80 to 2.49; currently, the estimated multiplier for the Telluride region is 1.4, but this figure is subject to change.)

** The size and form of the Mountain Village will depend largely on how and when the recreational industry grows. The chance factors listed in the preceding section apply with equal force to the Mountain Village.

** The most successful small resort complexes in Colorado are owned by large companies. The Aspen Ski Corporation, which runs four areas, is owned by Twentieth Century-Fox. The Keystone Area and A-Basin are owned by Ralston-Purina. Vail Associates, which runs two areas, is owned by a Texas oil firm. These resort complexes are marked by "long term responsible capital." Although the Telluride Ski Corporation's (Telco) long-range plans call for a resort complex on the scale of these other areas, it is hard to ascertain whether this company has the financial resources to complete such a complex.

** Public policy will influence locational decisions, as will the changing pattern of activity places, transportation networks, and social values. Since the preliminary phase of the Mountain Village is not scheduled to start until the mid-1980's, many changes in both the location and form of the new settlement should be expected.

** When and how the Mountain Village develops will depend on the availability and favorability of financing.

LARGE-SCALE REGIONAL DEVELOPMENT

** Land speculation around Telluride will continue to contribute to the region's growth. Most developers and realtors agree that the volume of land transactions and overvaluation of land are the products of expected future appreciation of land rather than of its current worth. However, large-scale regional development and land speculation are predicated on the future of the recreational industry in Telluride and its environs.

** The type, size, and form of new housing in the region have yet to be determined. No large-scale model development exists in the region to guide new developers in these areas. Changing social values, money markets, and marketing strategies will continue to influence who migrates to and buys in the region and, in turn, what those

newcomers will be looking for.

** When and how development will occur in the region depends, again, on the availability and cost of mortgage and construction financing.

** Currently, there are no sound predictions about how much development will occur in the region, and even samplings of public opinion reveal a lack of agreement on the issue. Respondents to the Telluride Advisory Commission's population questionnaire favored an average permanent population base for the mesas and existing settlements of 750 people (1,157 during peak periods) by 1990. Regional property owners would have doubled those figures.

THE MINE

** The likelihood of the mine reopening depends on the international commodities market. If the price of metals stabilizes the levels at of early 1980, mining operations may begin again.

**If the mine were to open, it is uncertain where miners and their families would live. In the past, many chose to live in more favorable climatic conditions and in towns with a diversified range of services and commercial facilities.

** The community's reaction to the mine's reopening is uncertain. Were the decision made, would the town view it as a means to assure social diversity and a stronger economic base, or would there be an environmental battle similar to the one in Telluride's sister town of Crested Butte?

RECREATIONAL INDUSTRY

** The most successful ski resorts in Colorado are "hybrid" resorts. They have a high volume of visits because they cater to a wide range of skiers, as measured by income and ability, and because they spend heavily on marketing. Self-contained complexes that are accessible by several modes of transportation, these resorts are thought to perform well under even the least favorable circumstances. The community and ski area can make a choice about which visitors they attract through marketing strategies, transportation plans, and the price and type of accommodations available.

** Telluride's remoteness is a crucial factor in its ability to grow. The region will always be more

accessible in summer than in winter. How the community addresses the accessibility problem will influence how much growth occurs, the rate at which at which it occurs, and how seasonal it is.

** "No new ski area is considered financially feasible today unless it has real estate potential." [31] Real estate development will most likely go hand-in-hand with any expansion of the ski area, but the community can choose to influence the quality and type of development that takes place.

** Travel to and from Telluride will remain a significant factor in influencing what and how many people come to the Telluride Region. As in other parts of the country, the cost of driving has increased steadily. More important, however, air travel will be 30 percent higher this year than last, according to a United Airlines economist. At least partially as a result of this, the number of people travelling by air is expected to decline by 6-10 percent. Community actions related to the means by which people get to Telluride will have an effect on the type of people who visit and/or live in the community.

MOUNTAIN VILLAGE

** Any plans for the proposed Mountain Village must be discussed with the Town of Telluride and approved by the county. Both governments have said that development on the mountain must support mutual objectives. A firm stance on the definition of these objectives provides a means for influencing growth.

** Development of the Mountain Village will have a great economic impact on the region. The ski company's investment will provide many jobs at the village and will generate a large secondary impact in the form of investment and jobs related to lodges, restaurants, gas stations, and stores. Town and county zoning regulations can control where and how much of this additional development takes place.

** Proximity to recreational activity centers, public lands, and transportation is directly correlated to demand for second homes and condominiums. Development of the Mountain Village will most likely cause a weakening of that demand in the surrounding region. Community choices about new and improved transportation networks and provision of recreational amenities can influence the level and location of the demand for second homes and

condominiums.

LARGE-SCALE REGIONAL DEVELOPMENT

** Physical, locational, and institutional site characteristics can be used both to determine and influence where new large-scale development occurs. Recent studies show that recreational condominiums and second homes are located on those sites with the most appealing overall environment and climate. Particular characteristics of a site -- water, view, trees, and topography -- are important in determining where development should occur. New projects are also likely to locate in areas accessible to recreation and other activity, since "seasonal home use is both a consumptive good and a means to other recreational activities." [32]

Second residences also tend to be clustered near federally owned land, on which permanent construction is usually prohibited. Ease of accessibility -- particularly in terms of the quality and condition of roads during the winter -- is another factor that influences the location of development. Finally, zoning, subdivision and building regulations, coupled with the provision of capital improvements and urban services, can have a profound effect on the rereational development process. With some understanding of where and why development occurs in partcular locations, a government body can either encourage or discourage recreational developments choice of location.

THE MINE

** If the mine were to re-open, the community could anticipate a skeletal crew of 200 workers, and a crew of 400 under full operation. Since it is relatively easy to predict the amount of growth likely from the opening of the mine, the community can begin to make choices about where mining families can live, how mine-related traffic can reach the mine, and how to mitigate potential environmental impacts (particularly that of tailings).

** The mine produces zinc, lead, and copper, with the first two accounting for 75 percent of its output. Although gold and silver prices have fluctuated wildly on metals markets, zinc has fallen from $0.47 a pound to $.38, lead has stabilized at

$0.50 a pound, and copper has risen slightly. The mine will be started up again only on the basis of a long-range forecast of high, stable prices. This factor alone should provide a sufficient amount of time for the community to engage in comprehensive planning aimed at managing the impact of any reopening.

APPENDIX E
The Physical Setting.

As suggested in the text, the amount and location of growth in Telluride is bounded to some degree by the physical setting. A more detailed description of the setting, outlining how it might limit future growth, follows.

The general pattern of development in Telluride has been influenced strongly by its physical setting. At an elevation of 8745 feet, the 283-acre town is hemmed in on three sides by 12,000-foot mountains. Most of the adjacent land on the north, south and east is owned by the U.S. Forest Service. Access to town is possible only via State Highway 145 from the west.

Telluride's topography and natural features have meant that the pattern of land use and development has changed little since this century began. The main commercial core still runs along an east-west axis down the center of the valley. North of Main Street are the more expensive single-family residences. During the winter, houses in this section of town receive almost five hours more sun each day than the buildings south of the commercial core. This latter area has traditionally housed warehouses and industrial structures. The lack of winter sun and the potential for flooding were major factors encouraging the land use pattern that evolved there. Although warehouse and industrial buildings still exist, many of the new buildings are large mixed-use structures, and the area has been slow in developing.

For the most part, development within the town has not altered the orthogonal layout of the town's streets and blocks. The original grid is skewed 18 degrees to the west, since the streets were laid out parallel to the railroad tracks, which in turn followed the San Miguel River. The San Miguel runs along the entire southern edge of town and has always formed a natural boundary. Only the recent ski area development has deviated from this pattern. Historically, development along the northern edge of town was curtailed by the steep slope. The potential for rock falls, avalanches, debris and mud flows in the area has always been high. Today, a geological hazards ordinance prevents construction on this hillside unless specific mitigating procedures are followed. Due to this complex of factors, expansion of the town has always been up and down the valley as an east-west extension of the grid. The growth which has taken place since the opening of the ski area has also followed this pattern, with most new development occuring on the western edge of town.

