



TOWN BOARD WORK SESSION
December 15, 2014 – 6:00 p.m.
Community Recreation Center – Pine Room
250 N. 11th Street, Windsor, CO 80550

The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 by noon on the Thursday prior to the meeting to make arrangements.

GOAL of this Work Session is to have the Town Board receive information on topics of Town business from the Town Manager, Town Attorney and Town staff in order to exchange ideas and opinions regarding these topics.

Members of the public in attendance who have a question related to an agenda item are requested to allow the Town Board to discuss the topic and then be recognized by the Mayor prior to asking their question.

AGENDA

THIS MEETING WILL NOT BE TELEVISED OR RECORDED

1. Presentation on Demographics and Housing Study – J. Plummer
2. Regional Tourism Act Update by GoNoCo Board – S. Johnson
3. Residential LED light conversion – K. Unger
4. Future meetings agenda

The Town Manager, Town Attorney's and Town Board will be gathering at Guadalajara's immediately following the work session.



MEMORANDUM

Date: December 15, 2014
To: Mayor, Town Board, Planning Commission, and Housing Authority Board
Via: Kelly Arnold, Town Manager
From: Joseph P. Plummer, AICP, Director of Planning
Re: Presentation on Draft Final Report - Demographics and Housing Study
Item #: Work Session 1

Discussion:

In 2013 the Town Board and Planning Commission met to discuss what the demographic make-up and housing needs of the Town may look like in the future. After discussing potential scenarios, it was the consensus of the boards to have a demographics and housing study prepared. The consulting firm of Economic & Planning Systems (EPS) was selected to prepare this study, and the study was launched in May of this year.

At the September 15, 2014 joint work session with the Town Board, Planning Commission and Housing Authority Board, EPS presented the first two chapters of the draft report and received feedback on the contents of those sections of the draft report at that time. EPS has now completed this final draft of the report, which, in addition to addressing the comments that were received at the September 15th work session, now includes an executive summary with findings and recommendations and the final inclusions of the report.

At the current work session, the Project Manager for EPS, David Schwartz, will be presenting a general overview of the report. Since the draft report contains so much information and data, the primary objective of the overview is for the boards to gain a good understanding of the contents of the report while at the same time having an opportunity to discuss the report and ask questions.

Following this work session, EPS will complete the final report. The final report will then be placed on the January 7th planning commission agenda for a recommendation of acceptance to the Town Board. Likewise, the Planning Commission's recommendation will in turn be placed on the January 12th town board agenda for acceptance of the study.

Lastly, once the new comprehensive plan has been initiated, determinations will be made as to which components of this study would be most appropriate to be included in the comprehensive plan and which components would be more appropriate to be included in other policy or informational documents.

Recommendation: The Boards' affirmation of the next steps outlined above.

Attachment: Draft Final Report

pc: David Schwartz, Project Manager, Economic & Planning Systems, Inc.
Daniel Guimond, Principal, Economic & Planning Systems, Inc.

The Economics of Land Use



Draft Final Report

Demographics and Housing Opportunities Study

Prepared for:

Town of Windsor, Colorado

Prepared by:

Economic & Planning Systems, Inc.

December 9, 2014

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1. EXECUTIVE SUMMARY

Background

The Town of Windsor has experienced strong growth in the past and is well-positioned to be the beneficiary of considerable growth and demand pressure in the future. Its prime location and access to I-25 have made it an ideal community for workers from the entire Northern Front Range. The Town has made considerable progress toward becoming a strong and self-sustaining economy, working effectively to recruit and retain business—in particular, it has continued to work aggressively on expanding its retail base.

Over the past decade and a half, the Town has taken a progressive and comprehensive approach to addressing the community's broader needs, particularly in regards to developing a suitable inventory of workforce housing. After adoption of the Town's Comprehensive Plan in 2002, the Economic Incentives Resolution for housing was passed in 2004, which granted various incentives to developers who provide workforce housing as a part of their development. The Town also commissioned a study of workforce housing needs and community preferences in 2007 and completed in 2009, which identified the extent of housing needs, gaps, and general preferences regarding community needs and issues.

To better understand these issues and to plan for the potentially changing housing needs of the future, the Town hired Economic & Planning Systems (EPS) to produce a report that addresses the following issues:

- Identify how demographics in the community may have changed;
- How the demographics might change in the future;
- Where development has been occurring;
- Where development can occur in the future;
- Whether encouraging infill development or greenfield development, as a matter of policy is a good idea;
- What the fiscal impacts to this type of policy might be, let alone the potential impacts that facilitating or meeting housing needs of the future might have on the Town's ability to provide municipal services, and
- Suggest strategies and measures the Town can adopt to address these trends and direct growth in a fiscally-responsible manner.

Scope of Work

The purpose of this document is to provide the Town of Windsor with a comprehensive report that will outline past economic and demographic trends, detail current conditions, and provide guidance as to where development is occurring and is expected to occur in the future. In addition, this report will provide guidance on how various development could impact the long-term fiscal health of the Town as well as recommendations as to how the Town might encourage more favorable types of development.

Findings

The following findings come from both EPS' broader work evaluating and forecasting housing demand and preferences for other communities, as well as findings specific and unique to the Town of Windsor's economic and demographic conditions, and land use supply and demand circumstances.

General

The following findings represent a few of the many findings from EPS' research across the western U.S., and are indicative of certain shifts in the demographics among working and home-buying aged households that reflect some of the broader trends that are affecting the Town of Windsor as a component of a larger regional economy.

1. Younger generations are increasingly expressing different preferences for their housing, neighborhoods, and larger communities.

As demographics across the country are changing, drivers of housing demand are increasingly favoring preferences for neighborhoods with different housing types, higher-densities, mixed-use environments, and walkability to services, entertainment, and employment. In choosing where to live, households are seeking amenity- and proximity-driven housing options, or housing with a sense of place.

2. Nearly 80 percent of households place greater importance on neighborhood characteristics than building characteristics.

It is the quality of the neighborhood, not the size of the house, that is most important for a majority of households in choosing where to live. A neighborhood and larger community are characterized by a multitude of attributes that embody "sense of place", such as the quality of schools, perception of safety and security, privacy, well-designed sidewalks and bike paths, access to parks, proximity to work, shops, entertainment, schools, and other daily needs.

3. Perceptions about school quality can attract or deter growth.

School quality is a commonly cited response when asked what motivates households to move. In under-funded districts, poor school quality can serve as a deterrent to household, population, and economic growth. In well-funded districts, good school quality can be a driver of demographic and economic growth. While frequently outside the purview of demographic and housing studies such as this, cooperation with local school districts is an essential component of a comprehensive economic and community development strategy.

4. A sense of safety and security is the most important neighborhood characteristic to households.

Another common response among questions regarding the importance of housing, neighborhood, and community characteristics is the importance of a sense of safety and security. As with school quality as a motivator, the lack of a sense of safety and security can discourage households from choosing to live in certain parts of a city, and the presence of it can drive growth. Findings of the 2009 study survey did not indicate that this issue was top of mind for residents, and the growth in the community would suggest that many people perceive their needs for a sense of safety and security to be met in Windsor.

5. Households are willing to pay to live in an area that contributes to their 'sense of place' and 'quality of life'.

There are many terms for this concept – sense of place, sense of community, or quality of life. One thing is often consistent among EPS' research of this topic: households are generally willing to pay a greater amount for their housing if they perceive some tangible value in the additional amenities, proximities, or benefits to their sense of community or quality of life. For example, many households are willing to pay more for housing to cut their commute time; many will also pay more if they can walk to work or shops; and many households (especially households with children) will also pay more for their housing to locate near higher quality schools.

Windsor Specific

The following findings are specific and unique to Windsor and the surrounding region.

6. Windsor has attracted both households with children and empty-nester (retiree) households.

Between 2000 and 2010, according to U.S. Census information, the Town grew by more than 8,700 people, more than 15 percent of which were under 10 years of age, and a third of which were between the ages 35 and 55, indicating strong growth among households with children. Of that total growth, 30 percent were also over 55 years of age, indicating not just aging of the existing population, but of a net increase in the population in those age categories.

7. The median age of the population has increased.

As is the case with many cities across the United States, the population of Windsor is, on average, getting older. Between 2000 and 2010, the median age increased from 32.7 to 37.6, and several factors have contributed to this trend: the aging of the Baby Boomers; the target age cohort for executive housing in the 1990's are now 10 to 15 years older; and the scarcity of entry-level housing affordable to younger families with young children.

8. High-density, amenity-driven mixed-used developments in proximity to services, entertainment, and shopping are possible, but over the long-term.

Demand for such developments must be considered in its regional economic context. Most of the region's employment opportunities are located in Fort Collins, and Windsor has increasingly become a bedroom community for certain households of many of those workers who seek a certain type of community feel.

9. There will continue to be a large component of each generation (Baby Boomers, Generation X, Generation Y (Millenials), etc.) that seek the type of housing Windsor development offers.

Demographic data analysis shows that the Town's population increase has been driven by an influx of families with children and retirees. Windsor has successfully developed its character as a "hometown" community, and it is likely that this aspect of its community character will continue to serve as its draw and attractiveness.

The following findings are related to the conditions and trends highlighted as findings in EPS' 2009 study of workforce housing issues in Windsor. Many of the trends and conditions assessed then have continued on their path.

10. Windsor residents account for less than 20 percent of the local workforce, and 90 percent of employed Windsor residents work somewhere else in the region.

In the employer survey conducted as a part of the 2009 study, EPS identified that most of Windsor's jobs were held by non-residents, and that most of Windsor's residents held jobs elsewhere in the region. The finding was that "*the economic expansion has resulted in a larger community that is more reliant and integrated into the regional economy.*" The Town has increasingly become a community of households who hold jobs somewhere else.

Overall, out-commuting has increased by 110 percent since 2004 and in-commuting has risen by 50 percent. According to this report's analysis, approximately 84 percent, or approximately 5,460, commuted in from elsewhere, which means that only 16 percent of Windsor's local jobs are held by workers who live locally. And of the more than 11,500 Town of Windsor residents who held a job, approximately 10,500 of them commuted out for work, more than 90 percent, which means that only 10 percent of all job-holding residents work locally.

11. Increased activity in the oil and gas industry has contributed to some employment increases in the Town of Windsor, and possibly some housing impacts.

Oil and gas employment related to exploration has increased in the Town, but not by the same magnitude as in the region. While the direct and indirect employment sectors added more than 2,800 jobs between 2000 and 2013, growing at a rate of 3.7 percent per year, related firms in Windsor added approximately 190 jobs, accounting for just 7 percent of the total industry growth. In terms of housing, similarly detailed information is not readily available to identify the extent to which more households of the industry's jobs have chosen to live in Windsor. Given the price of housing with respect to the region, and the transience and mobility associated with the more job-intensive phases of the industry's exploration and production cycle, it is likelier that new Windsor households with workers in the industry are associated with higher-paid positions that are more regional and administrative in nature.

