TOWN OF ERIE
1874

ERIE
COLORADO

ELEVATE ERIE

Planning Our Future Together

Roadmap for Discussion

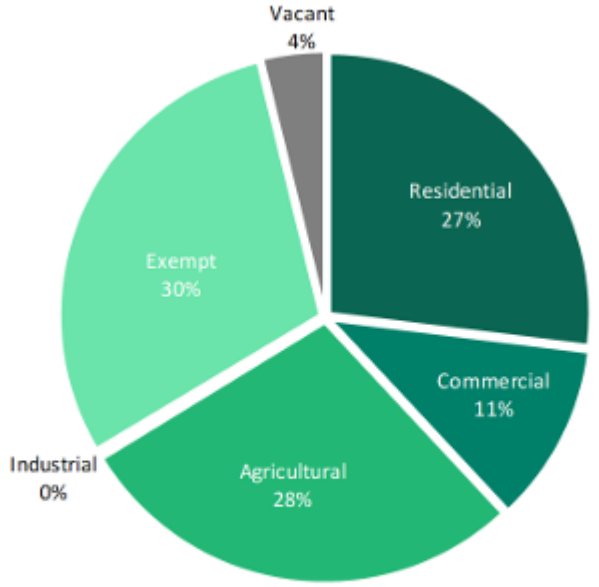
- **Inform**
  - Fiscal Analysis
  - Comprehensive Plan Education & Awareness
  - Unified Development Code Update
- **Confirm Next Steps**

Fiscal Analysis

What is Fiscal Health?

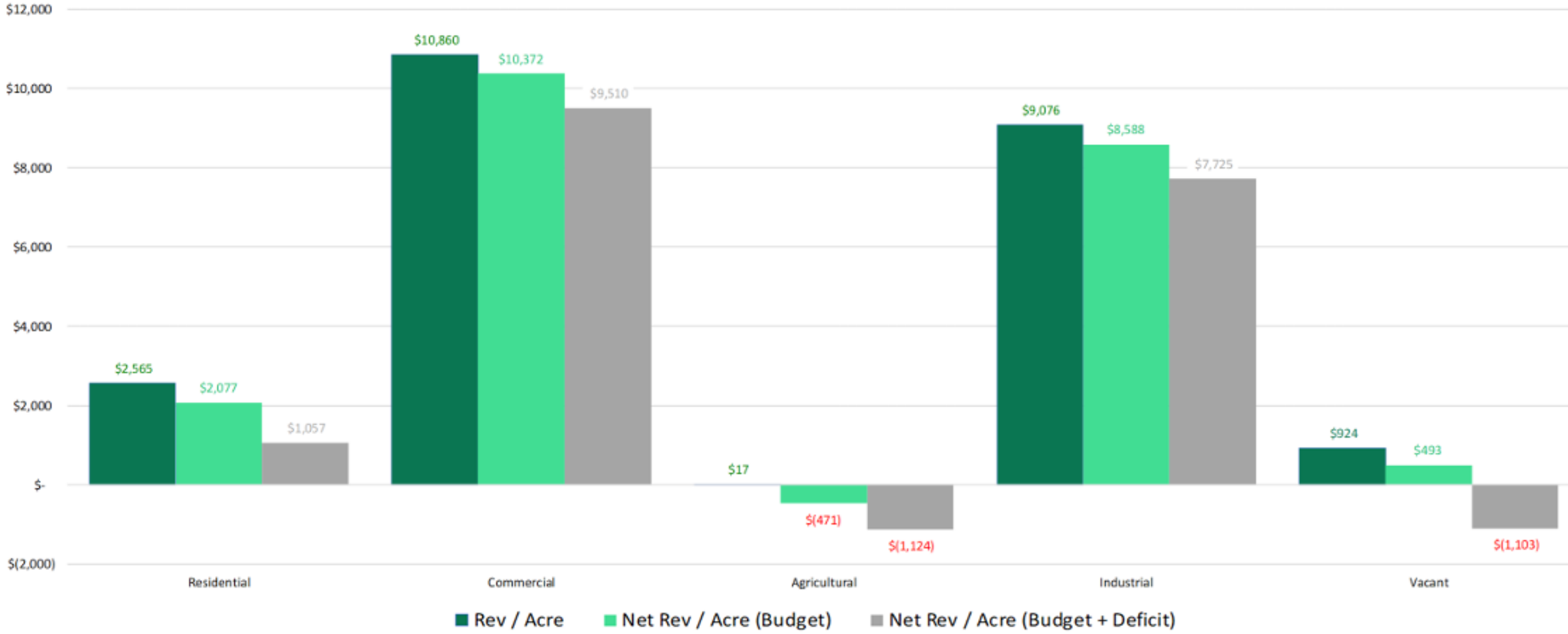
Impacts to Fiscal Health

- **Development patterns**
  - Building spacing
  - Size of buildings
  - Density/Intensity
  - Street dimensions and layout
- **Land uses**
- **Revenue sources**



Land use distribution within Erie's town limits. (Source: Boulder & Weld Appraisal Districts)

Erie's Fiscal Health



Fiscal performance of parcels grouped by major land use categories. (Source: Boulder & Weld Appraisal Districts, Town of Erie, Verdunity)