Telluride's environment suggests that future growth will mean higher density in town and continued development along the western edge of town. Several environmental conditions may affect the direction and type of development likely to occur. The 1979 subdivision/annexation of 10.5 acres of land southwest of town -- 33 residential, 4 multi-family, 7

multi-purpose and 5 annexed lots -- along with a ski area base facility south of the San Miguel signaled the beginning of intensive land devlopment along the western edge of town. However, due to discovery of a 26-inch clay base by the Army Corps of Engineers, and designation of a large portion of the annexed land as wetlands, new construction in this area has been slowed (and in some cases halted) by the need to obtain permits from the Corps. Any further development west of town and south of State Highway 145 will have to contend with the wetlands permitting process, and with town and county sentiment that the large tract of land running from the town's boundaries to Society Turn remain open space. (Refer to map in main text.)

In town, almost one-half of the land within the corporate limits is designated a flood hazard area, and portions of the northern hillside area fall within a geological hazards zone. Zoning regulations prohibit any building there from exceeding 40 feet in height in a commercial zone or 25 feet in a residential zone. High-density development seems unlikely for other reasons. First, no town ever "builds out" completely (Aspen is a good illustration of this). Second, the demand to live in town may also be affected by changes in the physical environment. Perceptions of crowding, the result of maximizing building size on small, expensive lots, and increasingly poor air quality may serve to weaken the demand to live or build in town. These factors must be considered, along with land costs, development fees, and government regulation, in forecasting future growth.

Other factors also influence how much Telluride can grow. The size and cost of building lots, for example, have thus far prevented any massive development projects in town. The dimension of a Telluride street block ranges between 240-by-270 feet and 250-by-250 feet, depending on location. The parcelling of the blocks follows a standard pattern, with the result that most building lots measure 25 by 117 feet (and a number of properties are located on double lots, especially in the commercial zones). This standardized pattern of narrow, deep lots has significantly influenced building form in Telluride, producing compact, densely settled areas. Residential zones comprise single detached frame houses on lots 25 and 50 feet wide. Commercial and warehouse structures, both frame and masonry, occupy similar lots and are usually built lot line to lot line. Although future buildings within town will be small -- except in those instances when developers are able to package a number of adjoining lots -- the sheer number of buildings squeezed onto a street block, coupled with the limited amount of square footage that can be built on a lot in town, may encourage developers and prospective property owners to look elsewhere. Subdivisions already planned and developing near town offer more land at a lower price and do not require extensive government review and approval.

Poor air quality in the Telluride Valley may also weaken the demand to build in town. Several factors contribute significantly to Telluride's air pollution problem. Wintertime temperature inversions trap emissions, particularly those from wood- and coal-burning stoves, and summer winds carry dust from the town's unpaved streets and lead dust from Idarado's mine tailings pond. In 1976, the town had the highest annual average for suspended particulates in Colorado (150ug/m3). [33]

This problem, which will worsen as more automobiles, people and businesses come to town, prompted the town to enact an ordinance restricting the number of fireplaces or wood or coal stoves to one per structure. This factor may prompt energy-minded, air-quality-conscious environmentalists, who favor the esthetic qualities of a fireplace in their dwelling units, to build or vacation in the proposed mountain village southwest of town, or in other developments planned for the area west of town.

No matter where or how development occurs, the physical setting will be a significant determinant. Those who plan to develop in the upper end of Telluride's horseshoe-shaped glacial valley will have to contend with potential floods, rock falls, avalanches, debris and mud flows. Questions concerning views of the mountains, solar access, and fireplaces will be raised by possible buyers. Builders will have to deal with ground which freezes to a depth of seven feet, roofs that must support a snow load of 80 lbs/sq ft, and a building season which can be as short as five months. Architects will be forced to take into account an historic and architectural review process in designing new structures, since the town is one of the early national landmarks in Colorado. Finally, as vacant land within town becomes more and more scarce, investors will have to weigh the merits of buying a 2,500-sq ft parcel (.06 acre) in town for over $40,000, when a prime 1-acre parcel less than 10 miles away costs a few thousand dollars less.

APPENDIX F
Growth Management -- An Overview.

Growth management controls are designed to regulate or influence where growth occurs (geographic patterns); when it occurs (the rate or timing of development); how much occurs (amount) and/or the type and quality of development. Mechanisms for controlling growth can range from a simple quota limiting how much development can occur annually to a complex integrated system requiring legislation, new administrative devices, and special fiscal techniques. Although there has been a proliferation of growth management in the last few years, the idea is not a new one. In a 1955 article, "Regulating the Timing of Urban Development," Henry Fagin described growth management controls and outlined some reasons for their use:

1) To economize on the costs of municipal facilities and services.
2) To retain municipal control over the eventual character of development.
3) To maintain a desirable degree of balance among various uses of land.
4) To achieve greater detail and specificity in development regulation.
5) To maintain a high quality of community services and facilities.[34]

More recently, numerous communities across the country, recognizing the impact of growth and urban expansion, have chosen to enact growth controls. A review of these plans suggests that growth management mechanisms are enacted to accomplish one or more of the following objectives in most communities:

>> avoid scattered development;
>> minimize the need for unnecessary sewer and water services when such services are available elsewhere;
>> hold the demand for municipal services to what is, or what will be, available;
>> establish an efficient means of providing for rapid growth;
>> prevent unnecessary environmental degradation;
>> maintain the community's existing character and quality of life;
>> avoid fiscal strain associated with efforts to correct deficiences in the provision of public services;
>> create a supportive balance among residential, commercial, industrial, and recreational/open space uses and activities;
>> guide the housing market to serve the diverse needs of the community; and/or
>> preserve heterogeneity in the community.

To date, most growth management controls have been created to mitigate the adverse impacts of growth. Yet, few