12. Housing prices continue to rise faster than incomes, even in Windsor.

In line with the findings of EPS' 2009 study, as the average price of housing built in Windsor has increased over time, so has the average household income of the households who live there. In 2009, the household survey revealed that households that had moved to Windsor within the last 5 years had average household incomes 15 percent higher than longer-term residents, indicating a socio-economic shift in the community. This trend has continued to date.

The median income of Windsor households increased 3.2 percent annually between 2000 and 2012, but median housing sales prices increased 4.4 percent annually during the same period. From a regional perspective, i.e. from the perspective of households living elsewhere who may wish to live in Windsor, median incomes rose only 1.4 to 1.6 percent. In terms of affordability, housing is largely affordable to those already living in Windsor, but the gap between the median sales price of Windsor's housing and what households in the region are able to afford has widened substantially since 2000.

13. Households are spending more of their income on housing.

Housing costs are consuming an ever-larger portion of households' income. Between 2000 and 2010, the portion of households spending 30 percent or more of their incomes on

housing increased from 30 to 34 percent. While approximately 60 percent of households with incomes under \$50,000 per year were cost-burdened (a statistic that did not change statistically from 2000 to 2010), there was a 70 percent increase in the number of cost-burdened households earning \$50,000 to \$75,000, and a 10-fold increase in cost-burdened households earning more than \$75,000.

Land Use & Policy Context

The following findings relate to the land use supply and regulatory context of Windsor.

14. The Economic Incentives Resolution has had limited and narrow effectiveness.

The Resolution 2004-39, which offers the possibility of three types of development incentives, including fee deferral, expedited review, and a density bonus, has not had broad effectiveness, because it was never codified. It also has unusually stringent definitions of what constitutes a primary work force housing project.

15. The Residential Mixed-Use (RMU) zoning classification allows for sufficient flexibility of residential, but in terms of residential development, has not produced densities different from the E-2 zoning classification.

An analysis of 16 existing and planned developments showed that the current zoning tools allow for gross residential efficiency of 0.4 to 2.1 units per acre, when factoring in land usage for ROW, OS, and other uses. That is, net residential development was found to vary from approximately 60 to 85 percent. And except for the E-1 districts, average lot sizes did not vary considerably among the other major zoning classifications: lots in SF-1 districts were approximately one quarter acre (0.23 acre); 2.23 acres in E-1 districts; one quarter acre (0.25 acre) in E-2 districts; and also one quarter acre (0.23 acre) in RMU district developments.

16. There has been a recent significant spike in the price of water.

The recent spike in water per unit prices should be cause for concern, and it was mentioned by several of the stakeholders interviewed during this study. According to some, it is not likely that the price of water will return to lower levels given supply constraints and continued demand pressures in the Northern Front Range. If unabated, a continuation of this trend will make development costly and adversely affect the economics of development, and this will adversely affect Windsor's competitiveness for producing or increasing its supply of workforce housing opportunities.

Recommendations

General

The following are recommendations related to preceding findings.

1. The Town should take a balanced approach to its community and economic development initiatives.

It has been mentioned that one of the primary characteristics of Windsor's attractiveness is its "hometown" feel. But, along such traditional lines, Windsor is not a traditional economy. As the findings suggest, only 20 percent of local jobs are held by residents, and only 10 percent of its residents work locally. The Town should put as much of its resources and

attention to the task of building its local employment base as it should in ensuring that its housing stock is meeting the demands of its future residents.

2. Building the Town's employment base should strategically link quality of jobs with location.

The dramatic commuting patterns indicate that Windsor is heavily reliant on regional job-holders to fill its positions, some of which are manufacturing, but that it is also a net exporter of labor to a number of other cities (primarily Fort Collins, Greeley, and Loveland), where 90 percent of employed Windsor residents work somewhere else.

Attracting, recruiting, and retaining good-paying jobs is central to economic development officials' missions, but it should not be the only objective of the Town. While municipal fiscal structures often place communities in a position of competing for sales tax against one another, the Town should not lose sight of building its employment base in quality industries that are more "export-driven", i.e. manufacturing, professional and technical services, administrative and management, financial services, etc. Additionally, taking more control of where this employment might be located would positively contribute to the long-term development and invigoration of its old town area. As such, the Town should look for and evaluate infill and redevelopment opportunities within its core that would be appropriate for catalytic development sites. Succeeding at these efforts would be major achievements in increasing the overall attractiveness of the central part of the Town as not only a place to do business, but a place to live, shop, etc.

3. Look for opportunities to increase the density of housing in the Town's core.

Related to the previous point, an increase in housing density in the core of the old town area does not necessarily mean suddenly permitting mid- or high-rise development. Rather, as the core of the Town becomes more attractive, it will become more attractive to households seeking a greater diversity of housing options, including rental or even condominiums. Along these lines, the Town should also evaluate sites within a defined area that would be appropriate for infill or redevelopment as residential or mixed-use.

4. The Town should promote housing development that meets the needs of a more diverse and wider spectrum of incomes (especially for workforce housing).

Some points of analysis, such as the increase in cost-burdened households earning over \$75,000, point to a mismatch in housing supply. The housing gaps analysis also points to an undersupply of housing affordable to households earning less than \$50,000 per year (if not just a problem of wages being too low). Along these lines, it is not clear whether households are choosing to place themselves in a cost burden situation or not. And the analysis of the distribution of commuters by industry illustrates that most of the manufacturing jobs, for example, in the Town are held by non-residents.

5. The Town's minimum lot size within the central parts of Town should be revisited.

As noted above, if the Town makes a strategic long-term effort to plan for a denser, more vibrant urban environment in its core, reducing the minimum lot sizes, which are 6,000 square-feet in most of the areas surrounding the old part of Town, will facilitate this. This does not mean that a new zoning classification should be created, but that, especially through the Town's comprehensive planning process, the zoning classifications of this part of central Windsor should be reexamined and aligned with the possibility of increasing overall

residential densities and facilitating the longer-term goal of creating a mixed-use environment.

Housing Incentives Resolution

The following recommendations are related specifically to the refinement of the economic incentives resolution 2004-39, which pertains to affordable housing development.

6. The definition of a "primary work force housing project at 20 percent is fairly aggressive and would cut deeply into the economics of an otherwise market-oriented development.

This language is derived from the structures of Inclusionary Housing Ordinances in which a "set-aside" requirement is established. The City of Boulder's set-aside requirement, for example, is 20 percent, and the City of Denver's is 10 percent. It is a hotly contested aspect of these land use control mechanisms and one that faces high developer opposition. EPS recommends lowering this figure to 10 percent, or scaling the set-aside percentage so that it is appropriately balanced with the economic value of the incentives offered: e.g. a 10 percent set-aside would be granted a limited type of incentive, whereas a higher set-aside could be granted more incentive.

7. The definition of a "primary work force housing unit" could be modified.

While it is compelling to include utilities into the equation of affordability for work force housing households, industry practice typically omits this because of the administrative difficulty in qualifying the units and households. Relatedly, the total household income limit should be reduced to 30 percent of income, not 35 percent. This would also align the policy to industry standard practice. And unless intentional, the language on the type of income is typically "area median income", not the "average household income", which in Windsor's case is a much higher number. In practice, this may practically result in a policy that incentivizes what other communities actually deem "work force housing" needs in the 100 to 140 percent AMI categories.

8. The value of bonus density should be more appropriately estimated to align with actual market economic value.

Ordinarily, a bonus density is one of the most economically valuable incentive tools available under similar land use regulations. In lower-density environments, however, where there is little to no market support or interest in greater density, the incentive has little economic value. In Fort Collins, for example, the bonus density of its economic incentives policy is also viewed by the development community as holding little economic value. The market doesn't even support it there. The current 10 percent, as only calculated from the number of work force housing units provided, is too small and is unlikely to influence development community behavior.

9. The fast-tracked development process holds debatable value.

It is fairly debatable whether expedited review holds real economic value to a developer. In terms of quantifying what is at stake (i.e. where the economic value in this incentive lies), for a market-rate development, a developer might have his or her own money, staff, attorney or any other staff time involved during the entitlement process. Another element that may quantify the entitlement process is the degree of entitlement risk involved in a project, i.e. a risk premium that is figured into the hurdle rate for proceeding with a project. Each of these

aspects for quantifying the value of the planning and entitlement review process speaks, however, to predictability. Developers look for predictability, and if this incentive is to have any quantitative value, it should be defined in actual terms of how much the process is expedited – e.g. number of months. Otherwise, many developers see little to no value in this incentive.

10. Fee deferrals may not impact developer bottom-line, i.e. influence behavior, enough.

Deferrals differ from fee “waivers”, which are in use in surrounding communities and in most communities with these types of incentives. Regionally, Loveland waives (and essentially back fills with General Fund dollars) the development review fees, which can be a substantial incentive to the project, and Fort Collins is in the process of reevaluating its policy with regard to fee waivers for housing projects, as well. The Town should reevaluate whether it can afford to fund fee waivers for projects that are likely to come forward.

Other

The following recommendations are indirectly related to some of the issues and findings of this study and EPS’ research.

11. The Town should proactively pursue alternative sources of water.

While it is beyond the scope of this study to assess the merits of the Town’s water provision and development policy, there were several policy considerations noted by stakeholders that are worth mentioning. Support the Northern Integrated Supply Project (NISP), but be more proactive about finding alternative and local water sources so that the cost of water does not become a deterrent to development.

12. The Town should conduct a survey of its residents during the Comprehensive Plan Process.

Surveys can be a valuable means to collect primary data on socio-economic and demographic characteristics that are not available through commonly available secondary sources. Such a tool would also enable the Town to identify the extent to which job-holders in new households to Windsor are employed in the oil and gas industry. In its longer-term strategy, and especially in the next comprehensive planning effort, the Town should include a household and employee survey component to identify some of the “choice” issues that have surfaced through this analysis with questions that evaluate what type of financial trade-offs households may have made to move to Windsor, whether they have intentionally chosen to put themselves in a cost-burden situation, and for employees, whether the availability of lower cost housing would motivate them to live in Windsor.