VERDUNITY

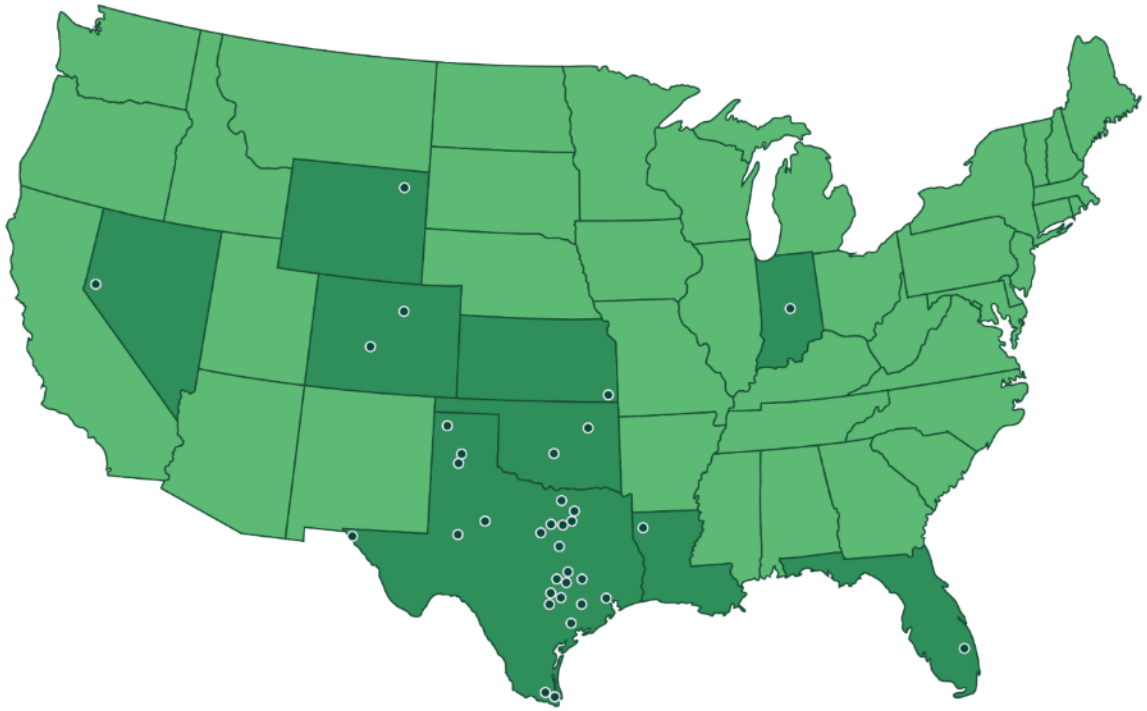
Cultivating Prosperity

Managing growth to build communities that last

Erie, CO Town Council Workshop

May 6, 2025

Cultivating Strong Towns and Prosperity



Lasting, inclusive prosperity does not come from endless new growth. It's *cultivated* incrementally by locals.

At Verdunity, we help city leaders align vision, policy, and investments with what residents are able to pay so that you can:

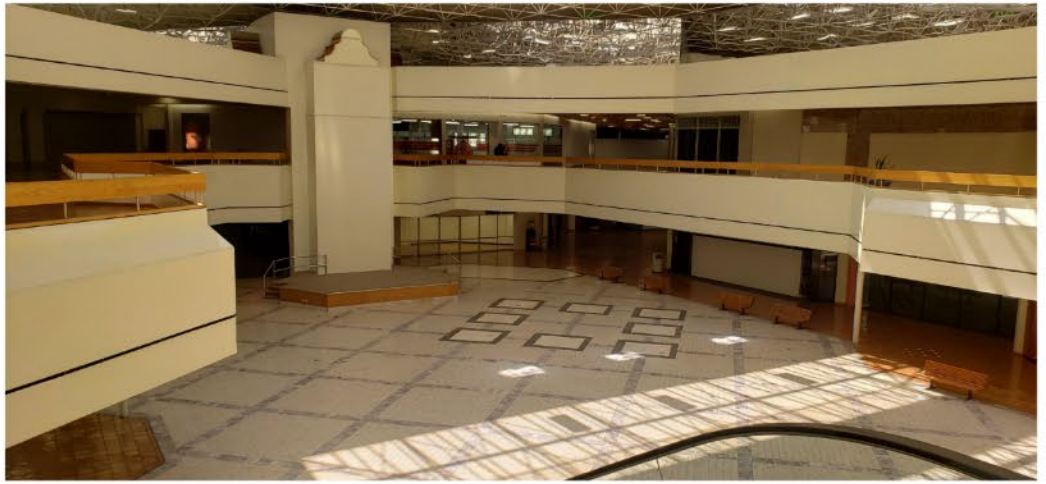
- ✓Create a culture of trust and collaboration;
- ✓Make meaningful progress right now;
- ✓Close your city's resource and affordability gaps; and
- ✓Make your community relevant, unique, and lasting.

We're building cities we can't afford to live in and maintain.

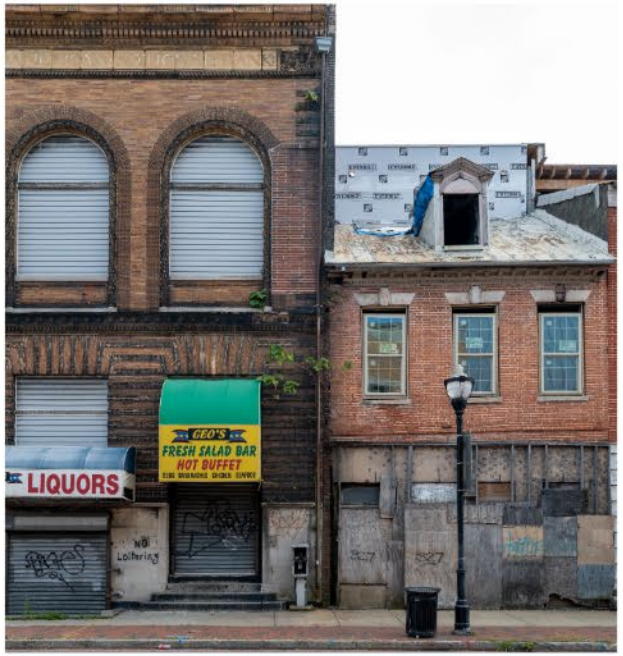
Race to be the Best Place to Live, Work and Play

Post WW2, cities have aggressively pursued fast growth and higher quality of life in the short-term without fully considering long-term costs and impacts.

What About Maintenance *After* Growth?