• LAND USE REGULATIONS

	MECHANISM	INTENT	HOW IT WORKS	ADVANTAGES	DISADVANTAGES	EXAMPLE
INNOVATIVE ZONING	INCENTIVE ZONING	To influence the type and amount of growth by establishing a system of public and private trade-offs.	Clearly defined trade-offs of public concessions and private contributions are fixed by the zoning ordinance. Public concessions such as increased building height, denisty or tax rebates are granted to a developer in return for specific contributions such as open space, preservation of an older building or low/moderate cost housing.	* Developers provide public amenities only if the public sector offrs distinct advantages in return. * Local government is relieved of some of the large initial outlays associated with development yet housing price increases are minimized. * The community rather than the develop determines what public amenities are desirable.	* "Public benefits" may become inaccessible to the public. * The public may be paying more for the amenities than if the government had provided them. * Since community values change and sites vary, specific standards may have to be redesigned for each development.	MONTGOMERY COUNTY MARYLAND
	IMPACT ZONING	To influence the rate, location and type of development that can occur through the establishment of specific performance standards and evaluation methods.	Impact zoning requires the adoption of performance standards such as "no increase storm water run-off from the site" as a means of mitigating the negative impacts of new development on the community.The estimated demands of new development are compared with the established carrying capacity of the community.	* Decisions are based on factual data, reducing subjectivity in the approval process. * Since a developer must meet specific and objective performance criteria, the community is assured sound quality development. * This mechansism accomodates improved technology and design.	* Administration and processing can be costly. * It requires technical knowledge and a sufficient data base. * The technique is limited by the information available to measure how land uses affect their surroundings.	DUXBURY, MA.
	CLUSTER ZONING	To influence the amount and location of development by allowing adjustments in the location and density of development.	Similar tothe planned unit development concept, specified lot lines and uses are replaced with a total allowable density for a site. New development can be located in areas that are environmentally desirable and at a higher density than would otherwise be allowed.	* Evidence shows that this mechanism tends to attract developers taht are better organized, financed and have a longer term commitment to the town. * This enables preservation of environmentally sensitive areas. * It should provide more open space. * Although it does not allow more development, it allows higher density development, reducing developer costs.	* It requires administrative review. * All changes from the original site plan proposal must be approved.	BOULDER, CO.
CONVENTIONAL ZONING	LARGE LOT ZONING	To control the amount of development that can occur by increasing the minimum lot size.	Often used in conjunction with other denisty-limiting devices such as minimum floor area requirements, large lot zoning requires that housing units be constructed on a minimum lot size. The requirement can be imposed as either a temporary or permanent measure.	* If large lot zoning is utilized as a temporary measure, it can forestall premature, intensive residential development on the periphery of the community and encourage infill in already developed sectors. * Fiscal savings are possible with temporary large-lot zoning since large capital outlays can be phased over time.	* Large lot zoning on vacant land prompts political pressure for individual rezones. * This tool does not directly relate to the pressures and capacities of individual parcels of land. * Permanent large lot zoning encourages sprawl. * Although large lot zoning protects present property owners' values, it drives up housing costs for future residents.	ST. LOUIS, MO.
	CRITICAL AREAS ZONING	To influence where and how much development can occur through the identification of ecologically fragile areas.	Derived from the American Law Institute's Model Land Development Code, this tool is used to designate areas that are unique natural, historic, cultural or ecological resources. If development is to occur it must meet established guidelines which are intended to prevent adverse impacts in these areas. Sections of the Colorado Land Use bill are modelled after this approach.	* Critical areas designation allows local municipalities to influence land use decisions that are out of their normal jurisdiction. * This mechanism can help foster regionally-based land use decisions.	* This requires coordination with other governments since decisions often involve more than local interests. Regional interests may not be the same as local interests.	THE ISLAND OF MARTHA'S VINEYARD
	SOLAR ACCESS RIGHTS	To control the location of development so as to allow for successful use of solar energy collectors.	Based on the location of the sun during various periods of the year, minimal distances between structures are required. In some instances height is also restricted.	* This ensures that solar collectors will remain useful, even if development occurs in close proximity to existing structures. * This also encourages the use of solar energy as an alternative heating supply.	* Solar access zoning may conflict with community-wide design standards and other site considerations. * This requires sufficient technical knowledge and data. * Regulations may have to be radically different for locations within the same municipality.	CRESTED BUTTE, CO.
QUOTA SYSTEMS	TOTAL POPULATION LIMIT	To control the absolute amount of housing development constructed so as to limit population.	A housing "cap" is set, specifying the maximum number of housing units allowed within the existing municipal boundaries. The system is then controlled by regulating the percentage and number of housing units than can be built.	* This assures that the city can accomodate growth since the total number of housing units is a known and controlled factor. * This tends to trigger a reduction in demand and development activities.	* This has been challenged as being unconstitutional in Florida on grounds of due process and right to travel. * While this mechanism fulfills its intended goals of reducing development, it tends to drive development costs through the roof. * Communities have the tendency to become social and economic islands.	BOCA RATON, FL.
	ANNUAL BUILDING PERMIT LIMIT	To control the type, amount and rate of development by limiting the number of building permits issued each year.	The number of building permits for different types of housing is set on a yearly basis by the City Council. All building permits for the ensuing year are judged on the basis of pre-established criteria. Points are awarded for such characteristics as: number of low/moderate cost housing units, impact on public facilties and quality of design.	* This effectively limits the rate of growth yet still allows for profitable development. * This mechanism directly controls the timing of development. *This can serve to balance the type of growth by encouraging certain types of units to be developed through the establishment of a point system or by not subjecting preferred development to the system.	* The demand to develop tends to "move down the road" and may occur in nearby municipalities. * The system can delay developers for many years. * Although the mechanism curbs growth, it can have the effect of almost stopping growth if developers find comparable locations.	PETALUMA, CA.

• LAND USE REGULATIONS

MECHANISM	INTENT	HOW IT WORKS	ADVANTAGES	DISADVANTAGES	EXAMPLE
FAIR SHARE HOUSING RATIO	To influence the rate, amount, and type of development by requiring that low/moderate cost housing constitute a certain percentage of the total housing units available.	The City Council establishes a ratio of low/moderate cost housing units to market price units. In order for a developer to build more units the project must maintain this ratio by constructing new low/moderate cost units or waiting until such a time that a surplus exists.	* This mechanism assures that a broad range of housing prices exist. * The community will be providng its regional fair share of low/moderate cost housing rather than pushing the responsibility onto the nearby region. * The system can be added onto the existing building permit system and is easy to administer. * This system still allows for healthy though reduced builder profits if housing prices are somewhat over-inflated.	* A fair share housing ratio does not necessarily slow the rate of growth if developers are willing to provide low/moderate cost housing units.	PALO ALTO, CA. (similar policy)
STRETCH MODEL	To control the rate at which development occurs by limiting the amount of building by anyone developer.	The concept of this mechanism is to stretch out development over an established period of time. Similar in many respects to phased development plans, a developer who wishes to develop more than "X" number of units can build only a fraction of those units in a given year. The time period in which development must be stretched out, the amount that anyone developer can build in any year and the size of the development affected by such a regulation varies from town to town.	* The stretch model is compatible with developer's financing packages. * Unlike other quota systems, developers do not have to compete for the right to develop;each property owner is allowed to develop at least some of the projects units in any given year. What is controlled is how much can be developed at any one time. * This system helps prevent the "big guy" advantage" -small developers will be equally competitive with bigger developers. * It is simple to administer, direct and costs are low. * The system should assist in preventing excessive peaks and valleys in the growth rate.	* This mechanism may not slow growth if more developers enter the market. * It does not provide the degree of predictability found in the building permit limit mechanism. * This mechanism will not necessarily result in a steady or balanced state of growth.	DOVER, N.H.

• TAXATION OF LAND OR IMPROVEMENTS TO LAND

TAX AND FEE POLICIES

DEVELOPMENT TAX	To produce additional revenue to help defray the costs of providing new or expanded public facilities.	The developer pays a fixed fee which is based on the type and amount of construction proposed. Funds from development fees are allocated to public services necessitated by the new development.	* This is a direct means to offset some of the costs associated with growth. * Only those benefitting from new services pay the cost.	* It can lead to exclusionary practices if a number of communities impose taxes at unequal rates. * Taxation is often beyond the influence of local government. * It can lead to higher housing costs.	SAN LUIS OBISPO, CA.
USER & BENEFIT FEES	To distribute costs for new services and facilities amoung those who directly use or benefit from the service or facility.	The cost of services and/or facilities are charges to users or beneficiaries on the basis of either the amount of service used or marginal cost pricing.	* User charges help provide correct signals to indicate quanity and quality of services provided. * Marginal cost pricing considers two factors: cost cost of producing a unit of service and cost of transporting a unit of service from production point to consumption point. Using this method service costs rise as you move away from developed areas, thus scattered development is discouraged.	* Certain people may not be able to afford to pay for the quanity or quality of services they desire.	SALEM, OR.
SPECIAL ASSESSMENTS	To distribute costs of new services and facilities amoung those who will use the service or facility.	The cost of new facilities such as a sewer system, new road or sidewalk is assigned fully or partially to adjoining properties.	* Only those who directly benefit have to pay; other property owners who may never enjoy the use of a new facility are spared the expense.	* Those who will benefit from the public improvements in the future do not have to contribute to the costs. The burden is placed on existing beneficiaries only.	DADE COUNTY, FL.
PREFERENTIAL TAXATION	To discourage development of undeveloped land which is assessed at it's "highest and best use".	Undeveloped land carries with it holding costs for the property owner. Property taxation often encourages an owner to convert agricultural or other undeveloped land to a higher an more profitable use. To discourage development, states have instituted prefernetial tax assessmnet which allows undeveloped land to be taxed based on its current use. If the land is later subdivided tax penalities must be paid.	* In those states that have enacted legislation, this has been a politically attractive proposal. * This allows small farmers to pursue their vocations without incurring rising property taxes.	* State-wide legislation is necessary to utilize this tool. * This may not discourage development if deferred taxes are offset by long-term capital gains from the sale of land. * This is difficult to administer on an equitable basis. * It is not a direct means of controlling development.	STATE OF CALIFORNIA (Williamson Act)
EXACTIONS	To assist in decreasing the costs of new development on taxpayers.	The municipality requires a manditory "dedication" of land, capital facilties, cash or even low cost housing in return for the right to develop.Exactions must be supportive of new development.	* This helps hold down taxes. * New development fully or partially pays for the service impact it creates.	* This adds substantially to the cost of new housing: exactions are passed in directly to the housing consumer in most instances.	ROSEVILLE, CA.