2. ECONOMIC AND DEMOGRAPHIC FRAMEWORK

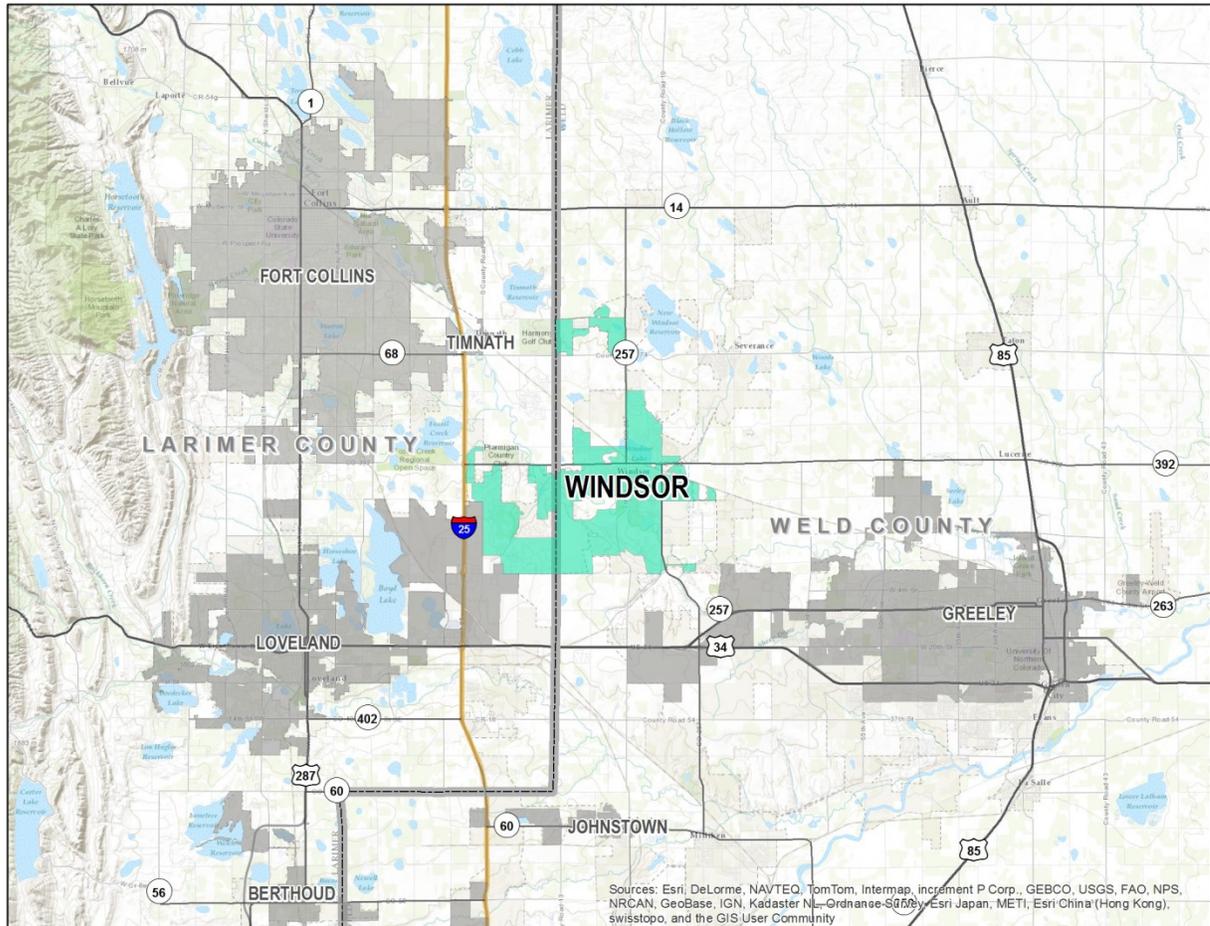
In order to better understand the current and future housing needs of the community it is necessary to provide an economic and demographic framework for the Town and the surrounding area. This chapter provides a description of historical trends, a summary of current conditions, as well as forecasts of projected changes in local economics and demographics. Specifically, EPS uses data gathered from both public and private sources to provide an economic and demographic framework that summarizes trends and conditions in the following areas:

- Population and Households
- Employment and Income
- Commuting Patterns
- Housing Market Conditions and Pricing

Market Area

The Town of Windsor is located along the foothills of northern Colorado immediately east of Interstate 25 and along Highway 392, as shown in **Figure 1**. For the purposes of understanding the local and regional context detailed in subsequent sections of this chapter, EPS has defined a market area that includes Windsor and the surrounding cities of Fort Collins, Greeley, and Loveland. These communities represent major destinations for commuters either employed in Windsor but live in surrounding communities or live in Windsor and work in one of the surrounding communities. In addition, due to the size and proximity of these other 3 communities, their economies are closely tied with the economy of Windsor.

Figure 1
Town of Windsor and Surrounding Communities



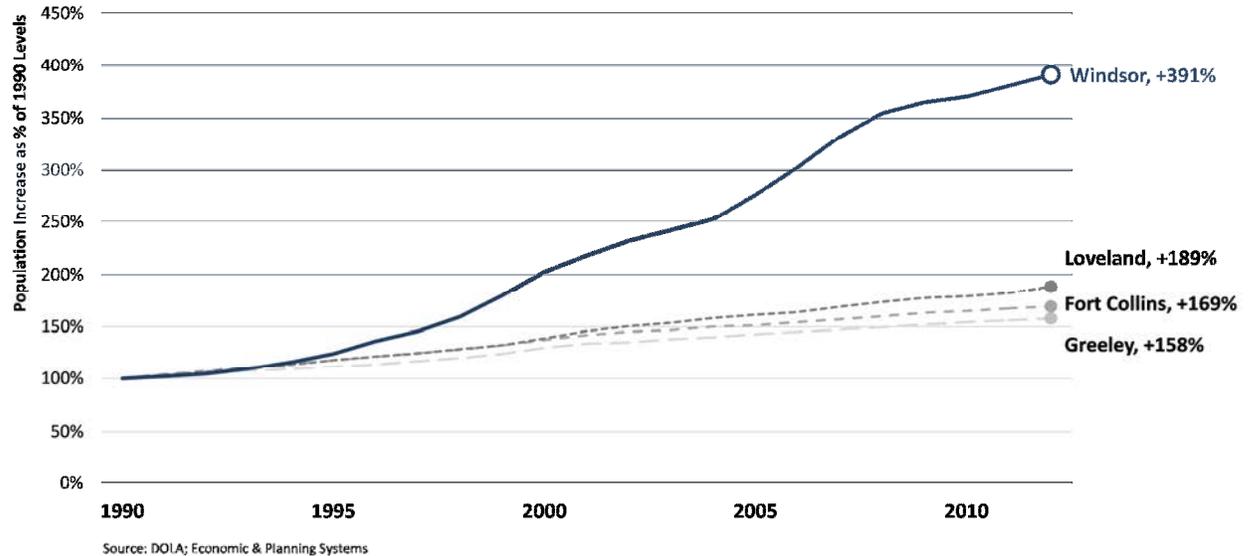
Demographics

This section provides a brief overview of the major demographic trends in the Town of Windsor and the surrounding market area. This information will provide context to the subsequent sections that describe housing market trends and opportunities and will detail how Windsor has performed relative to surrounding communities.

Historic Trends

Over the past two decades, the population of Windsor has nearly quadrupled. Although the Town is still relatively small in comparison to Fort Collins, Loveland, and Greeley, its population growth rate has consistently outpaced that of surrounding communities, as illustrated in **Figure 2**, which shows the change of each community's population based on an index that uses 1990 as the base year. The figure provides a baseline for changes in population in subsequent years. Between 1990 and 2012, the population of Windsor increased by nearly 300 percent, which is approximately twice the growth rate of surrounding communities. Windsor's share of the market area population continues to grow, moving from 3 percent in 1990 to 6 percent in 2012.

Figure 2
Population Index, 1999-2012



Current Conditions

Table 1 illustrates that the region, including Ft. Collins, Greeley, Loveland, and Windsor, grew at a rate of 2.3 percent per year between 2000 and 2010, according to information from the U.S. Census. While 2012 (or recent) data are not available for all these jurisdictions from the Census, the Town of Windsor estimates that its local population has grown further to more than 22,500, according to Planning Department estimates as of the end of 2013.

Table 1
Population and Households, 2000 and 2010

	2000	2010	2000-2010		
			Total	Ann. #	Ann. %
Population					
Fort Collins	118,652	143,986	25,334	2,533	2.0%
Greeley	76,930	92,889	15,959	1,596	1.9%
Loveland	50,608	66,859	16,251	1,625	2.8%
<u>Windsor</u>	<u>9,896</u>	<u>18,644</u>	<u>8,748</u>	<u>875</u>	<u>6.5%</u>
Region	256,086	322,378	66,292	6,629	2.3%
Households					
Fort Collins	45,882	56,678	10,796	1,080	2.1%
Greeley	27,647	33,326	5,679	568	1.9%
Loveland	19,741	27,746	8,005	801	3.5%
<u>Windsor</u>	<u>3,563</u>	<u>6,743</u>	<u>3,180</u>	<u>318</u>	<u>6.6%</u>
Region	96,833	124,493	27,660	2,766	2.5%

Source: US Census Bureau; Economic & Planning Systems

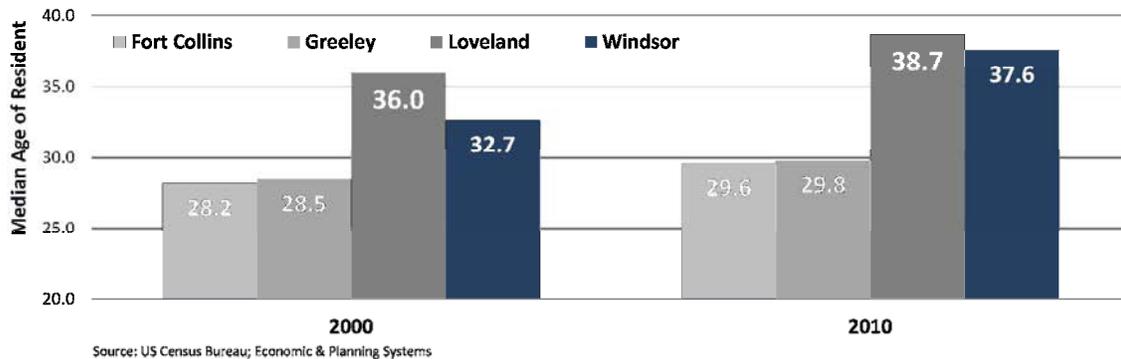
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As is the case with many cities across the United States, the population of Windsor is, on average, getting older. Using the most recently-available data from the U.S. Census, the Town's median age has increased from 32.7 in 2000 to 37.6 in 2010, as shown in **Figure 3**. Several related factors have contributed to this trend, including:

- The aging of the Baby Boomers, the largest demographic group who are now 50 to 68 years of age.
- The target age cohort for Windsor executive housing built in the 1990's were move-up buyers in the 35 to 54 age cohort and are now 10 to 15 years older.
- The lack of entry-level housing in Town that is affordable to younger families with young children.