Needs, Wants, and (Not Enough) Resources

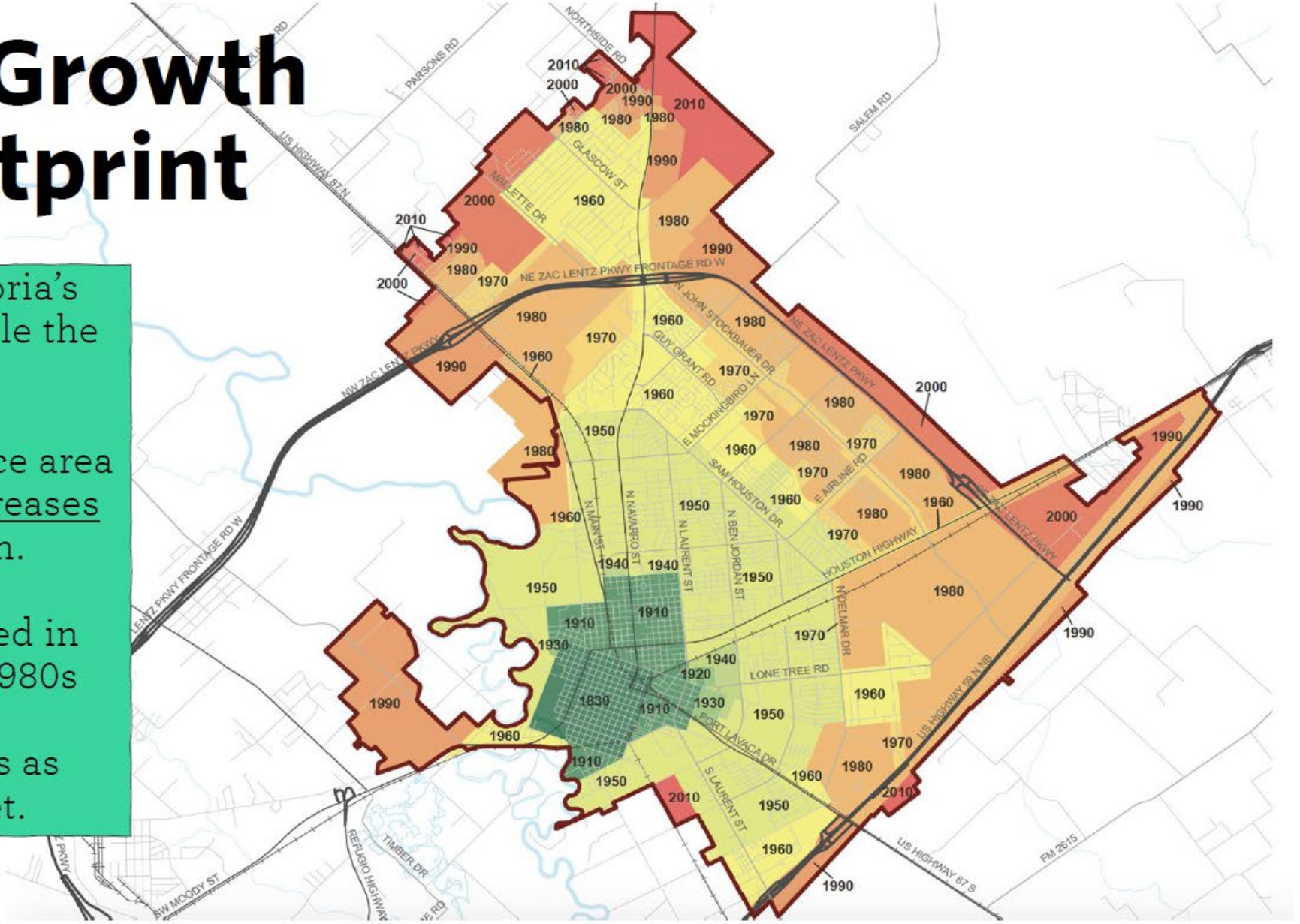


Population Growth vs Land Footprint

Between 1950 and 2015, Victoria's service area grew by **13X**, while the population only grew by **4X**.

When cities expand the service area while reducing density, it increases the per household cost burden.

Many U.S. cities that developed in this manner over the 1960s-1980s are now facing significant infrastructure funding deficits as reconstruction costs skyrocket.