CAPITAL FACILITIES PROGRAMS

• TAXATION OF LAND OR IMPROVEMENTS TO LAND

MECHANISM	INTENT	HOW IT WORKS	ADVANTAGES	DISADVANTAGES	EXAMPLE
SERVICE DISTRICT PROGRAMMING	To influence when and where development takes place so as to avoid "leap frog" development.	Rather than extend public facilites to follow the pattern of development, service district delineation promotes compact growth through the establishment of a development line which indicates where and when public services will be extended.	* Service districts diminish the chances that sewer extensions will occur in a piecemeal fashion. * Service districting can reinforce a municipality's expansion policy if it is formally connected to the land use regulations. * Service districts discourage scattered development.	* Usually service districts have been drawn before it is decided when and where extensions will take place. This often causes difficulties in living up to commitments. * The service district concept is overly dependent upon the extent of land to be serviced- if too much land is serviced too much growth can occur; if too little is provided excessive housing prices may result. * Water and sewer districts outside municipal boundaries cannot act as a public utility and supply services only to certain properties within an area (refer to Boulder v. Robinson).	SACRAMENTAO, CA.
ADEQUATE PUBLIC FACILITIES PROGRAMMING	To pace the timing of development to ensure that sufficient public facilities and services either exist or are programmed for new development projects.	Private development is phased in sequence with public improvements. A long-term capital improvements plan is established which schedules when all sewer, water, drainage, recreational facilities, schools, roads etc. will be constructed. All projects except single family homes are reviewed and evaluated on the basis of the project site's readiness for development with respect to capital facilities. Developers have a right to develop only when services are provided unless they wish to provide such services themselves.	* This system of regulating the timing of development is legally defensible. * The cost and administration is moderate once the system is established. * It can help even out development spurts and tends to channel development into a steady, balanced stream. * It assists in reducing land speculation.	* The sequencing of capital improvements with development projects can stop certain projects. * Long-term capital improvement programs are often not reliable- services are promised but not delivered on schedule. * Long term programming is difficult and not responsive to changing futures. * If the costs of providing public facilities is born entirely by developers, housing costs will be higher since the costs will be passed on to new housing consumers if demand for housing is not perfectly eleastic. * If land is deemed temporarily undevelopable, tax revenues will fall. * If sizeable tracts of otherwise developable land are taken off the market, supply decreases, competion increases and the cost of land and thus housing prices will increase. * If housing costs are over-inflated private provision of facilities may not be a sufficient deterent.	RAMAPO, N.Y.
ACCESS TO PUBLIC FACILITIES PROGRAM	To influence the rate of development by pacing the consumption of capital investments.	Communities which overbuild capital facilities to gain economies of scale often stimulate undesirable development. To counterbalance this trend the number of new hook-ups to sewer and/or water facilities is limited to a certain number a year.	* Building excess capacity may produce public investment savings.	* Population projections may not be accurate, thus facilities may be overbuilt. * Early users of over-built facilities bear a disportionate tax burden.	MARION COUNTY, OR.

PUBLIC ACQUISITION

• DIRECT PARTICIPATION IN THE LAND MARKET

LAND BANKING	To directly control where development can occur.	A public agency with financial and legal power to condemn land acquires all rights on otherwise developable land and holds it until it is time to develop it. The public agency then disposes of the land either with attached covenants or at a lower than market price for low cost housing.	* This can deter "leap-frog" development. * It is the most direct means of influencing the location of future development. * It can assist in preventing contrived land shortages by assuring there is always an adequate supply of land. * It can dampen inflationary forces if government land is sold at below market rate price.	* This removes property from the tax roll. * It requires financial aid from federal and state sources and debt financing. * The objective of controlled growth can conflict with the objective of stopping inflationary prices. * The municipality cannot control land outside its boundaries unless a regional agency is established.	EDMONTON, CANADA
ADVANCED ACQUISITION OF LAND FOR PUBLIC FACILITIES	To acquire land for future public services so as to avoid rising land prices and pre-empt private development from developing those sites best suited for public use.	Often refered to as early site acquisition, land is bought outright by a public agency for some future public facility- a school, fire station sewer facility or park.	* Government benefits from cost savings given the almost inevitable rising price of land. * Government is insured of the best site for a public facility.	* Without comprehensive planning, this approach is not effective. * Early site acquistion has little influence on promoting orderly land development. * This removes property from the tax roll.	RICHMOND, VA.
LESS THAN FEE SIMPLE ACQUISITION	To control how land is used by acquiring partial rights to the land.	Most often used to preserve open space or to gain access to recreational areas, a public agency buys certain rights to the land which then restricts the owner from specified uses or alterations of the land. The owner still retains some of his/her interest in the land while benefitting from reduced taxation.	* Costs of less than fee acquisition are much lower than outright purchase. * This technique does not remove property from the tax rolls. * Public outlays for maintenance are not required.	* If the area is rapidly developing, costs of acquiring rights to the property is close to that of outright ownership.	BOULDER, CO.

• ADMINISTRATIVE DEVICES

	MECHANISM	INTENT	HOW IT WORKS	ADVANTAGES	DISADVANTAGES	EXAMPLE
ANNEXATION	ANNEXATION BEFORE DEVELOPMENT	To prevent development from occuring outside incorporated areas and to deter "leap-frog" development.	In conjunction with a municipality's annexation policy, the community sets off areas where it will supply services when the area is annexed. Beyond that area, developers are required to pay the full costs of servicing the development or alternatively are simply not allowed to develop.	* This tool helps defray the costs of providng public services. * It encourages the full use of existing public services. * Annexation before development can assist in guiding growth if scaled contribution schedules are enacted.	* When the costs of servicing new homes are born by the developer, the costs are passed on to the consumer in the form of higher housing costs. * If developers are forced to pay or contribute to public facilities, there will be a tendency to build only large and expensive dwelling units.	SAN DIEGO, CA.
	NEGOTIATED ANNEXATION POLICY	To divide the costs of public facilities between public and private parties and to influence the timing of public facility provision.	Property owners and the municipality enter into a binding contract detailing the rights and responsibilities of each party to provide for and/or contribute to public services prior to annexation.	* Costs of servicng development are shared between public and private parties. * The means of sharing costs are flexible and open to negotiation and innovation. * Annexation occurs only when it benefits both parties.	* State enabling legislation may be necessary * It is difficult for both public and private parties to meet pre-established capital improvement schedules.	MUNICIPALITIES IN ILLINOIS
INTERGOVERNMENTAL AGREEMENTS	REGIONAL PLANNING COMMISSION	To control the impacts of development that exceed the immediate locality.	Most of the land use, acquisition and improvement mechanisms can be established on a regional basis. In Colorado, regional authority can be established under Colorado statutes 30-28-105 to 110 and 30-28-128-132.	* Regionally-based regulations prevent spill over effects and externalities. * Growth generators do not follow political boundaries, but are often influenced by regulations within those boundaries. Regionally enacted controls insure a compatible regulatory system. * Interdependencies are maximized-externalities minimized.	* Surrounding municipalities and/or unincorporated areas may not share similar values about how growth should be managed. * Active public participation may become more difficult given a higher level of government intervention. * If not carefully structured, local government can lose control over problems which are purely community or neighborhood based.	PUEBLO, CO.
	INTERGOVERNMENTAL CONTRACTING & COOPERATION	To avoid duplication of effort and unnecessary expense through joint functioning.	Colorado State statute 29-1-201 & 203 allow governments to cooperate or contract "to provide any function, service or facility lawfully authorized to each of the cooperating or contracting units". This includes the establishment of a seperate legal entity to do so.	* Developments of regional impact can be reviewed by all interested parties given cooperative functioning. * Certain public services can be delivered more effectively with regional contracting. * Equity, efficiency and quality can be better maintained since some servicing does not coincide with political boundaries.	* Important decisions, services or facilities may be left out of cooperative or contracted agreements due to political pressure. * This in no way insures ongoing cooperation. * This measure is not comprehensive in scope and is often weak in execution.	DURANGO, CO.
ADMINISTRATIVE PROCESS	PLANNING MORITORIA	To stop certain types of development in order to give a municipality time to establish new policies and plans.	Moritoria are usually placed on building permits, sewer/water extension or hook-ups, zoning changes subdivision regulations and/or construction in general for a defined period of time. During the period of the moritorium, interim controls are utilized to process acceptable and/or hardship cases. Once new plans and policies are enacted, the moritorium is lifted.	* If properlyenacted, moritoria are legally defensible. * Its a useful device for a short period of time to give a municipality "breathing space".	* Housing starts often shift to surrounding jurisdictions. * Moritoria are not necessarily effective in slowing growth, many argue that it accelerates growth in the short term. * Moritoria tend to raise the cost of existing housing by constricting the supply of housing on the market. * Small building firms can be put out of business.	COLORADO SPRINGS, CO.
	ADMINISTRATIVE PROCESSING DELAY	To stall for time when legislative authority may be lacking.	Sometimes referred to as "creative foot-dragging" and often called "illegal", this approach stalls for time in an effort to produce a more effective or innovative alternative solution. In some instances administrative processing delay is used to stall projects to the point of making them financially infeasible.	* It can serve to stop undesirable development, and lead to a more equitable solution. * It costs nothing.	* There is virtually no way of assuring that the "public interest" is being served. * It is difficult to legally challenge government's motive. * It is an unpredictable approach.	ANYWHERE, USA.
	PUBLIC EDUCATION	To improve development through better information.	Provision of technical assistance and timely information about the consequences of growth can be offered by the public sector to encourage better decision making and consideration of a richer set of alternative solutions.	* More informed decisions are usually better. * It can help improve relationships with the private sector.	* There is no way to predict results. * This approach may be ignored. * Information may be misinterpetted.	ANYWHERE, USA.