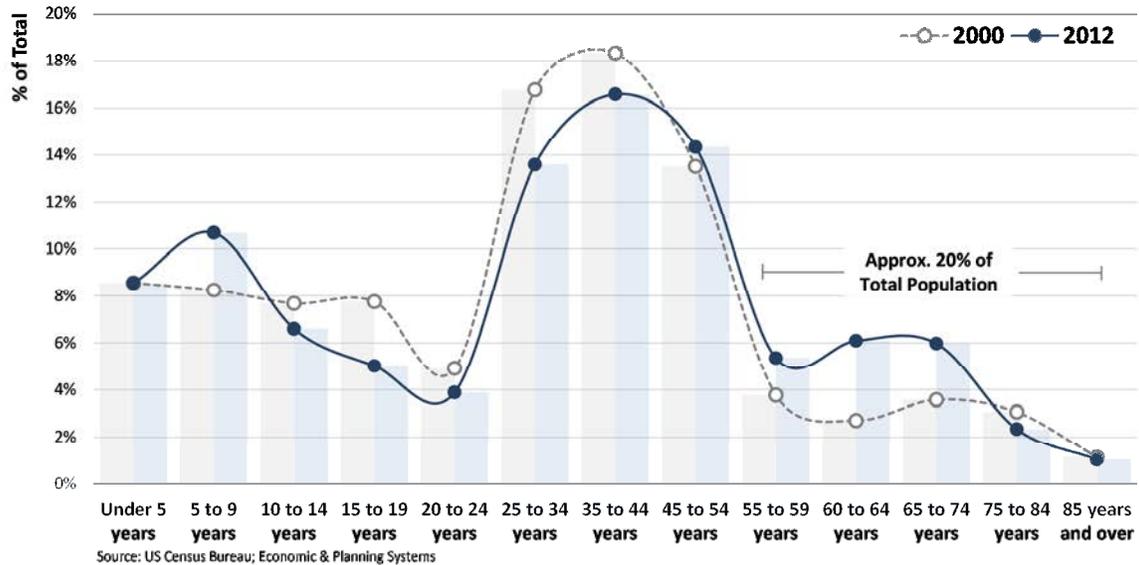
This trend is also caused by the fact that as Windsor continues to grow and develop it becomes a more appealing location for individuals who are in the later stages of their career or are retired.

Figure 3
Median Age of Residents, 2000 and 2010



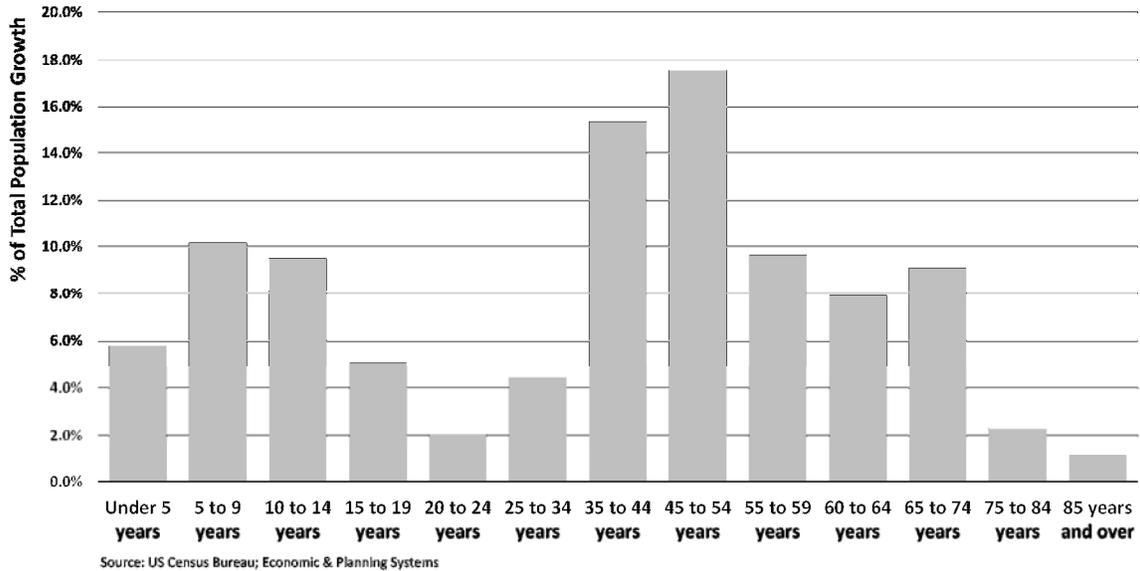
As shown in **Figure 4**, the population distribution in Windsor has become more heavily weighted in age group over the age of 55. Between 2000 and 2012, the proportion of individuals living in Windsor between the ages of 10 and 44 decreased, while the proportion of individuals under the age of 10 and over the age of 55 increased.

Figure 4
Windsor Population Distribution, by Age, 2000 and 2012



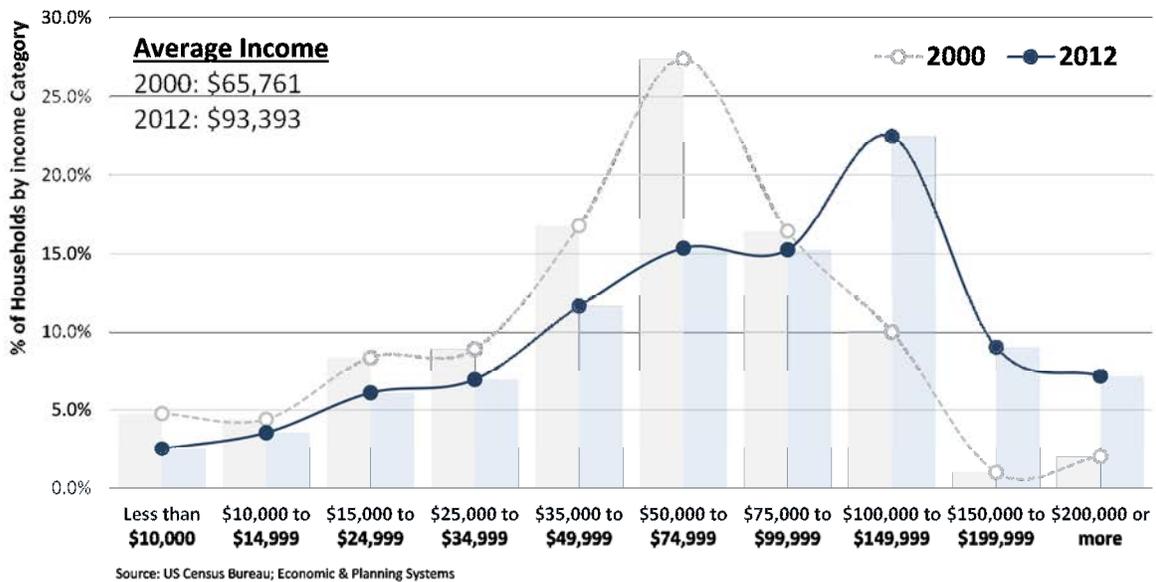
Between 2000 and 2012, there was also a significant increase in the number of individuals between the ages of 35 and 54. These age groups captured the greatest percentage of growth between 2000 and 2012, 15 and 17 percent, respectively, as shown in **Figure 5**.

Figure 5
Percent of Total Growth, by age, 2000-2012



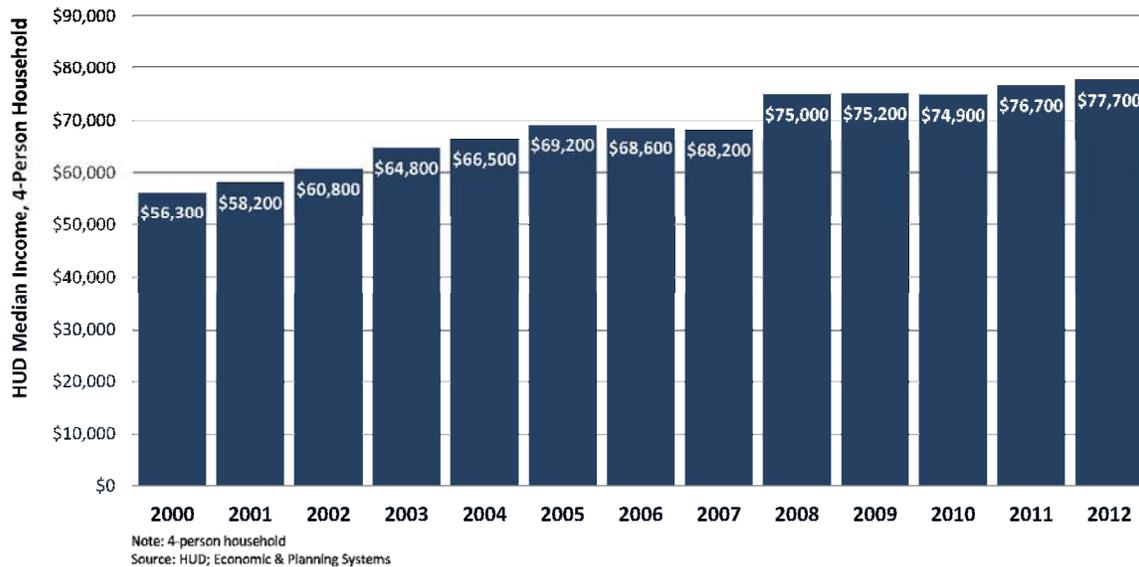
In addition to a strong growth in the number of individuals over the age of 55, there has also been significant shift in the number of households earning more than \$100,000 per year, as shown in **Figure 6**. While households earning more than \$100,000 made up only 13 percent of the total population in 2000, in 2012, households earning more than \$100,000 per year made up nearly 40 percent of the total population of Windsor.

Figure 6
Windsor Household Income Distribution, 2000 and 2012



The median household income in the Fort Collins-Loveland Metropolitan Statistical Area (MSA) was \$77,700 for a household of four people in 2012, as shown in **Figure 7**. Since 2000, the median household income in the area has increased by approximately 2.7 percent per year.

Figure 7
Area Median Income (AMI), Fort Collins-Loveland MSA, 2000-2012



Population Forecast

The Colorado Department of Local Affairs (DOLA) produces annual population forecasts for Colorado counties and the state as a whole. Based on recently (October 2013) released DOLA forecasts, the population of Colorado is expected to grow at approximately 1.5 percent per year between 2015 and 2040, resulting in approximately 2.3 million additional residents, as shown in **Table 2**. Over the same period, growth rates in Larimer and Weld County are expected to be approximately 1.6 percent and 2.8 percent, respectively. On both a state and county level, population growth rates are expected to rise over the next five to 10 years, at which point they are expected to stabilize and begin to decline over the following two decades. In Weld County, growth rates are expected to grow at a much faster rate over a longer period of time than in the region as a whole.