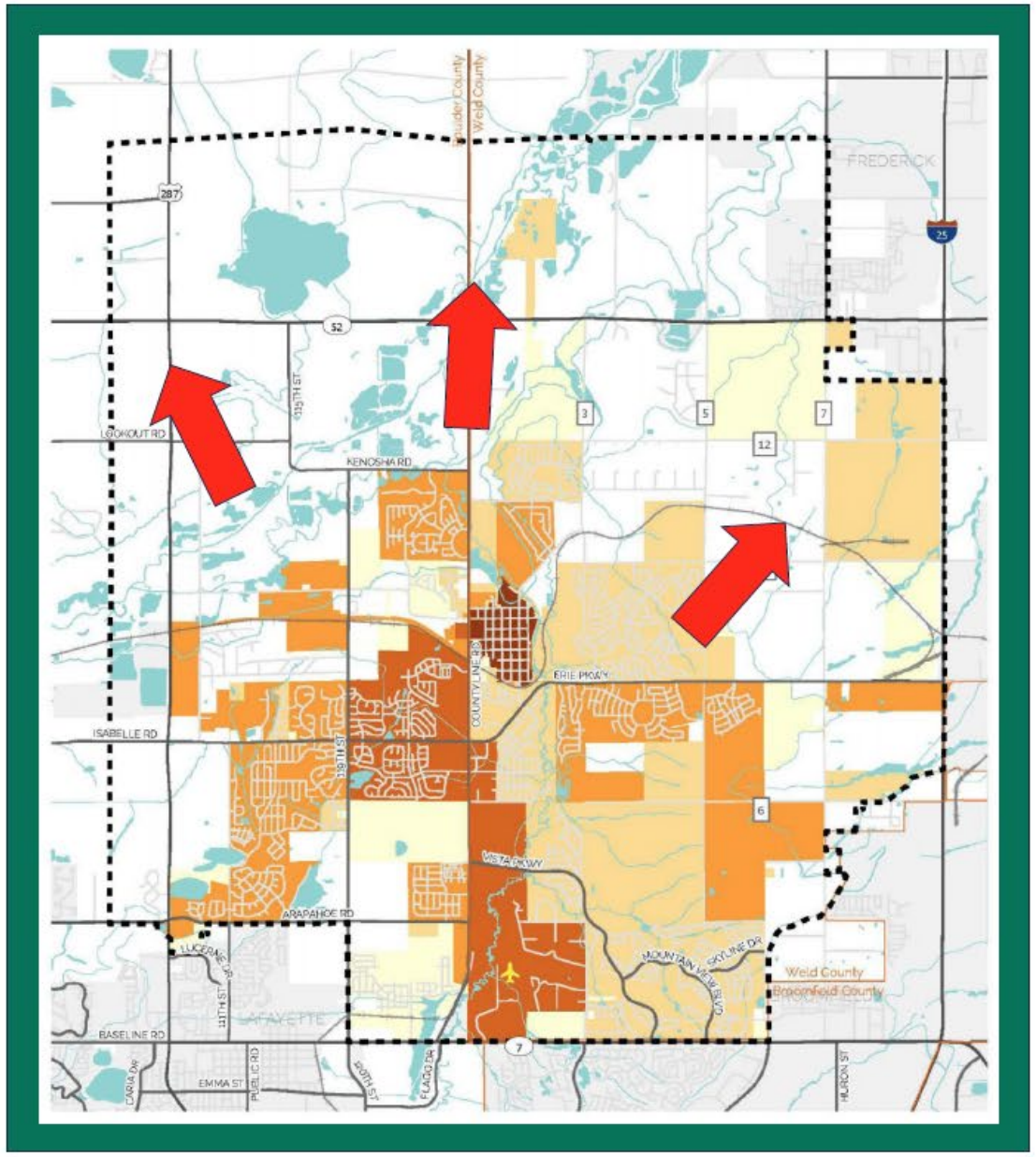


Land Use Fiscal Analysis | Victoria, TX

Erie's Growth Pattern

Erie is following the same suburban expansion model where services and infrastructure are being extended outward in a lower density pattern.

If this continues, the Town should expect infrastructure costs to rise significantly in the future as roads, utilities, and facilities reach the end of their initial life cycle.



History of Annexation

0 0.5 1 2 MI

N

7/5/2023

Legend

- USA Railroads
- Major Roads and Highways
- Colorado Counties
- Planning Area
- Water and Wetlands
- Neighboring Cities

Year of Annexation

- Original Plat
- 1961 - 1979
- 1980 - 1998
- 1999 - 2009
- 2010 - 2022

INFRASTRUCTURE AGE AND POPULATION SIZE OVER TIME

Maintenance	Maintenance	Maintenance
	Rehabilitation	Rehabilitation
		Reconstruction

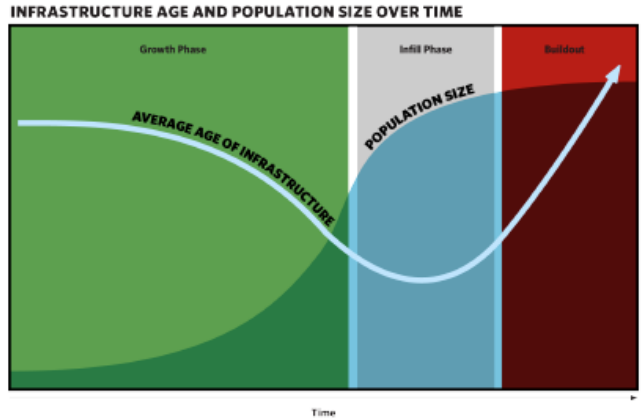
1) During the growth phase, developers put in infrastructure <u>at little to no cost to the city</u>.
   - Revenues increase and costs are low.

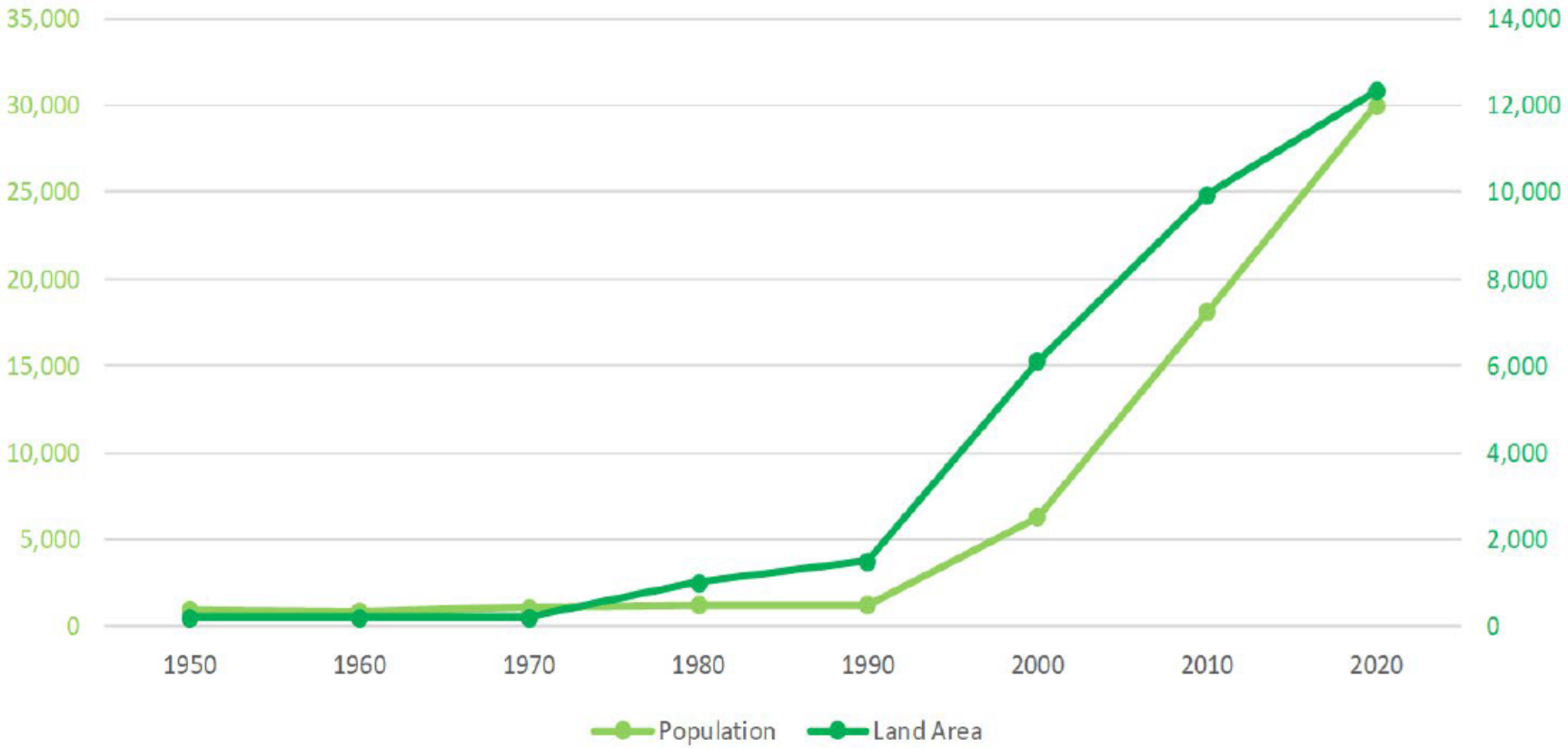
2) As the city transitions between growth and infill, street costs are primarily preventative maintenance.
   - Revenues slow down and costs begin to increase.