communities have considered the secondary or external effects of implementing these controls. [35] Communities that have successfully initiated growth controls have exhibited a number of similar characteristics according to a 1979 study. [39] Most communities were dissatisfied with their traditional land use controls and were alarmed about the projected growth in the area. The policies were initiated by citizen groups, usually through referendum vote. Experiences of nearby or similar communities served to strengthen and legitimize the policy.[37] Many communities have attempted to establish growth management systems simply by borrowing an existing system from other municipalities. They have frequently found that borrowing a pre-fabricated system -- and sometimes even the concept of growth management itself -- is not appropriate, largely because the reasons for and the design of such systems is usually tied very closely to a community and its problems.[38] For this reason it is suggested that growth management systems be "custom-tailored" to each community.

There is a broad array of growth management controls from which to choose. Before any decision is made concerning enactment of growth controls, and before an action is taken to choose a specific management system, all growth management options and combinations of options should be investigated.

Growth management mechanisms to guide the rate, amount, location and typeof development can take four forms:

1) LAND USE REGULATION. This form is defined as government permission for or prohibition of private land uses based on a pre-established set of rules and often requiring review by an administrative authority. Land use regulations can be used to influence the type, location, and amount of development.
2) TAXATION OF LAND OR IMPROVEMENTS TO LAND. This form of public intervention includes taxes, infrastructure charges, provision of and access to public facilities and pricing policies. Taxation and/or improvement to land can directly influence where and at what rate development occurs.
3) DIRECT PARTICIPATION IN THE LAND MARKET. This is defined as government acquisition of land or control of development rights. Direct participation in the land market enables a public body to control where and when development occurs.
4) ADMINISTRATIVE DEVICES. This form of public intervention is defined as techniques which involve the processing and implementation of regulations by (a) public body(ies). Administrative devices range from direct intervention in the development of land (e.g., moratoria) to almost no intervention (e.g., public education).

The following chart presents a comprehensive list of growth management controls recently enacted in municipalities across the country. The chart indicates what the mechanism is attempting to influence ("intent"), how development is controlled ("how it works"), the potentially good and bad effects of the mechanism ("advantages and disadvantages"), and where the mechanism has been enacted ("example").

APPENDIX G
Examples of Ordinances.

Adopted December 6, 1978 - Sharon, MA.

INTRODUCTION TO ARTICLES NO. 4 THROUGH NO. 11

Two and one-half years ago, the Planning Board embarked upon a major review of the Town in order to prepare a comprehensive Master Plan. Since that time, the Board has been working with consultants to design zoning regulations which will provide for orderly growth of the Town in the years ahead. The following articles are the result of such work and, if enacted by the Town, will be the implementing legislation for the Planning Board's proposed zoning regulations.

ARTICLE 4. DEVELOPMENT SCHEDULING

To see if the Town will vote to amend the Zoning By-Laws by inserting a new Section 20.1, to read as follows, or act in any way relating thereto:

SECTION 20.1 Development Scheduling

The purpose of Section 20.1 Development Scheduling is to assure that growth, consistent with Massachusetts Growth Policy, '.....shall be phased so that it will not unduly strain the community's ability to provide public facilities and services, so that it will not disrupt the social fabric of the community, and so that it will be in keeping with the community's desired rate of Growth.' (From Page 61, City and Town Centers, the Massachusetts Office of State Planning, September, 1977).

The Building Inspector shall issue building permits for construction of new dwelling units in subdivisions submitted for approval after December 5, 1978 or for multi-family dwellings (regardless of location) only as follows:

(A) Moderate Building. If permit issuance will result in fewer than 200 new dwelling units having been authorized townwide subsequent to the same date two years previous, permits may be issued without scheduling limitation.

(B) Rapid Building. If permit issuance will result in 200 or more new dwelling units having been authorized townwide subsequent to the same date two years previous, permits shall be issued only if one or more of the following is the case:

(1) If permit issuance will result in not more than twenty-five dwelling units having been authorized* subsequent to the same date two years previous for that and for contiguous subdivisions or parcels which have been in the same ownership at any time subsequent to December 5, 1978.

(2) If permit issuance will result in authorization* subsequent to the same date two years previously of a number of dwelling units not exceeding 25% of the number of lots in

* Exclusive of unutilized authorizations which have lapsed or have been withdrawn.

the subdivision or 25% of the number of multi-family dwelling units permitted under the Special Permit authorizing those units, or not exceeding the sum of the two in the case of multi-family development within a subdivision.

(3) If the date of release from paragraph (B) of Section 20.1 has been reached for that subdivision lot or multi-family dwelling unit as indicated on a Development Schedule which has been approved by the Planning Board and recorded with the subdivision plan which creates the lot, or approved by the Board of Appeals and recorded with the Special Permit authorizing the multi-family development.

Planning Board or Board of Appeals approval of a Development Schedule shall be granted provided that (1) the schedule releases not more than 25% of the potential dwelling units in the subdivision or multi-family development prior to the same date two years following endorsement of approval, (2) in each twelve months thereafter the schedule adds to the released category not more than 12½% of the total number of potential dwelling units in the subdivision or multi-family development, and (3) the development sequence established by the schedule is not determined by the Planning Board or Board of Appeals to be arbitrary or unreasonable.

(C) Extremely Rapid Building. If permit issuance will result in more than 300 new dwelling units having been authorized townwide subsequent to the same date two years previous, building permits shall be issued only if one or more of the conditions of paragraph (B) are met, and also the issurance will not result in the applicant being granted building permits for five or more dwelling units* subsequent to the same date one year previous for that and for contiguous subdivisions or parcels which have been in the same ownership at any time subsequent to December 5, 1978.

(D) The protection against subsequent zoning change granted to land in a subdivision by Section 6 of Chapter 40-A, General Laws, shall, in the case of a development whose completion has been constrained by Section 20.1, be extended from five to eight years. Any land owner denied a building permit because of these provisions may appeal to the Board of Assessors, in conformity with Section 59, Chapter 59, General Laws, for a determination as to the extent to which the temporary restriction on development use of such land shall affect the assessed valuation placed on such land for purposes of real estate taxation, and for abatement as determined to be appropriate.

Planning Board

* Exclusive of unutilized authorizations which have lapsed or have been withdrawn.

G R O W T H P H A S I N G
Falmouth Planning Board
December 15, 1978

Article ____. To see if the town will vote to amend the Falmouth Zoning Bylaw by inserting the following, or act otherwise in relation thereto:

"5500. GROWTH PHASING

"5510. Purpose. The purpose of Section 5500 Growth Phasing is to assure that growth, consistent with Massachusetts' Growth Policy, '.....shall be phased so that it will not unduly strain the community's ability to provide public facilities and services, so that it will be in keeping with the community's desired rate of growth.' (from page 61, City and Town Centers, the Massachusetts Office of State Planning, September, 1977).

"5520. Basic Requirements. Issuance of building permits authorizing creation of dwelling units through new construction, addition, or conversion shall be allowed only under Special Permit granted by the Planning Board under Subsection 5530 unless exempted for one or more of these reasons:

5521. That application is exempt from these provisions under Section 6, Ch. 40A, G.L. ("grandfather clause").

5522. That applicant together with any other applicant organization in which he is a principal will have been authorized no more than 5 dwelling units over a 12-month period.