Table 2
Population Forecast, 2015-2040

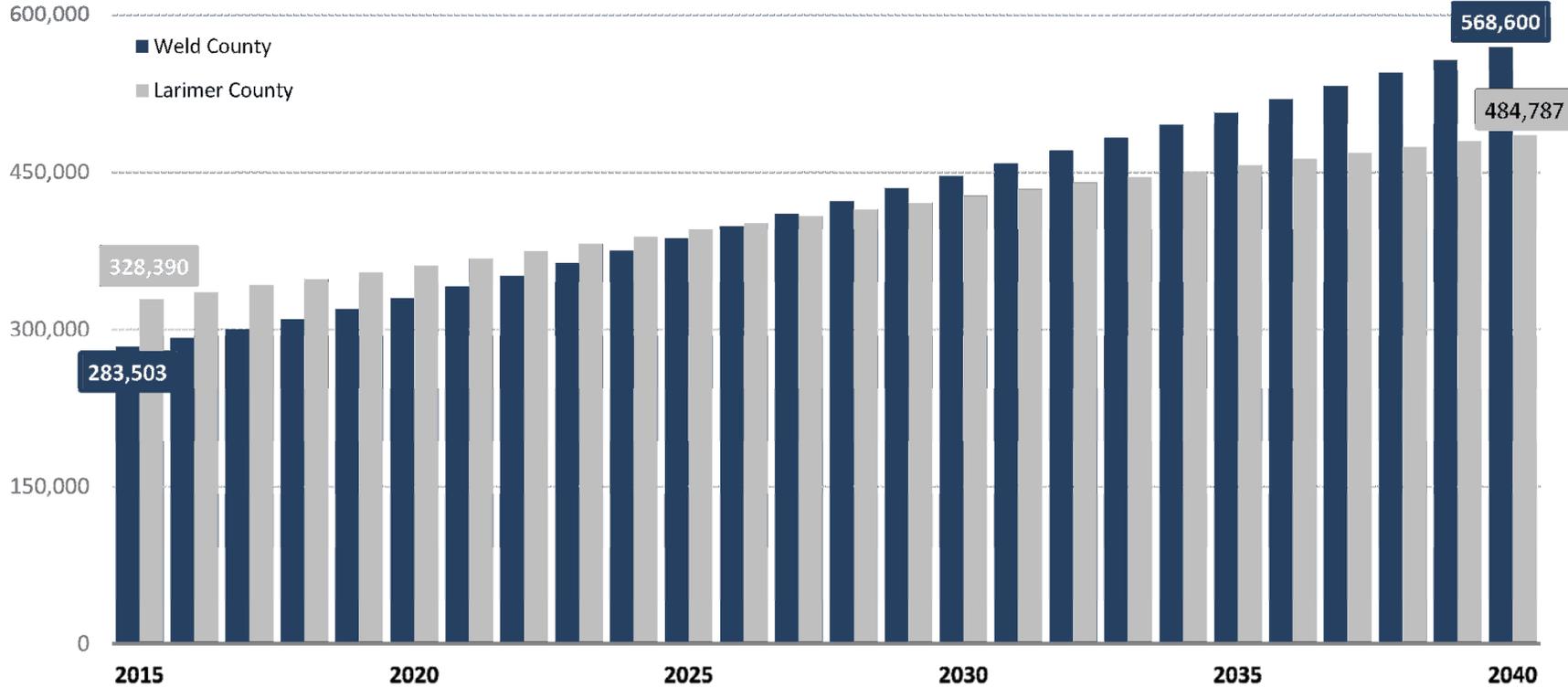
Description	2015	2030	2040	2015-2040			2015-2030			2030-2040		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
State of Colorado	5,456,067	6,926,150	7,772,466	2,316,399	92,656	1.4%	1,470,082	98,005	1.6%	846,316	84,632	1.2%
Larimer County	328,390	426,691	484,787	156,396	6,256	1.6%	98,301	6,553	1.8%	58,096	5,810	1.3%
Weld County	283,503	446,211	568,600	285,097	11,404	2.8%	162,708	10,847	3.1%	122,389	12,239	2.5%

Source: DOLA; Economic & Planning Systems

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Total population projections for both Larimer and Weld County are shown in **Figure 8** and illustrate the effects of projected higher growth rates in Weld County. Although there are currently nearly 45,000 more people in Larimer County than there are in Weld County, the population in Weld County is expected to surpass that of Larimer County by 2027. In 2040, the population in Weld County is projected to be nearly 570,000 people, while the population in Larimer County is expected to be approximately 485,000 people.

Figure 8
Population Forecast, Larimer and Weld County, 2015-2040



Source: DOLA; Economic & Planning Systems

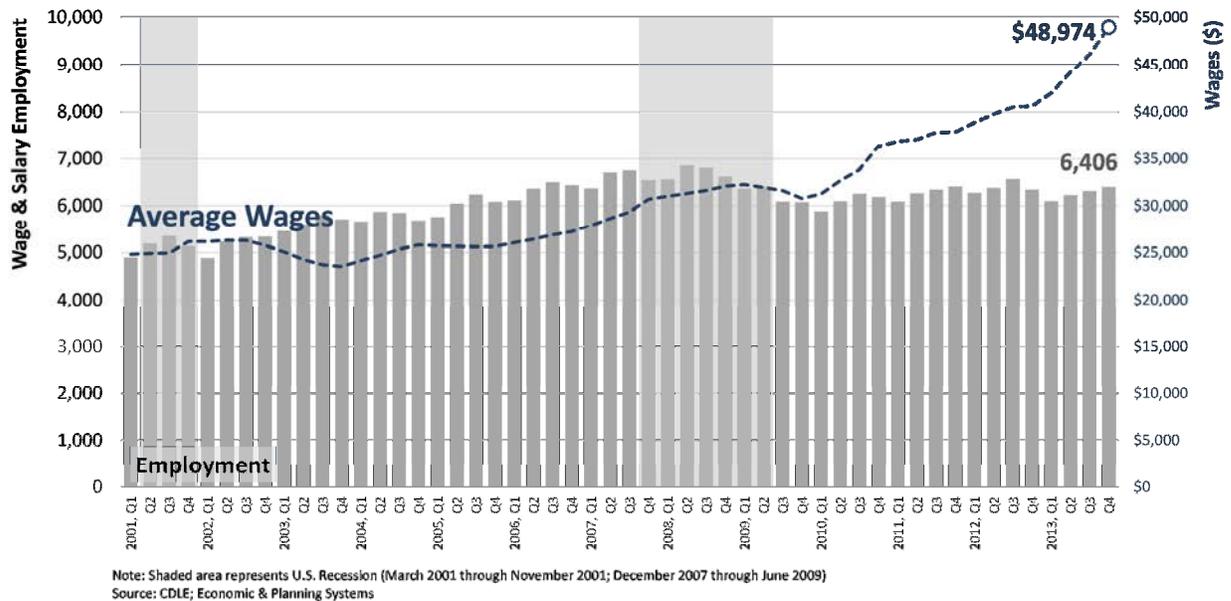
Employment, Incomes, and Commuting

Population growth and subsequent housing demand is largely fueled by employment and income growth. This section provides details on the growth in wage and salary jobs in Windsor, median household incomes as defined by the Department of Housing and Urban Development, and commuting patterns between Windsor and the surrounding communities. This section provides a summary of data collected from the U.S. Census Bureau, the Colorado Department of Labor and Employment (CDLE), and the U.S. Census Bureau's Longitudinal and Employer-Household Survey program (LEHD)¹.

Trade Area Employment and Wages

According to information provided by the CDLE, total wage and salary employment in Windsor increased by an average of 1.5 percent per year between 2001 and 2013², shown in **Table 3** and **Figure 9**. Increases in total employment in Windsor outpaced growth rates in Fort Collins and Greeley but lagged behind growth rates in Loveland, which increased at a rate of 1.9 percent per year between 2001 and 2013. As of the fourth quarter of 2013, total wage and salary employment in the Town of Windsor was 6,406 (at the end of the 4th quarter, as opposed to 6,230 jobs on average for 2013).

Figure 9
Employment and Average Wages, Windsor, Colorado, 2001-2013



¹ Due to administrative issues within the LEHD program, data is only available through 2011. Updates, which will include 2012 data, are forthcoming but the exact timing is unknown.

² The BLS reports county-level seasonally-adjusted employment information tracked by individual state departments of labor and employment. The information it reports are wage and salary jobs (i.e. those jobs for which unemployment insurance records are filed by employers). Sole proprietors (i.e. the self-employed, as typically represent 20 to 30 percent of a total workforce) are not included in this overview.

**Table 3
 Employment and Average Wages, Market Area, 2001-2013**

Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2001-2013		
														Total	Ann. #	Ann. %
Employment																
Fort Collins	76,754	73,729	76,528	80,648	81,852	81,902	83,893	84,913	82,050	82,208	83,787	84,034	88,861	12,107	1,009	1.2%
Greeley	41,900	40,593	41,856	43,396	42,933	43,891	44,488	44,717	43,487	42,410	43,044	44,426	46,064	4,164	347	0.8%
Loveland	29,363	27,863	29,254	29,817	30,812	33,086	34,569	34,803	33,150	33,558	33,774	35,246	36,670	7,307	609	1.9%
Windsor	5,188	5,232	5,604	5,878	6,046	6,367	6,714	6,851	6,409	6,088	6,262	6,378	6,230	1,042	87	1.5%
Average Wages																
Fort Collins	\$26,576	\$26,529	\$25,253	\$27,123	\$27,710	\$29,289	\$30,265	\$31,473	\$30,914	\$31,984	\$34,360	\$35,944	\$38,547	\$11,971	\$998	3.1%
Greeley	\$24,522	\$24,993	\$24,583	\$26,688	\$26,308	\$27,117	\$29,160	\$31,648	\$29,264	\$30,549	\$31,762	\$34,976	\$37,073	\$12,551	\$1,046	3.5%
Loveland	\$26,530	\$27,332	\$25,438	\$25,829	\$26,741	\$28,181	\$29,036	\$30,589	\$29,050	\$33,485	\$32,094	\$33,871	\$36,059	\$9,529	\$794	2.6%
Windsor	\$24,985	\$25,584	\$22,348	\$24,589	\$24,471	\$25,900	\$29,028	\$30,134	\$28,721	\$34,502	\$35,161	\$38,766	\$45,432	\$20,447	\$1,704	5.1%

[Note: Values reflect second quarter of each year]

Source: CDLE; Economic & Planning Systems

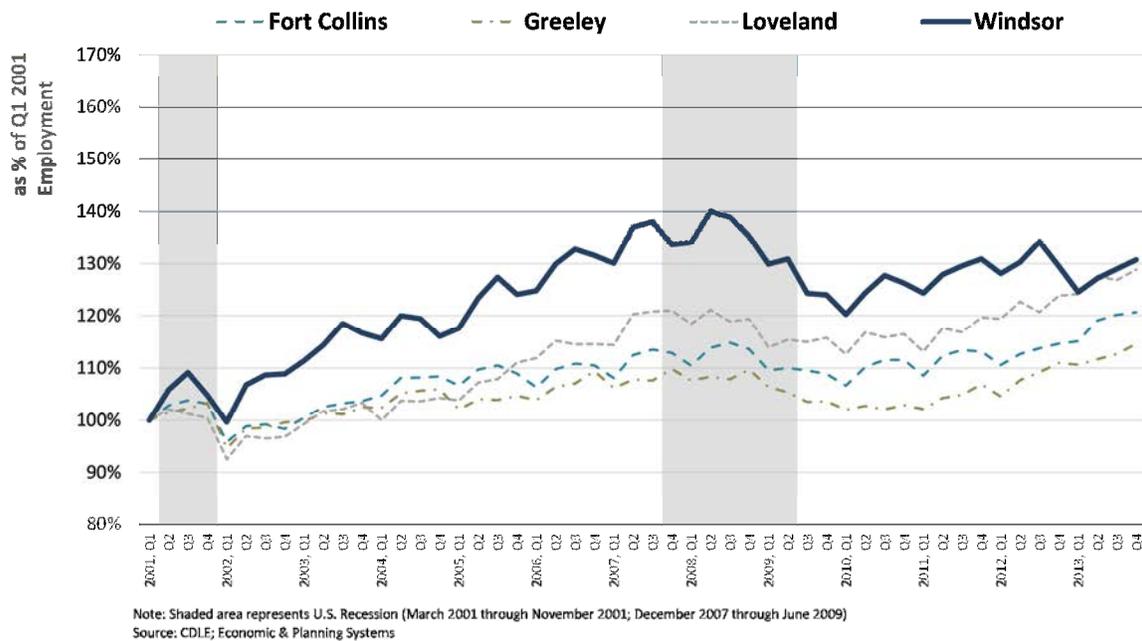
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Employment

Windsor experienced strong employment growth in the years leading up to the Great Recession (November 2007 through December 2009), but lost a relatively large number of jobs in the years following the Great Recession, shown in **Figure 10**. During this period, there was a significant decrease in Construction and Manufacturing jobs. Retail Trade and Professional, Scientific, and Technical Services also lost a sizeable number of jobs during this period but have since been able to recover many of the jobs that were lost. Health Care and Social Assistance experienced relatively strong growth during this period.