3) Eventually, the roads and other infrastructure put in by developers reach the end of their life cycle and have to be replaced. These costs are much higher than what cities budget for preventative maintenance.
   - Costs typically exceed revenues and require a combination of fees, cuts, and debt to catch up.

Erie is in the Growth Phase

What Will the Future Look Like?

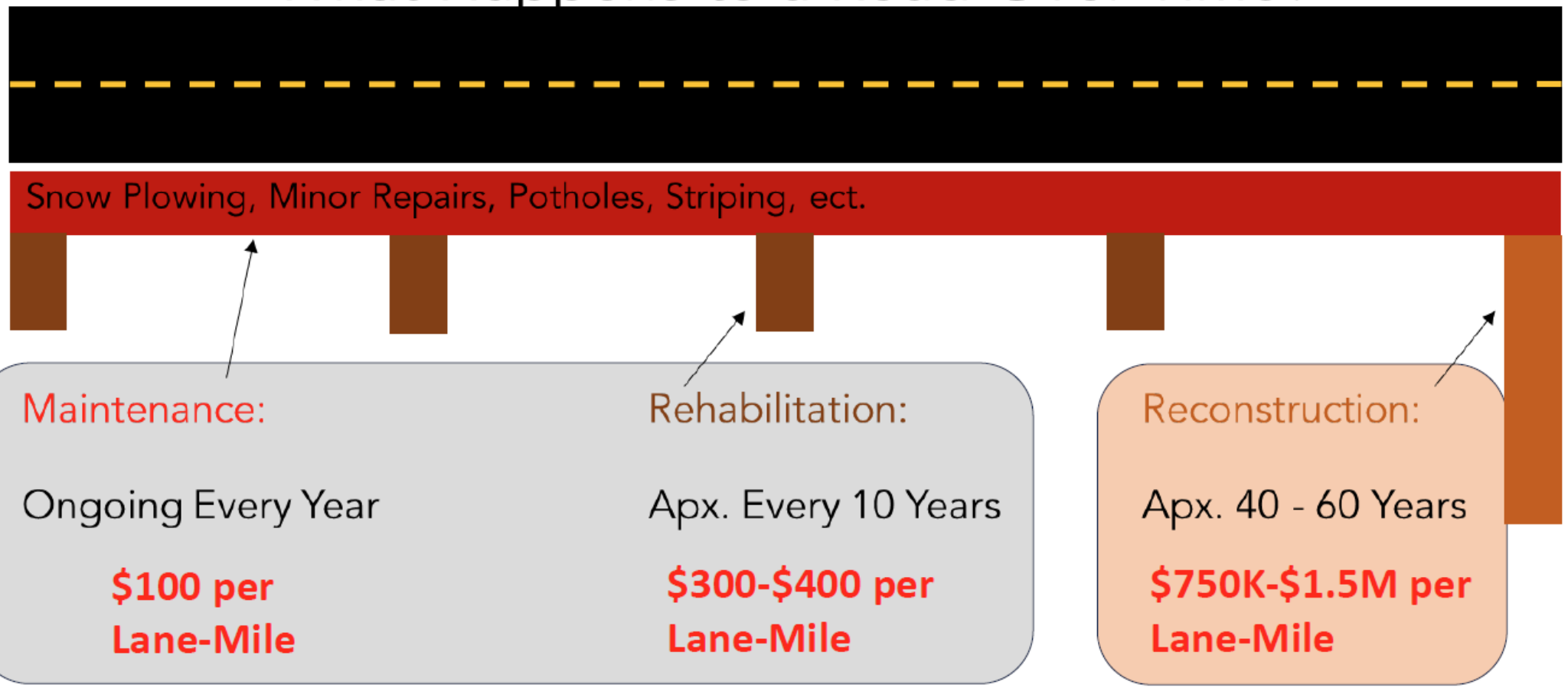




Roadway Life Cycle Costs

Operations (Near-Term) vs Capital Projects (Future)

What Happens to a Road Over Time?