5523. The date of release from Growth Phasing has been reached for that lot or structure under a Development Schedule which has been submitted to and approved by the Planning Board and recorded with the subdivision plan which creates the lot or the Special Permit authorizing the multi-family development. Submittal for such approval is optional with the developer. Planning Board approval of a Development Schedule shall be granted provided that (1) the schedule releases not more than 20% of the potential dwelling units in the subdivision or multi-family development within the first two years following endorsement of approval, (2) in each year after the first the schedule adds to the released category not more than 10% of the total number of potential dwelling units in the subdivision or multi-family development, and (3) in the opinion of the Planning Board, the development sequence established by the schedule is not arbitrary or unreasonable.

"5530. Development Phasing. Applications for Special Permits for creation of dwelling units subject to this section shall be decided upon by the Planning Board in the first seven days of January, April, July, and October based upon comparative evaluation of all applications upon which hearings have been held during the previous 90 days, and upon the following point system. The Planning Board shall maintain such data as necessary to determine point scores. All applicants shall upon request by the Building Inspector submit their estimate of points earned under each item, together with supporting documentation and calculations.

5531. All applications shall be ranked, based upon the following point system.

(a) Ten (10) points minus points equalling the percent that average daily traffic on existing streets will be increased by the development* at the place of greatest increase (to a limit of ten (10) penalty points if the result is negative).

(b) If to be serviced by town water, ten (10) points minus points equalling twice the percent that water system pressure of servicing lines will be reduced by the development at the worst point (to a limit of ten (10) penalty points if the result is negative).

(c) If to be serviced by town sewerage, ten (10) points minus points equalling the percentage of total capacity of any receiving sewerage system element utilized by the development* at the worst point (to a limit of ten penalty points if result is negative).

(d) Ten (10) points minus points equalling 0.1 times the percent of tract area (other than reserved open space) located within the Water Resource Protection District.

(e) Ten (10) points minus points equal to five times the number of straight-line miles, if any, by which the location is more than one mile from an existing fire station (no penalty points).

(f) Ten (10) points minus points equal to 0.2 times the percentage of dwelling units in the development having more than two bedrooms (no penalty points).

*Including all development authorized subsequent to January 1, 1979 on that and any contiguous land which has been in the same ownership at any time subsequent to January 1, 1979.

(g) Points (up to ten) equal to 0.1 times the percentage of development frontage on existing streets having removal of existing vegetation permanently prohibited for 200 or more feet depth.

(h) Points (up to ten) equal to the percentage of tract area developed for active recreation accessible to the general public.

(i) Five (5) points for each time that a proposal on the same premises has been ranked and denied under these provisions.

5532. Applications shall be granted, beginning with the highest ranked, until the quota for the quarter has been reached, except that no one applicant shall be authorized more than eighty dwelling units within any twelve month period if doing so would result in denial for other applicants. The quarterly quota shall equal eighty dwelling units minus the number of dwelling units authorized during the preceding quarter because of exemption under paragraphs 5521, 5522, and 5523.

5533. The Planning Board may grant a Special Permit departing from these scheduling requirements only upon its determination that such departure is essential to the feasibility of a development which serves salient local housing needs and is to be subsidized under a state or federal program for low or moderate income housing.

"5540. Protection Against Zoning Change. The protection against subsequent zoning change granted to land in a subdivision by Section 6 of Chapter 40A, G.L. shall, in the case of a development whose completion has been constrained by a development schedule or permit refusal under Section 5500, be extended to ten years.

"5550. Relation to Real Estate Tax Assessment. Any land owner who has been denied a development permit because of these provisions may appeal to the Board of Assessors, in conformity with Section 59, Chapter 59, G.L., for a determination as to the extent to which the temporary restriction on development use of such land shall affect the assessed valuation placed on such land for purposes of real estate taxation, and for abatement as determined to be appropriate."

TOWN OF BOURNE, MASSACHUSETTS

FORM K

DEVELOPMENT SCHEDULE COVENANT

The Undersigned _____

of _____ (name of municipality), _____ (name of state), hereinafter called "Covenantor", having submitted to the Bourne Planning Board application for approval of a Development Schedule being part of a Definitive Plan of a Subdivision entitled _____, dated _____, 19___, designed by _____, does hereby covenant and agree with said Planning Board and the successors in office of said Board, that:

1. No larger number of dwelling units shall be built upon each lot in the subdivision than the maximum proposed number of dwelling units designated for that lot in the following development schedule.

DEVELOPMENT SCHEDULE

FOR EACH LOT SHOWN ON THE DEFINITIVE PLAN:

Lot Number	Maximum proposed number of dwelling units on this lot	Date of lot exemption from Section 2600 of Bourne Zoning Bylaw
1		
2		
3		
...		

FORM K (page 2)

2. It is the intention of the Covenantor and it is hereby understood and agreed that this contract shall constitute a covenant running with the land included in the aforesaid Subdivision and shall operate as restrictions upon said land and said lots, and shall be binding upon the executors, administrators, devisees, heirs, assigns, and successors in title to the premises.

IN WITNESS WHEREOF the undersigned, Covenantor as aforesaid, does hereunto set his hand and seal this _____ day of _____, 19__.

_____
Covenantor

_____
Address

_____

Description of Mortgages: _____

_____
(Give complete names and Registry of Deeds reference)

Assent of mortgagees:

_____

_____

_____

Approval of the development by a majority of the Planning Board of the Town of Bourne:

_____ _____

_____ _____

_____ _____

_____ _____

_____

APPENDIX H

Evaluating the Preferred Actions

The consideration of possible actions to manage growth requires some assessment of how effective a particular action will be if it is implemented. To judge the appropriateness of any action aimed at managing growth, and more specifically the actions outlined for the Telluride area, I have chosen some general standards against which to judge them. these criteria reflect a consideration of how the action's mechanism is likely to work, who will be affected, and what the action should accomplish. The criteria are important to the success of any action, yet they are not intended as requirements which must be met in every instance. The criteria should be viewed as a checklist, useful in assessing the merits and weaknesses of any growth management action the Telluride area governments might consider.

The list of criteria presents the issue being considered and cites particular community concerns mentioned earlier in the text.

CRITERIA FOR EVALUATING ACTIONS TO COPE WITH GROWTH

(1) ABILITY TO ADAPT AND RESPOND TO DIFFERENT FUTURES: Can the action be made to work for any of the likely futures? Will the action work for a changing future?

>> One community concern is that the selected system might be designed for a future that never occurs, or for one that changes dramatically in a short time. In either case, the fear is that the time, effort, and money spent in developing the system would be rendered ineffective, since the crucial aspects of the groth problem would still affect the community.

(2) ADEQUATE FUNDING AND TECHICAL CAPACITY TO ADMINISTER THE SYSTEM: Can the action be administered by the present technical staff? Can it be administered under the present government budget?

>> Costs for staff, research, public meetings, and publications must be considered. Residents are particularly concerned about how much it will cost them and wonder if the present staff can handle the design and administration of the system.

(3) LEGAL SUFFICIENCY: Are the mechanisms incorporated in the action legally defensible or are court

battles likely to ensue?

>> The Petaluma, California, growth management system resulted in a number of legal suits against the town and the population "cap" in Boca Raton, Florida, cost the city over $1 million in legal defense. In addition to cost considerations, the community's concern is that one challenged growth-related regulation could jeopardize other land use regulations. Another worry is that a successful challenge could "open a window" through which numerous "schlock" developments could obtain building permits.

(4) EQUITY: Does the system deal fairly with all interest groups? If not, how are the unfair impacts minimized or compensated for?

>> This is not a community-wide concern. Rather, each interest group is worried about the extent of any gain or loss if the action is enacted.

(5) MINIMAL EXTERNALITIES: What secondary impacts are likely if the action is enacted? Can the adverse side effects be mitigated and at what cost? Do the likely positive side effects outweigh the likely negative side effects?

>> Residents fear higher real estate costs, difficulties in obtaining financing due to a no-growth perception by lending institutions, and exclusionary results as possible consequences of enacting growth controls.

(6) COMPTIBILITY WITH EXISTING POLICIES AND REGULATIONS: Is the action coordinated with existing land use policies and regulations?

>> If the existing system of local regulation does not compliment the new growth management system, the product may be duplicated or overlapping systems. Telluride area citizens are likely to become anxious about increasing the time and costs of development and administration.