Total wage and salary employment in the Town has recovered at a slower pace than in other communities included in the market area. This is primarily a result of a significant decrease in the number of manufacturing jobs (approximately 530) that occurred between 2012 and 2013.

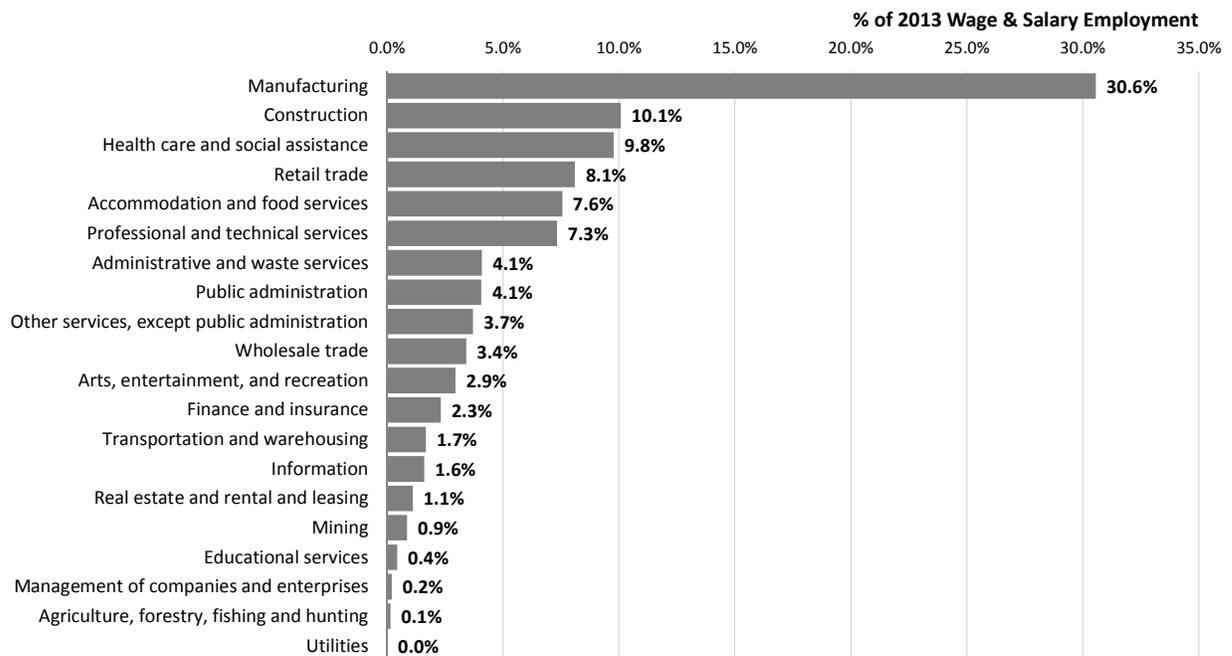
Figure 10
Employment Index, Market Area, 2000-2013



In Windsor, the largest employment sector has historically been manufacturing which accounted for approximately 30 percent of the total employment in 2013, shown in **Figure 11** and **Table 4**. Manufacturing was followed by Health Care and Social Assistance and Construction, with each making up approximately 10 percent of the total employment in the Town.

Between 2001 and 2013, the fastest growing industries with over 100 employees in 2013 were Arts, Entertainment, and Recreation (22 percent annual growth or a total of 167 new employees); Wholesale Trade (16 percent annual growth or a total of 179 new employees); and Professional and Technical Services (12 percent annual growth or a total of 346 new employees), shown in **Table 4**. The slowest growing or shrinking industries with over 100 employees were Manufacturing (-3 percent annual growth or a loss of approximately 924 employees); Construction (1 percent annual growth or a total of 53 new employees); and Accommodation and Food Services (2 percent annual growth or a total of 86 new employees).

Figure 11
Major Employment Industry Distribution, Windsor, 2013



Source: CDLE; Economic & Planning Systems

Oil & Gas Industry

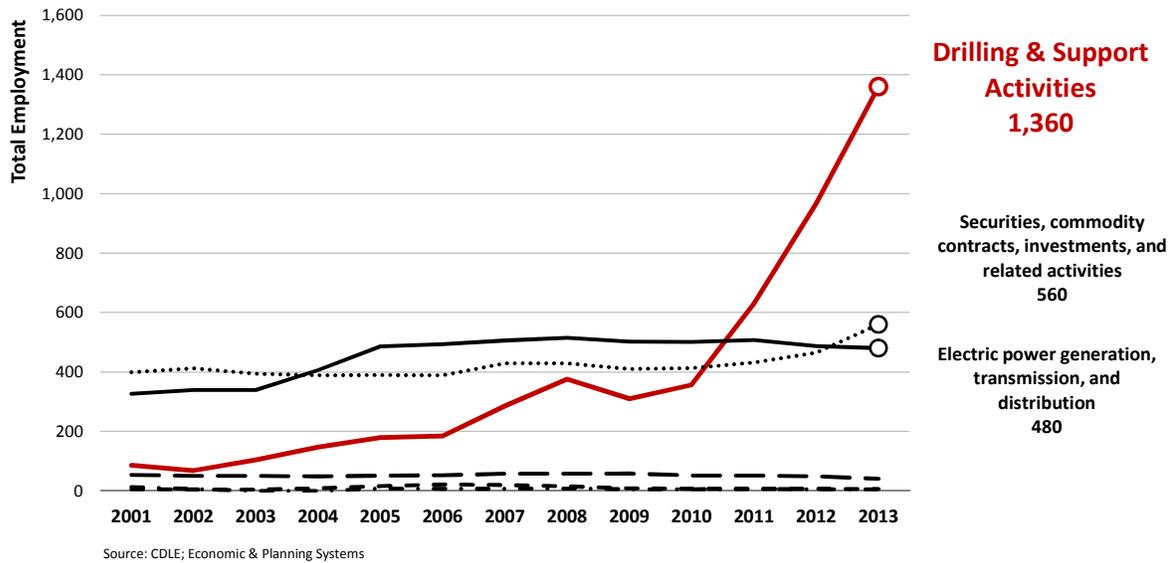
During the past decade, advances in oil and gas extraction techniques have resulted in renewed interest in oil and gas exploration in Northern Colorado, among many other regions in the U.S. The increase in drilling sites along the Northern Front Range has made this trend apparent. This brief section identifies the magnitude and location of oil and gas industry employment directly and indirectly related to exploration, extraction, and ongoing support activities. Using 3-digit NAICS categories, EPS has identified the direct and indirect employment industries as the following:

- Drilling oil and gas wells / Support activities for oil and gas operations (213)
- Electric power generation, transmission, and distribution / Natural gas distribution (221)
- Petroleum refineries / Petroleum lubricating oil and grease manufacturing (324)
- Petrochemical manufacturing / Industrial gas manufacturing (325)
- Mining and oil and gas field machinery manufacturing 333
- Securities, commodity contracts, investments, and related activities (523)
- Lessors of nonfinancial intangible assets (533)
- Architectural, engineering, and related services (541)
- Custom computer programming services (541)
- Computer systems design services (541)
- Management, scientific, and technical consulting services (541)
- Environmental and other technical consulting services (541)
- All other miscellaneous professional, scientific, and technical services (541)

Regional Employment

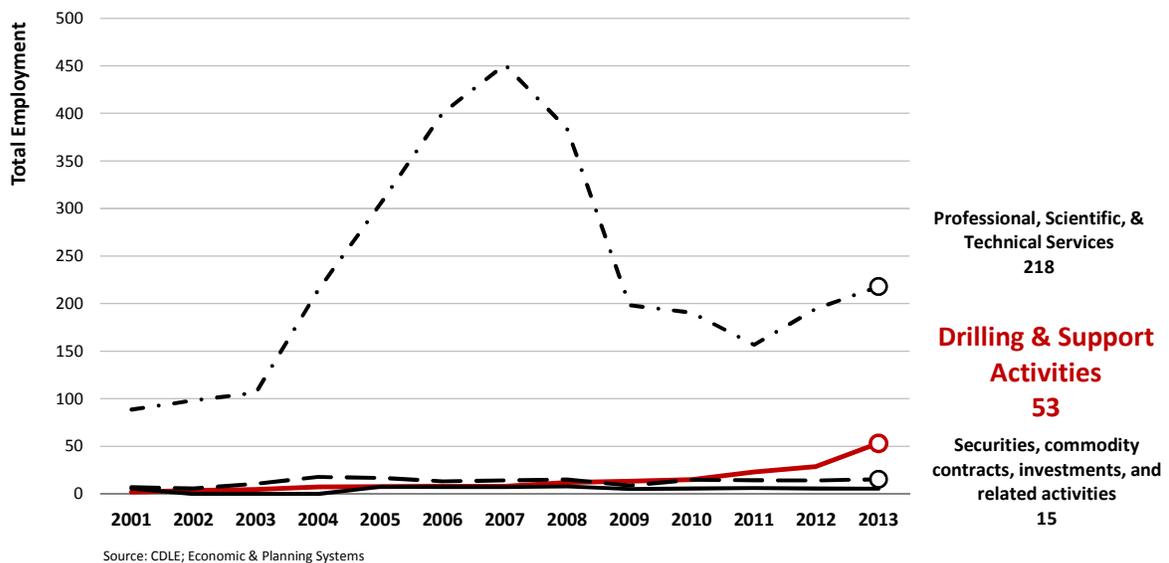
Between 2001 and 2013, employment in these sectors grew at a rate of 2.4 percent per year or more than 2,800 jobs. **Figure 12** illustrates the growth in industries directly and indirectly related to the oil and gas industry in Ft. Collins, Greeley, Loveland, and Windsor (excluding professional and technical services). Excluding professional and technical services, which often encompass a broader spectrum of firms, the industry added more than 1,500 jobs, growing at a rate of 8.9 percent per year.