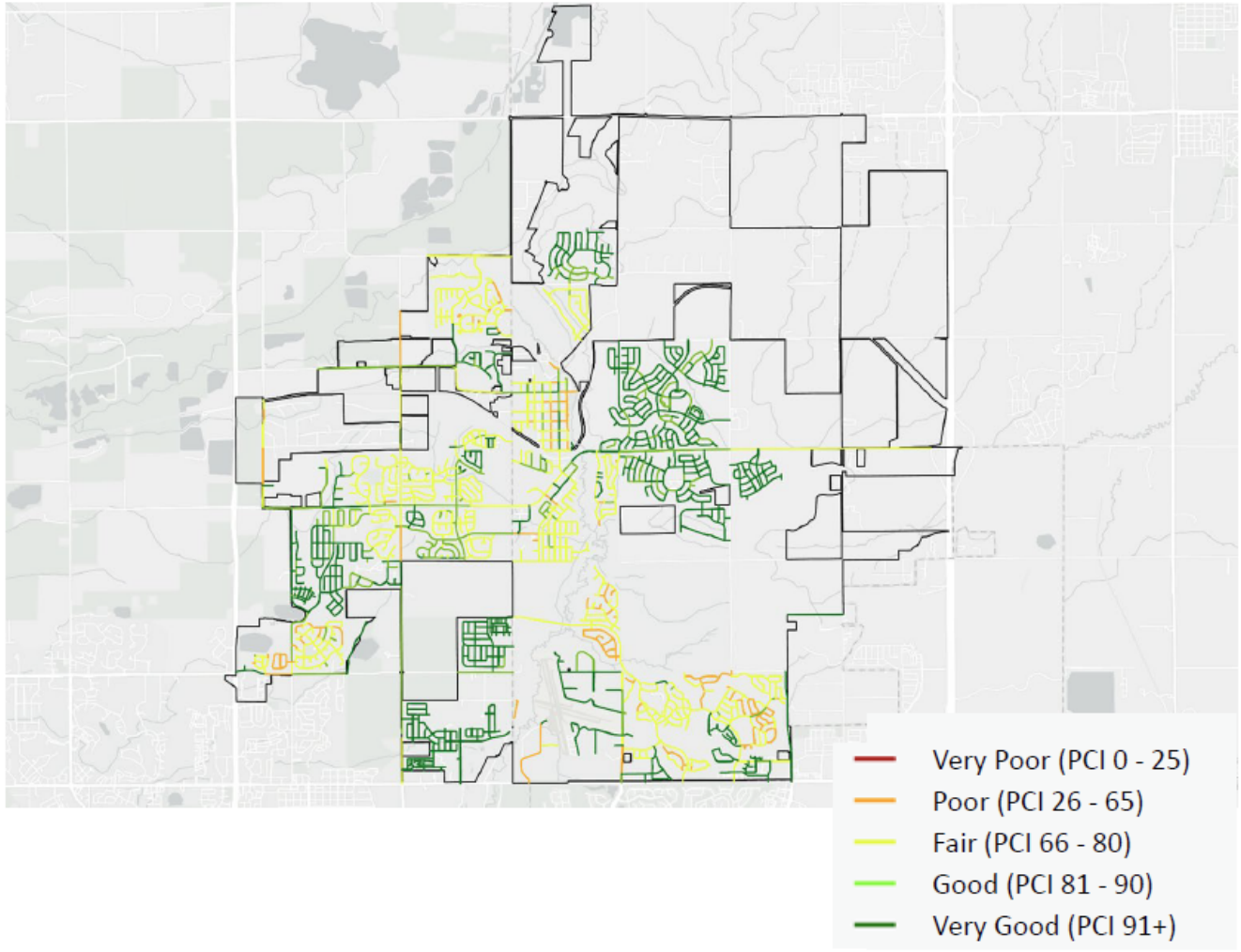


Street Conditions and Costs Over Time

Estimated Long-Term Street Obligations

Centerline Miles:	169.6
Estimated # of 11' paved lanes:	399
Est. Replacement Cost per 11' Lane-Mile:	$750,000
Total Replacement Cost: 398.98 x $750,000 =	$299.25 M
Town's Annual Street Cost Liability: $299.2M / 25 yr life cycle =	$12M per yr

Life cycle for asphalt = ~25-30 yrs
Life cycle for concrete = ~50-60 yrs



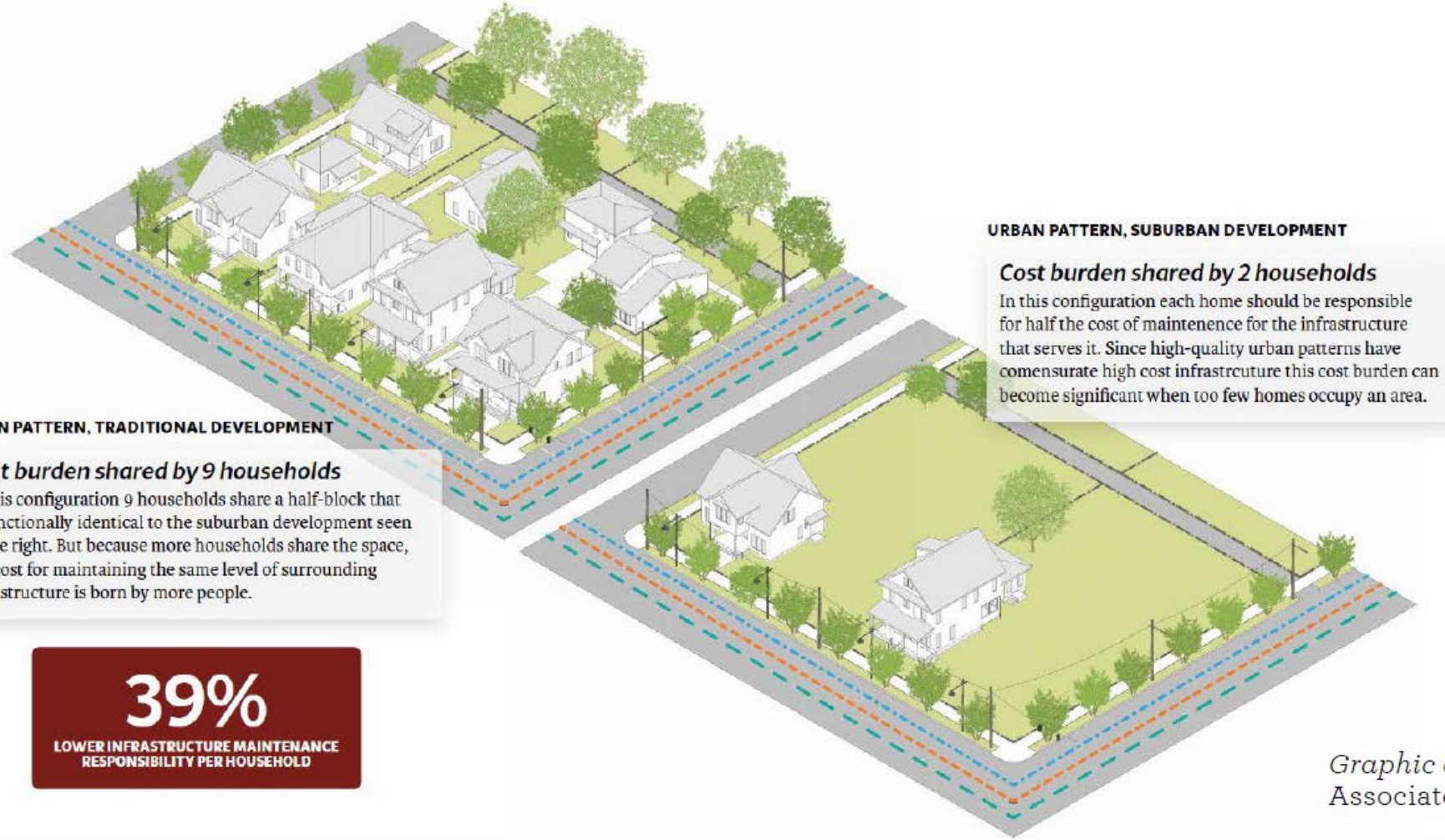
Options to Close Resource Gaps

Increase
Taxes & Fees

Reduce
Services

Align
Development
with Revenues

Density Distributes Infrastructure Costs Over More Properties



URBAN PATTERN, TRADITIONAL DEVELOPMENT

Cost burden shared by 9 households

In this configuration 9 households share a half-block that is functionally identical to the suburban development seen to the right. But because more households share the space, the cost for maintaining the same level of surrounding infrastructure is born by more people.