(7) CAPACITY TO UNDERSTAND THE SYSTEM AND MONITOR THE RESULTS: Is the action comprehensible? How easy is it for people to learn the new system?

>> Community decision-makers are especially uneasy about adopting policies and regultions they cannot unerstand. Citizens are anxious to keep abreast of the system's effect.

(8) UTILIZATION OF EXISTING AUTHORITY: Are transactional costs minimized by taking advantage of existing authority or will additional authorities have to be established to carry out the actions?

>> New agencies and staffs often mean separate processes for development approval. Developers are concerned that with more levels of government intervening, the processing time will increase, other systems will have to be learned, and approvals will have to be coordinated and documented. This potentially adds up to front-end delay costs.

(9) REGULATORY STRENGTH: Can the action sufficiently influence growth and development? Or are there loopholes in its constituent mechanisms which allow undesired development?

>> Telluride residents seems to have two worries. First, the lack of regulatory strength may mean that more regulations will be necessary and in their view more is not necessarily better. Second, residents resent people slipping through any regulatory system, especially if those who slip through are non-residents. Residents begin to wonder if mechanisms are administered unfairly or if a loophole exists. This also presents a ethical dilemma: should they attempt to take advantage of the loophole or should they follow the intent of the regulation since it is believed to be in the community's interest?

(10) CAPACITY TO BUILD AND SUSTAIN BROAD CITIZEN SUPPORT: Is the action backed by a majority of citizens, repesenative of all interest groups?

>> Decision-makers in Telluride have recently come to recognize the frustrations involved in attempting to implement and enforce policies and regulations that are not supported by strong multi-interest coalitions. Some residents, wary of political muscle, want assurances that political energy and government funds are expended in the most appropriate manner.

To test their appropriateness and effectiveness, the three preferred actions outlined in the previous section are compared with respect to these criteria. For the sake of clarity, I have assumed that each option: is adequately

funded, and there are available the staff and techical capabilities necessary to design and administer it (2); is legally sufficient (3); is compatible with existing policies and regulations (6); is understandable and can be evaluated easily after it is implemented (9); and enjoys broad citizen support (10). My reasons for assuming that these six criteria have been met is that they are either incorporated implicitly in the development of the preferred actions, or they do not adequately highlight the differences among actions. In addition, sufficient information is lacking to make a sound comparison among them for some of these criteria, since the discussion of these preferred actions focused on what they could accomplish rather than the detailed design of each option's mechanisms. While criteria such as legal suffficiency, regulatory strength, compatibility with the existing policies and regulations, and capacity to understand the system are vital to the success of any growth management system, it is usually the detailed design and evaluation of particular mechanisms or regulations -- the nuts and bolts -- which enable these criteria to be met.

The four criteria which do highlight important differences among the actions, and in my opinion are crucial in the development of a sound growth management system and its subsequent regulations, include: Ability to Adapt and Respond to Different Futures (1); Equity (4); Minimal Externalities (5); and Utilization of Existing Authority (8).

Below, each action recommended for the Telluride area is

discussed and evaluated using these four criteria.

ABILITY TO ADAPT AND RESPOND TO DIFFERENT FUTURES

ACTION 1: Triggered Building Permit in Town with Required Development Tax.

The notion of a triggered building permit which requires developers to stretch large development projects out over a number of years during periods of excessive growth and, in some periods of very rapid growth, to compete for permit allotments is most appropriate for Future 1.

changes in the design of this action could enable it to work for Futures 2 and 3. Assuming, for simplicity, that judgments about how the system should operate are constant, the important variable to control is the manner in which growth occurs. The triggered building permit mechanism could control the problem of erratic and unpredicitable growth (Future 2), if a regional authority administered this option, or, alternatively, both the county and town adopted the same system. The building permit limit might apply to the sudbdividing of land rather than house construction, since little subdivision has occured, and its impact is expected to be great.

The action would also work for Future 3 in that it would assist in evening out the rate of growth. However, it would not influence the type of growth unless the permit limit mechanism included a fair share housing ratio or other type of inclusionary housing policy. In summary, the concept of a triggered building permit mechanism is flexible and provides some degree of predictability. With the two components -- stretching development over several years and competing for permits -- minor changes can influence who is affected by the action and how they are affected. When and where the system operates would also involve only small changes if futures are diferent than expected.

ACTION 2: Phased Growth Through a Capital Facilities Program.

Unlike Action 1, this action is not as responsive to different or changing futures. It may only be appropriate for Futures 2 and 3, since it is virtually impossible to phase growth through the provision of facilities and services in an area where

such facilities already exist and development is only occuring between already serviced structures (Future 1). In addition, Action 2 is most appropriate for either Future 2 or 3 if the following hold true:

(a) New services and facilities are or will be necessary to service expected development;
(b) growth is occuring at a fast enough pace in the region that it is becoming inreasingly difficult to provide and finance new capital facilities;
(c) rapid growth is occuring or is expected to occur and continue;
(d) financial arrangements can be made to pay for the lacking public facilities;
(e) facilities and services can be targeted to easily definable and justifiable growth areas or districts.

It suggests that if the future changes, for example from growth in the region to growth only in town back to growth in the region, it may be difficult to phase growth since it is linked to the scheduled provision of facilities. As with Action 1, it should be recognized that this action will do nothing to encourage low- and moderate- cost housing and may, in fact, produce higher housing costs if the area where infrastructure is publicly provided is limited. Thus, if the concern with Future 3 is predicated in part on the assumption that the wrong type of growth is occuring, other mechanisms should be used to alleviate this concern.

ACTION 3: Fair Share Housing Ratio and Development Standards.

This action is useful to consider if any of the futures occurs. However, since the crucial aspect of the growth problem in Future 1 is too much growth during certain years and, in Future 2, erratic and unpredictable growth, this action will do little directly to mitigate those aspects of growth.

The only possible way to respond to the rate-of-growth issue using this action would be to design the development standards to include positive and negative points tied to the growth rate. Yet, even if the development standards were compehensive and carefully calculated in a manner similiar to the Breckenridge Development Code, this seems to be an indirect alternative for controlling the rate of growth. Action 3 is worthy of consideration for any future; however, it should be considered in conjunction with other mechanisms if "rate" is an issue.

EQUITY

ACTION 1: Triggered Building Permit in Town with Required Development Tax.

Perhaps the best way to discuss equity is in terms of the five interest groups outlined in Part One of this report. This action would have the largest impact on the fourth group, "The Developers." But it would not affect all developers, only those with large projects -- condominiums and lodging facilities for the most part.

The burden of this kind of action will fall on those who want to produce new housing units and to some extent on new housing consumers through higher costs. Yet, the impact will only be felt if the system is actually triggered. It is unlikely that a developer will be denied permission to build at least some of his units in any given year. This would only happen if the developer had to compete on the merits of his/her project during a period of excessive growth. If this did occur, delay costs or costs associated with phased development would be passed on to the housing consumer, since demand would be high.

Beneficiaries of this action are likely to be the Old Timers, the Young Entrepreneurs and developers who own housing. If the system is triggered, it is likely that the price of both new and used housing will rise. Current tenants or those in Group 2, The New Pioneers, and even Group 5, The Transients, will be affected adversely by an increase in rents.

Lastly, demand in competing areas (i.e., the region) will be enhanced. In summary, the action does not affect all groups equally. The New Pioneers (Group 2) and The Developers (Group 4) are likely to suffer losses, while those who own real estate will likely benefit.

ACTION 2: Phased Growth Through a Capital Facilities Program.

It is difficult to assess the equity issue in this instance since the effects on individuals have varied with the type of system and the environment in which it is imposed. From one standpoint, all interest groups might benefit from this type of action since fiscal expenditures are likely to be more cost-effective and efficient.

Developers unable or unwilling to wait for public facilities in areas that are not targeted for growth will have to pay for needed infrastructure. It is likely that these costs will be passed on to new housing consumers, the people in Groups 2 and 5. Some may argue that this equitable. "Why should those are already serviced foot part of the bill for new development?" runs this argument. "Direct beneficiaries should pay their own way." While it is beyond the scope of this report to sort this out, the issue to consider is whether service limit lines may impose different housing costs on different buyers, new or old residents, and those inside and outside the line.