URBAN PATTERN, SUBURBAN DEVELOPMENT

Cost burden shared by 2 households

In this configuration each home should be responsible for half the cost of maintenence for the infrastructure that serves it. Since high-quality urban patterns have comensurate high cost infrastrcuture this cost burden can become significant when too few homes occupy an area.

39%

LOWER INFRASTRUCTURE MAINTENANCE RESPONSIBILITY PER HOUSEHOLD

Graphic c/o Kronberg & Associates

Development Comparisons

Modern Suburban Single Family

Single use subdivisions limit housing options and necessitate autocentric commercial. This drives housing and infrastructure costs up and reduces the fiscal productivity of development.

Single-Family Detached	242	Taxable Value	$83M
Accessory Dwelling Unit	0	New Rev. Generated/yr	$218K
Smallplex - Duplex	0	Costs Generated/yr	$299K
Smallplex - Triplex & Quad	0	Net Revenue/yr	-$81K
Townhomes	0		

Land Use Fiscal Analysis & Comp Plan
Liberty Hill, TX

Development Comparisons

Traditional Mixed-Use Neighborhood

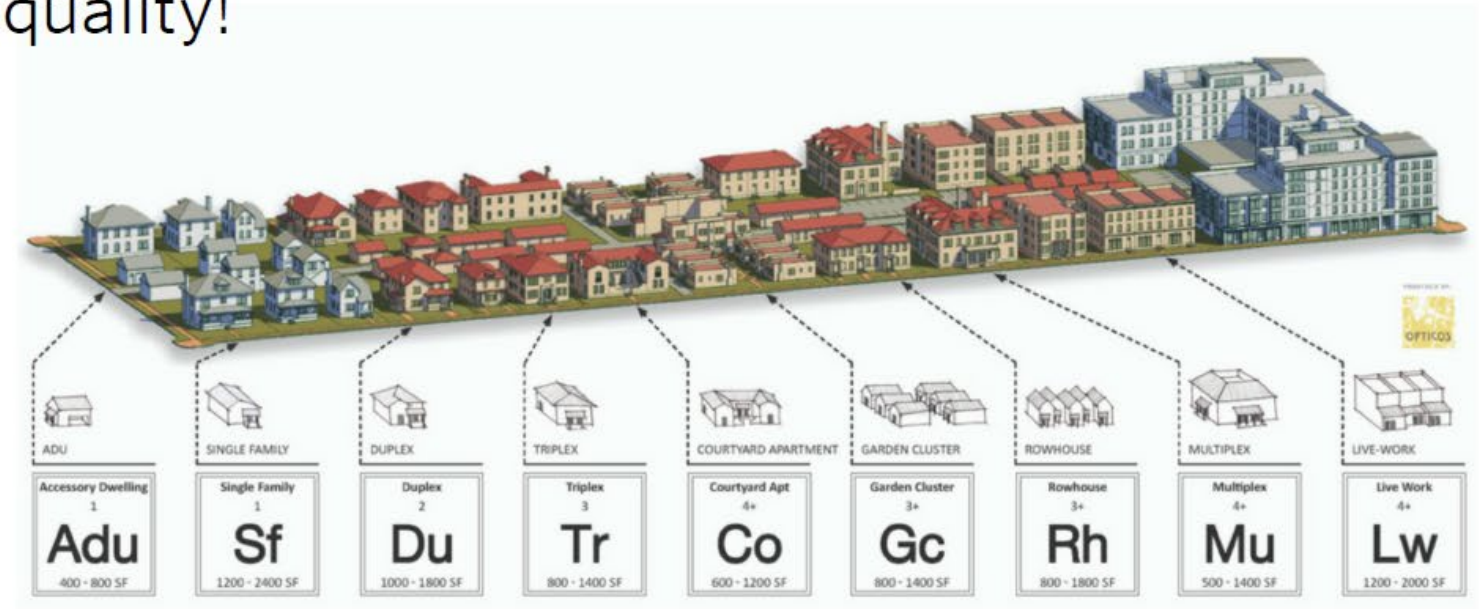
A moderate mix of uses and density boosts property and sales tax, encourages walkability, and supports local businesses.

Single-Family Detached	123	Taxable Value	$129M
Accessory Dwelling Unit	60	New Rev. Generated/yr	$324K
Smallplex - Duplex	33	Costs Generated/yr	$305K
Smallplex - Triplex & Quad	55	Net Revenue/yr	$19K
Townhomes	22		

Land Use Fiscal Analysis & Comp Plan
Liberty Hill, TX

Diversifying Housing & Commercial Options

Small does not mean low quality!

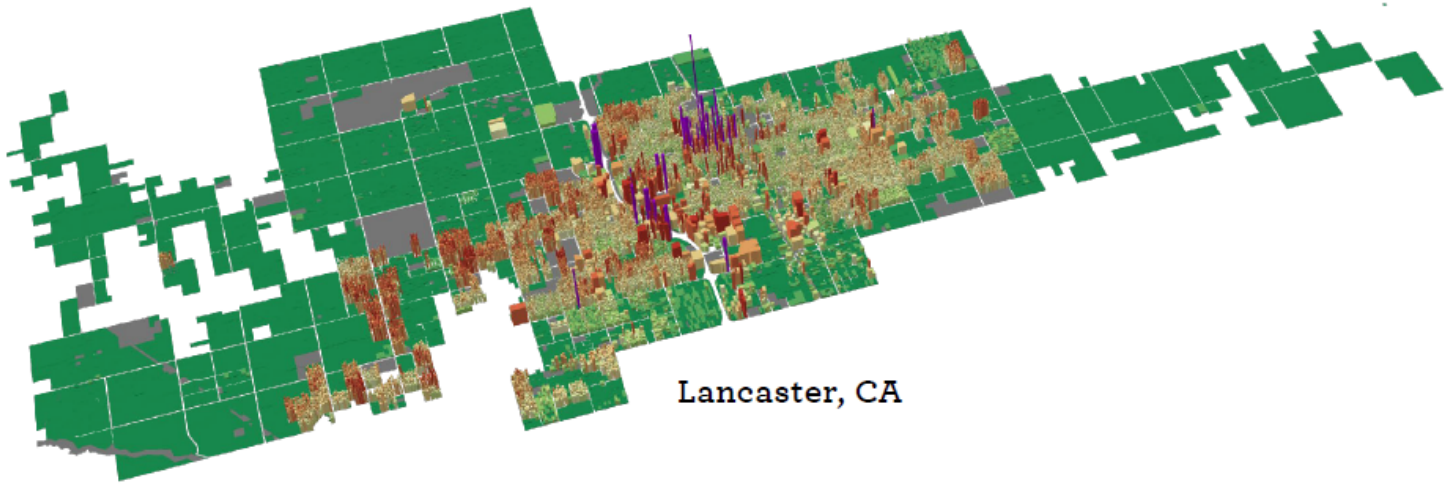


"Missing Middle Housing" Image c/o Opticos Design

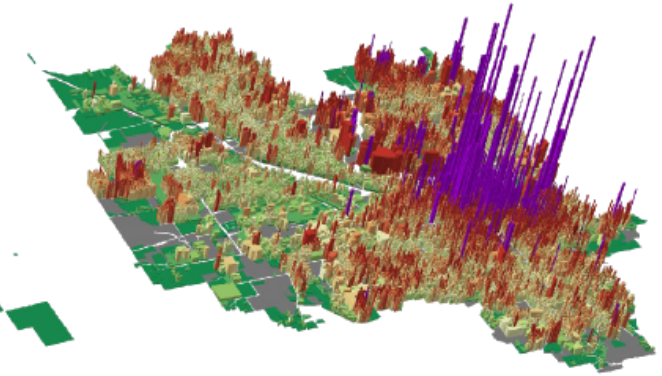
Cumulative Values (Existing + Scenario Additions)					
	Existing (2023)	Scenario A	Scenario B	Scenario C	Preferred Scenario
Population	33,104	67,761	75,065	89,718	77,572
Households	10,585	23,142	25,788	31,097	26,697
Revenues					
Property Tax Revenue at Current Tax Rate	$ 5,411,857	$ 11,843,366	$ 28,103,302	$ 30,118,474	$ 33,646,524
Sales Tax Revenue (Development Related)	$ 7,152,002	$ 31,804,192	$ 30,169,587	$ 30,461,618	$ 30,009,350
Sales Tax Revenue (Internet + All Other)	$ 8,900,854	$ 18,219,241	$ 20,183,223	$ 24,123,092	$ 20,857,148
Total Tax Revenue (Property + Sales)	$ 21,464,713	$ 61,866,799	$ 78,456,112	$ 84,703,184	$ 84,513,022
Costs					
Public Services and Maintenance Costs	$ 52,861,085	$ 71,764,669	$ 74,172,859	$ 78,492,861	$ 73,791,119
Future Street Liabilities	$ 11,969,485	$ 46,416,213	$ 45,602,355	$ 47,000,006	$ 44,285,893
Total Cost (Services + Infrastructure)	$ 64,830,570	$ 118,180,882	$ 119,775,214	$ 125,492,866	$ 118,077,012
Net Revenue	$ (43,365,857)	$ (56,314,083)	$ (41,319,102)	$ (40,789,682)	$ (33,563,990)
Avg Cost / New HH	$ 6,125	$ 5,107	$ 4,645	$ 4,035	$ 4,423

- Additional street costs are comparable across all four scenarios, but the Preferred Scenario allows these costs to be distributed over more properties, lowering the per household cost
- Preferred Scenario provides the highest revenue growth (522% for property tax revenue and 294% total revenue)
- Fiscal sustainability can be secured by strategically placing mixed-use developments in the Town as we build out

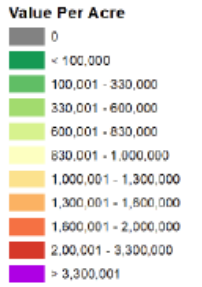
The Tale of Two Cities



Lancaster, CA



Eugene, OR



Graphics and data c/o Urban3

	Lancaster, CA	Eugene, OR
Population	160,106	168,916
Feet of Road/Person	33	18
Area (Square Miles)	75.90	43.72
Density (People per Sq Mile)	2,109	4,670
Peak VPA	$13,662,939	$22,727,988
Total Value	$9.6B	$13.8B

Final Thoughts

- As the Town ages and grows, infrastructure costs will shift from preventative maintenance to more expensive maintenance and replacement.
  - Acknowledging this and intentionally managing development today can help minimize these costs in the future.
  - Creating a process to connect the near-term (3-5 yr) budget to long-term costs is critical.
- Compact development generates more taxable value and tax revenue (property and sales tax) than more spread out, lower density.
  - Just a little additional density in targeted areas can go a long way in increasing revenues.
  - Compact, walkable neighborhoods are in high demand by both old and young generations and are where missing middle housing options work best. Diversifying housing options is critical to keeping quality housing attainable.
- Infrastructure costs can be reduced and service efficiency enhanced with more compact development and a grid street network (vs culdesacs)
  - Increasing walkability helps to reduce the number of lanes (and pavement costs) required.
  - Expanding the Town's city limits extends the service area for public safety and public works, and requires more water towers, lift stations, fire stations, parks, etc. Compact development reduces these costs and maximizes ROI of staff, facilities, and equipment.

Ultimately, it's about balancing development and services with what residents are willing and able to pay for – *now and in the future*.

Questions and Discussion

Next Steps

Education & Awareness

- **Road Show**
  - Communitywide showcase of the Comprehensive Plan including the purpose, process, and next steps.
- **Awareness Campaign(s)**
  - Specific topics heard during the road show that may warrant additional awareness & education.
- **Community Update(s)**

UDC Update

- Approved in 2025 Budget
- Project Goals
  - Transparent, predictable, and consistent process
  - Respond to feedback and concerns from the community, business owners, developers, and builders
  - Water conservation
  - Green infrastructure
  - Infill development
  - Improve design outcomes

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