The other potential impact falls again on housing consumers and developers. Service area differentiation may cause a shift in housing location to targeted growth areas or to those areas previously passed over. This may be viewed as a second best location. The question of who gains and who loses under this approach is a complicated one, but the potential impacts of this action will most likely be felt by the owners of new housing.

ACTION 3: Fair Share Housing Ratio and Development Standards

The overriding question this action raises is, "Whom are we subsidizing?" Although the equity issue was touched on in the previous section, it is worth summarizing how different groups will be affected. The developer and builder will bear a portion of the burden. Under conditions of near inelastic demand, developers will be able to pass most of the costs of selling below market rate units on to new housing consumers. The beneficiaries of this approach will obviously be Group 2, The New Pioneers, and to some extent Group 5, The Transients (if they find they can "buy in" to the housing market). It should be noted that there is often strong resistance to this approach by those who have struggled to buy housing under normal market conditions. Many view this action as nothing more than public housing for the middle class at the expense of either builders' profits or of the buyers of regularly priced housing.

Another touchy problem has also arisen in areas where this approach has been implemented: the resentment of middle class families who do not qualify for an inclusionary home or who pay twice as much for a unit in the same development. There is no easy answer to the equity issue. Of the actions outlined in this report, the question of equity seems

most controversial for Action 3. Yet in many ways it could be viewed as a necessary approach for any future, since all interest groups have indicated that affordable housing for service personnel, teachers and government workers is a very important objective.

MINIMAL EXTERNALITIES

ACTION 1: Triggered Building Permit in Town with Required Development Tax.

The most likely side effects of this approach include: higher housing costs (both new and used); higher rents; shift in demand from town to region; and housing supply unresponsive to market demand. These effects may be good or bad depending on one's position. To those who already own housing, higher costs only enhance real estate equity. Or, if one owns property in the region one may be able to sell land at a higher price since demand will be increased.

What is important to consider in evaluating these preferred actions and in designing a growth management system, is the balance between adverse side effects and the positive primary and secondary effects of the system. Some side effects can be minimized. For example, if higher housing costs result from this quota system approach, perhaps an inclusionary housing policy could minimize that secondary impact. The shift in demand could be minimized if the town adopted an aggressive annexation policy. Alternatively, the action could be enacted regionally. In light of the increasing need for moderately priced housing and the potential for regional development, I suggest that this type of approach be considered on a regional scale and would favor some sort of policy to insure the provision of low/moderate-cost housing.

ACTION 2: Phased Growth Through a Capital Facilities Program.

Likely secondary impacts stemming from this action include: reduced property tax revenue (though it may be offset by more effective public expenditure); unequal housing costs for comparable real estate; and a shift in housing location. These side effects may be minimized if targeted growth areas are large enough; the capital improvements schedule is

realistic; the growth rate is managable and not overly restrictive; and if variance procedures and compensation clauses are included.

While side effects do exist for this approach, they seem to be less severe than under the quota system approach, especially if enacted on a regional basis with a provision to allow developers to provide necessary improvements themselves. However, it should be noted that the minimal externalities under this approach may be correlated with this action's effectiveness in regulating the timing and location of development. With high housing costs and high demand, the requirement of private provision of needed public facilities and services may not prove to be enough of a deterrent. A possible externality would thus be expensive development in less desirable locations. New housing under this scenerio would be very expensive, with added development costs being borne by those new consumers. The positive side effect of this approach however, would be that only those benefitting from the new services would have to pay, and new housing consumers in other areas or those already settled would bear no costs associated with the less desirable development.

ACTION 3: Fair Share Housing Ration and Development Standards.

The side effects of this approach include: higher housing costs; reduced builder's profit; resentment among owners in similiar units who have paid unequal prices; and potential windfall profits by inclusionary home buyers. To minimize these externalities, any program of this sort should include incentives for builders and resale restrictions. In addition, programs of this type should operate in areas with high demand and overinflated sales prices.

In the Telluride region, the side effects of this action on developers and new housing consumers must be weighed against the need for providing employee housing. If the need is as great as many have indicated, somebody will end up paying. It will most likely be the employers through higher wages.

UTILIZATION OF EXISTING AUTHORITY

ACTION 1: Triggered Building Permit in Town with Required Development Tax.

In this case the evaluation is relatively simple. The action is administered by the existing town government. No additional staff or lay board is required.

ACTION 2: Phased Growth through a Capital Facilities Program.

This approach ideally requires the establishment of a new regional authority; however, existing cooperation between county and town governments on the provision of sewer and water facilities suggests that intergovernmental contracting may be a second best alternative. Wright-McLaughlin Engineers, in their 1976 Facilities Plan for the Telluride regional area, suggested the formation of a sanitation district that could acquire the existing Telluride treatment facilities and assume its debt obligation.

In either case, the action suggests an amalgamation of existing authorities and/or fragmented responsibilities into one new authority, rather than the formation of a new and separate organization. Hence, the action's intention is to take advantage of existing authorities. At best under this approach, there would be one regional planning authority composed of existing town and county staff to plan and administer this system.

ACTION 3: Fair Share Housing Ration and Development Standards.

The evaluation of this action presents two alternatives: a regional planning authority like that proposed for Action 2 or a joint town/county housing agency, allowed by Colorado law. Either is accepable though the regional planning authority has the advantage of not creating another agency. Although a local housing agency already exists, its funding and staff are nil. Creation of a newly funded an staffed government agency may lead to further citizen concern about the "burgeoning bureaucracy".

Since there is still confusion as to the authority of a regional body under existing Colorado statutes, it is recommended that consideration of any of the preferred actions look to other regional agencies in the state to determine the feasibility of this approach. For example, the Pueblo Regional Planning Commission, or joint city/county departments as in

Aspen and Pitkin County or Grand Junction and Mesa County. In a small region, such as Telluride's, formation of a regional authority offers the advantages of greater resources; ability to incorporate broader concerns; capacity to deal with interjurisdictional externalities; and the ability to regulate communities and unorganized areas in a similiar manner. This can be done without losing sight of local interests. Further, the Telluride region, because of its size, is suprisingly homogeneous and is thus not confronted with the typical issue of regional variation.

The following chart summarizes the evaluation of the three preferred actions:

SUMMARY OF EVALUATION

\+ Most successful in meeting criteria
0 Neutral, uncertain or ambivalent in meeting criteria
\- Least succesful in meeting criteria

CRITERIA	ACTION 1	ACTION 2	ACTION 3
Ability to Adapt and Respond	+	-	0
Equity	-	+	0
Minimal Externalities	0	+	0
Utilization of Existing Authority	+	0	0
TOTAL	+	+	0

Action 1 is the most adaptable but the least equitable. If the action is combined with the other policies, however, the potentially adverse side effects can be minimized and some of the equity problems reduced. The action is perhaps the easiest to implement and administer sinece no changes in government are ncessary. This must be balanced, though, against the side effect of demand being shifted to the region.

Action 2 is probably the most equitable and has the fewest

externalities, since a number of measures can be taken to minimize its side effects. However, its usefulness in controlling the rate and location of development depends on expected and continued growth, the need for public facilities and the developer's ability to provide private service without reduced profit. Although it is unclear what form a regional authority could take, the concept should be pursued, given its advantages.

Unfortunately, Action 3 is difficult to judge. Although it is adaptable to any future, it is not totally responsive to problematic aspects of any future. I am ambivelent about the equity issue. The needs of current renters versus the costs to builders and new housing consumers is difficult to resolve when one considers that the need for employee housing is a concern of all interest groups. The side effects of this proposal are also unclear. The concept of inclusionary housing has only been implemented in metropolitan areas, most of them in California. The question of existing authority presents the same dilemma as with Action 2.

What this evaluation suggests is that all prefered actions should be considered useful in coping with growth in the Telluride region. In light of uncertainties about the future, however, it might be advantageous to begin mixing components from each action -- for example, a regional building permit limitation coupled with a fair share housing ratio, or a phased-growth plan with a point system that includes development standards to assure quality design. A number of such variations is available. Part

Four of this report examines how Telluride should proceed and the areas toward which it should direct its resources.

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7. Interview with Garrett Mitchell, director of Colorado Ski USA Association.
8. Personal Communication with Ron W. Page, Public Finance, Kirchner, Moore & Co., Denver, Co., 2 February 1980.
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20. "Controlling Growth Beyond Munic pal Boundaries", Colorado Municipalities, Jan/Feb. 1980, v. 56,no.1, p.23.
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