Figure 12
Regional Oil & Gas Employment, 2001-2013



In the Town of Windsor, employment related to oil and gas exploration has increased, but not by the same magnitude as for the entire region. **Figure 13** illustrates, including professional and technical services, a total of approximately 300 jobs in various industry sectors in 2013. In 2001, there were fewer than 5 drilling and support activity jobs with physical locations in Windsor, and that average has increased to more than 50 in 2013. The non-professional and technical services employment of Windsor, however, has only accounted for approximately 2 to 3 percent of the industry’s regional employment.

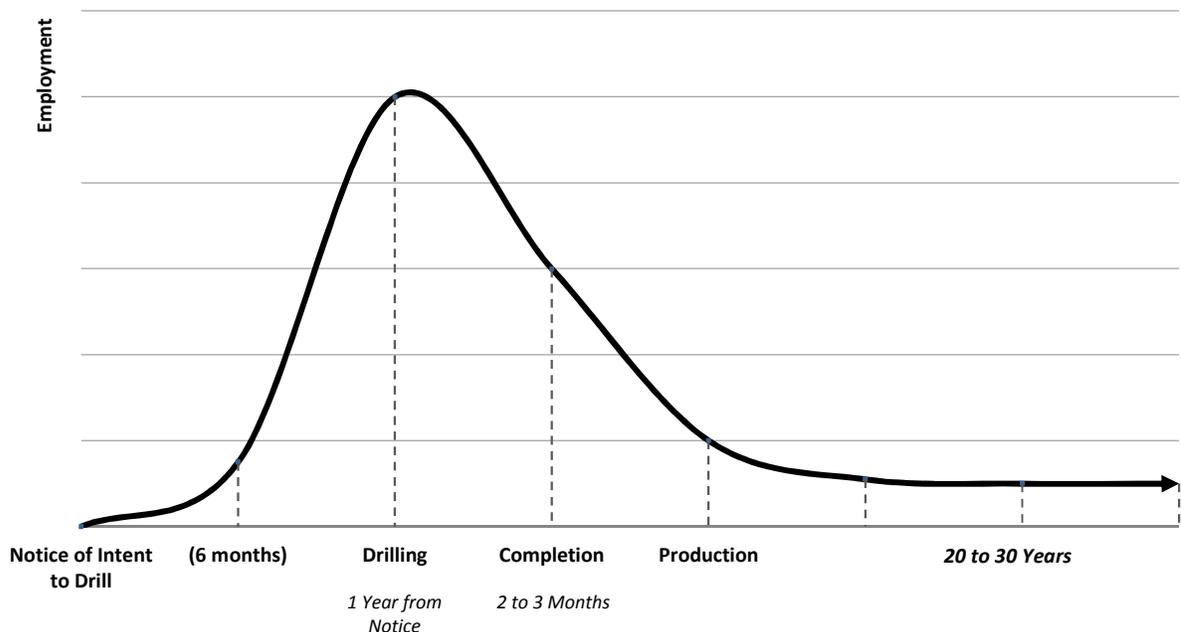
Figure 13
Town of Windsor Oil & Gas Employment, 2001-2013



While much of the immediate employment benefits of the industry have been realized by surrounding communities, particularly Greeley, there is less information on where workers reside. Employment in this industry is cyclical and much more employment-intensive during the exploration phases. Based on EPS' research, **Figure 14** illustrates the general employment cycle of the industry. There are 4 crucial phases that describe the industry's activity:

- **Planning:** during this time, land leases are made, which typically last between 3 and 5 years, followed by notices of intent to drill, which expire usually one year from approval. The employment impacts in this early phase are typically approximately 200 landmen per 1,500 square miles. In the industry, these positions are usually regionally based and not necessarily headquartered in the location of the notice of intent to drill.
- **Drilling:** this phase is typically the most employment intensive of all, where one rig can typically service 9 wells per year, where there are approximately 2 construction jobs per rig and approximately 50 total jobs per rig as well. This phase, however, typically lasts only the length of time it takes to set up a rig, which is 2 to 3 months. Based on interviews with industry representatives, it is very common for rig workers to "follow the rig", i.e. not look for housing locally, but rely on temporary solutions such as nearby apartments or even hotels for housing while on the job.
- **Completion:** this phase involves capping of the well head, which typically requires between 15 and 30 workers per rig and also lasts approximately 2 to 3 months, after which the hit rate for a productive well is anywhere from 10 to 50 percent.
- **Production:** if a well becomes productive, the industry allocates approximately 100 jobs per 10,000 barrels of oil equivalent per day. The typical life of a productive well can be between 20 and 30 years.

Figure 14
Oil & Gas Exploration Employment Cycle



Source: Economic & Planning Systems

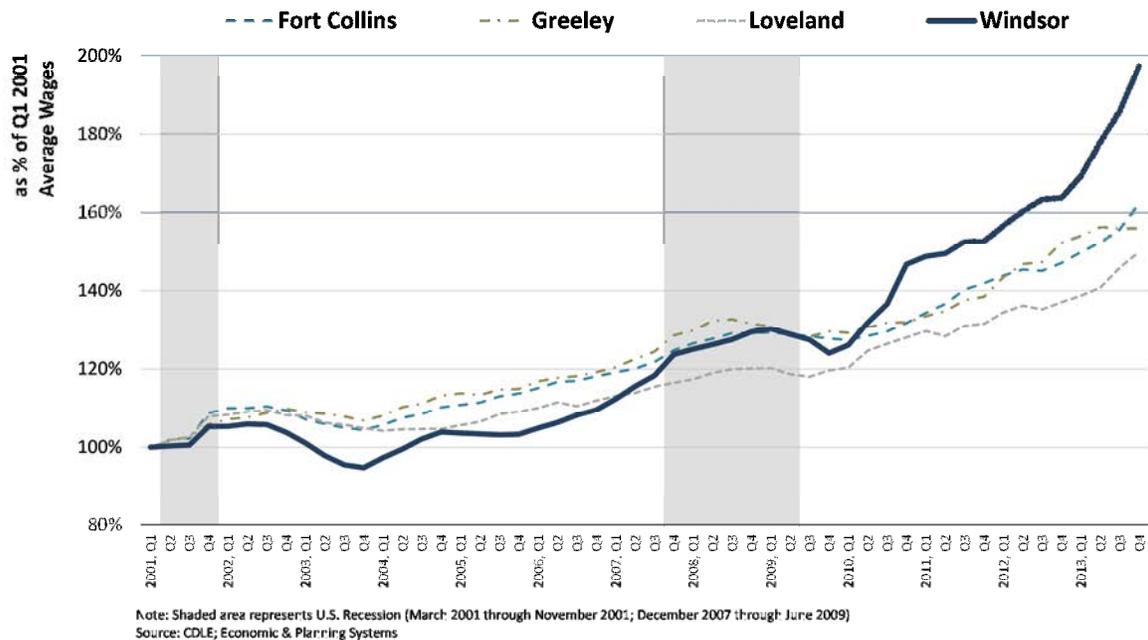
Wages

In 2013, the average wage in Windsor was approximately \$45,000, shown in **Table 3**. Between 2001 and 2013, average wages increased by 5.1 percent per year. However, following the Great Recession³, average wages in Windsor experienced significantly higher year over year increases than in previous years, indicating a strong recovery following the recession. Increases in annual wages were significantly higher in Windsor than in the other communities included in the market area, shown in **Figure 15**, which shows the relative change in average wages compared to 2001 levels.

In industries with over 100 employees, the highest average annual wages were in Finance and Insurance (\$102,000 per year), while the lowest were in Accommodation and Food Services (\$17,000 per year).

Between 2001 and 2013, the industries with over 100 employees with the fastest growing wages included Real Estate and Rental Leasing (12 percent annual growth); Finance and Insurance (10 percent annual growth); and Wholesale Trade (8 percent annual growth), as shown in **Table 5**. The industries with over 100 employees with the slowest growing or shrinking wages included Information (-4 percent annual growth); Arts, Entertainment, and Recreation (1 percent annual growth); and Public Administration (1 percent annual growth).

Figure 15
Average Wage Index (4-Quarter moving average), Market Area, 2000-2013



³ According to the National Bureau of Economic Research, the official arbiter of U.S. recessions, the Great Recession as it has been called, began in December 2007 and ended in June 2009.

**Table 4
Employment by Industry, Windsor, 2001-2013**

Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2001-2013			
														Total	Ann. #	Ann. %	
Industry																	
Agriculture, forestry, fishing and hunting	39	25	35	18	23	26	31	23	19	20	26	28	8	-31	-3	-12.4%	
Natural Resources and Mining	72	79	98	88	86	92	92	11	13	14	24	22	47	-25	-2	-3.5%	
Utilities	0	0	0	0	0	0	0	0	0	1	1	1	1	1	0	---	
Construction	555	634	756	781	777	824	801	754	609	600	555	511	608	53	4	0.8%	
Manufacturing	2,781	2,703	2,593	2,484	2,380	2,476	2,444	2,456	2,534	2,186	2,223	2,391	1,857	-924	-77	-3.3%	
Wholesale trade	36	42	36	40	54	81	118	130	136	123	164	162	215	179	15	16.0%	
Retail trade	299	298	350	460	494	438	566	709	578	412	421	477	505	206	17	4.5%	
Transportation and warehousing	140	77	194	139	64	61	90	82	79	59	73	87	106	-34	-3	-2.3%	
Information	39	34	84	78	109	111	106	95	90	82	89	89	104	65	5	8.5%	
Finance and insurance	90	94	114	145	168	184	177	162	137	152	154	136	143	53	4	3.9%	
Real estate and rental and leasing	46	41	52	59	72	79	86	86	80	84	62	52	68	22	2	3.4%	
Professional and technical services	119	136	166	261	346	481	525	498	312	365	392	501	465	346	29	12.0%	
Management of companies and enterprises	3	7	6	8	5	6	10	11	10	11	13	13	13	10	1	13.0%	
Administrative and waste services	122	192	162	163	186	196	264	321	252	249	293	174	275	153	13	7.0%	
Educational services	12	0	1	7	6	6	2	2	6	20	28	24	26	14	1	6.5%	
Health care and social assistance	176	211	233	285	291	346	429	453	506	633	625	637	611	435	36	10.9%	
Arts, entertainment, and recreation	17	31	38	85	187	155	144	219	212	187	220	179	184	167	14	21.9%	
Accommodation and food services	405	384	426	479	437	484	459	453	401	435	443	451	491	86	7	1.6%	
Other services, except public administration	93	82	87	124	143	107	138	151	168	187	172	196	227	134	11	7.7%	
Public administration	<u>144</u>	<u>162</u>	<u>173</u>	<u>174</u>	<u>218</u>	<u>214</u>	<u>232</u>	<u>235</u>	<u>267</u>	<u>268</u>	<u>284</u>	<u>247</u>	<u>277</u>	<u>133</u>	<u>11</u>	<u>5.6%</u>	
Total	5,188	5,232	5,604	5,878	6,046	6,367	6,714	6,851	6,409	6,088	6,262	6,378	6,230	1,042	87	1.5%	

Source: CDLE; Economic & Planning Systems

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Table 5
Average Wages by Industry, Windsor, 2001-2013

Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2001-2013			
														Total	Ann. #	Ann. %	
Industry																	
Agriculture, forestry, fishing and hunting	\$22,512	\$21,159	\$25,865	\$27,576	\$22,602	\$21,379	\$22,385	\$26,494	\$22,041	\$23,254	\$37,968	\$43,132	\$54,311	\$31,799	\$2,650	7.6%	
Natural Resources and Mining	18,686	25,957	28,371	22,689	29,581	32,877	24,302	46,960	44,352	44,777	33,741	19,526	37,319	18,634	1,553	5.9%	
Utilities	0	0	0	0	0	0	0	0	0	207,460	155,112	159,864	165,760	165,760	13,813	---	
Construction	24,516	29,779	24,256	26,753	26,045	24,932	26,384	27,386	24,305	23,534	27,409	26,525	32,258	7,742	645	2.3%	
Manufacturing	29,170	30,158	33,597	36,529	34,714	34,456	42,972	39,662	40,953	42,934	48,290	59,514	54,953	25,783	2,149	5.4%	
Wholesale trade	33,779	45,362	35,396	39,817	34,530	44,424	56,952	62,949	50,532	73,243	70,763	86,522	81,174	47,395	3,950	7.6%	
Retail trade	17,275	16,183	17,392	17,394	16,562	18,320	18,082	17,092	18,547	18,404	18,944	20,902	20,866	3,592	299	1.6%	
Transportation and warehousing	22,011	28,725	28,050	24,290	28,402	20,132	25,160	22,053	28,555	25,317	30,850	33,428	35,628	13,618	1,135	4.1%	
Information	66,940	28,040	18,477	18,812	16,650	22,162	57,071	22,731	25,036	37,882	33,971	43,530	41,993	-24,947	-2,079	-3.8%	
Finance and insurance	34,407	26,742	33,869	34,084	39,649	35,080	40,449	35,061	31,911	42,225	37,571	47,444	102,821	68,414	5,701	9.6%	
Real estate and rental and leasing	12,186	19,916	11,397	15,991	16,165	20,767	23,163	32,885	32,494	35,862	42,418	41,381	45,468	33,282	2,774	11.6%	
Professional and technical services	30,806	37,198	25,880	30,435	27,784	35,040	40,393	38,149	31,652	44,000	40,212	44,451	53,914	23,108	1,926	4.8%	
Management of companies and enterprises	85,068	54,639	56,210	45,181	57,312	84,328	60,991	81,626	64,828	120,030	98,695	116,511	89,084	4,016	335	0.4%	
Administrative and waste services	13,102	12,720	14,365	15,939	16,911	18,229	28,607	24,897	24,551	21,222	32,792	24,948	29,862	16,760	1,397	7.1%	
Educational services	30,225	0	9,000	28,467	23,493	31,498	836	8,891	15,506	40,430	48,932	23,353	19,815	-10,410	-867	-3.5%	
Health care and social assistance	30,808	29,000	27,625	29,117	26,766	26,675	26,610	37,992	40,280	45,289	34,974	38,881	39,770	8,962	747	2.2%	
Arts, entertainment, and recreation	16,840	13,632	14,765	9,609	19,810	8,451	13,066	14,476	17,735	16,416	17,665	17,583	18,747	1,907	159	0.9%	
Accommodation and food services	9,883	8,468	6,945	8,941	12,310	10,721	10,244	9,431	9,979	12,394	12,365	17,937	17,070	7,187	599	4.7%	
Other services, except public administration	18,246	17,313	17,255	19,065	15,488	18,407	15,310	19,111	20,747	18,832	18,798	23,291	25,219	6,974	581	2.7%	
Public administration	<u>30,030</u>	<u>32,677</u>	<u>25,580</u>	<u>30,221</u>	<u>29,575</u>	<u>33,931</u>	<u>34,677</u>	<u>32,198</u>	<u>33,152</u>	<u>21,089</u>	<u>33,921</u>	<u>35,680</u>	<u>34,539</u>	<u>4,509</u>	<u>376</u>	<u>1.2%</u>	
Total	\$24,985	\$25,584	\$22,348	\$24,589	\$24,471	\$25,900	\$29,028	\$30,134	\$28,721	\$34,502	\$35,161	\$38,766	\$45,432	\$20,447	\$1,704	5.1%	

Source: CDLE; Economic & Planning Systems

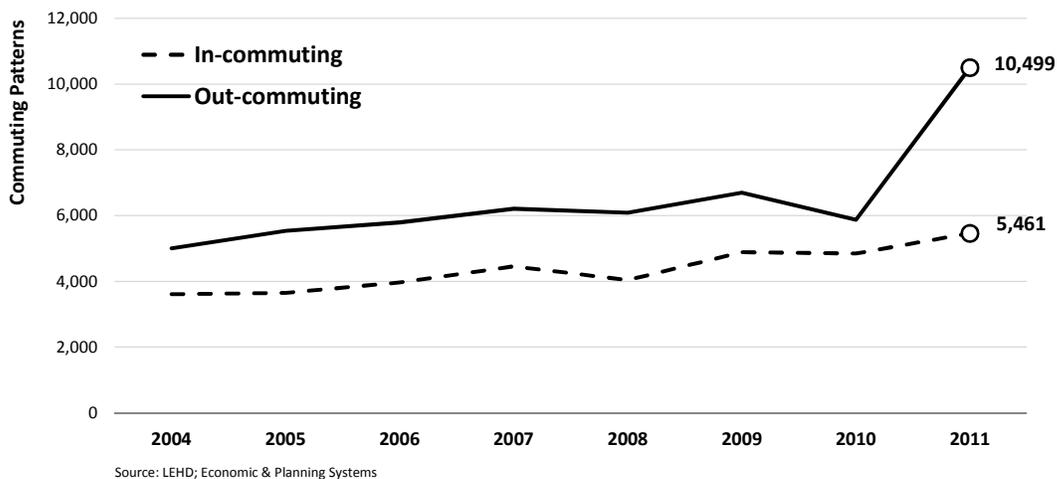
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Commuting Patterns

In conjunction with the previous material on jobs, **Figure 16** illustrates two basic components to the commuting patterns of local resident job-holders and those who work in Windsor. As noted previously, the Town of Windsor had approximately 6,260 jobs in 2011. According to information from the U.S. Census Longitudinal Employer Household Dynamics data series, approximately 84 percent, or approximately 5,460, commuted in from other locations (primarily Fort Collins, Greeley, and Loveland, which collectively accounted for more than 50 percent of all in-commuters). This means that only 16 percent of Windsor's workforce lives locally. And of the more than 11,500 Town of Windsor residents who held a job, approximately 10,500 of them commuted out for work, more than 90 percent. This means that only 10 percent of all job-holding residents work locally.

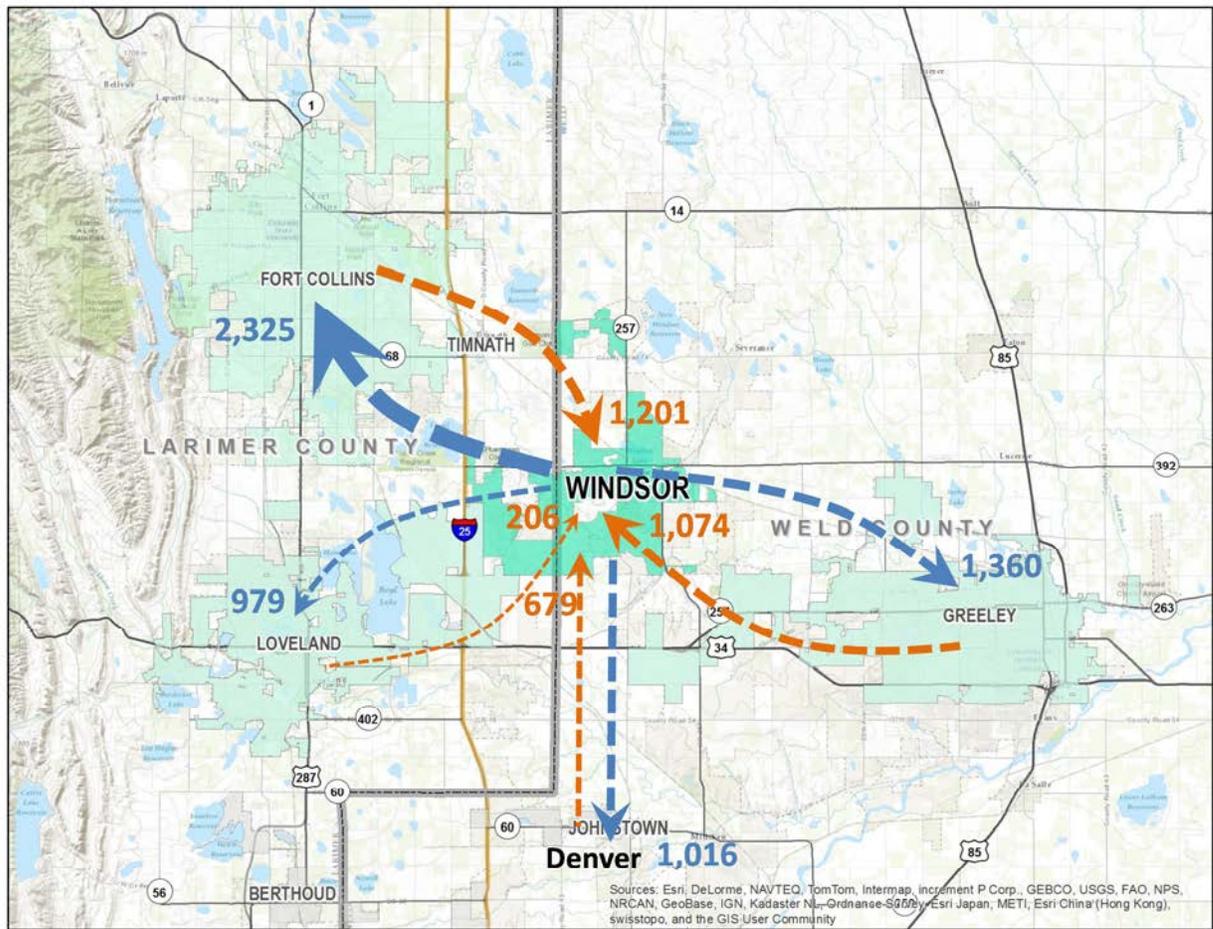
In general, the proportion of in-commuters has remained relatively constant across this 8-year period – fluctuating between 80 and 85 percent of total Windsor jobs. The proportion of out-commuters has also stayed relatively constant – fluctuating between 85 and 90 percent of Windsor residents with jobs. In terms of growth, however, whereas the Town added slightly more than 2,050 jobs between 2004 and 2011, in-commuting has increased by 50 percent (more than 1,800 jobs – nearly 90 percent of all new jobs to Windsor commuted in from other locations). On the other hand, the number of job-holding Windsor residents increased by approximately 5,700 between 2004 and 2011, and the number of out-commuters rose by approximately 5,500. That means that 96 percent of new job-holding Windsor residents commuted out for their jobs.

Figure 16
In- and Out-Commuting, Windsor, 2004-2011



In addition to the findings of the previous analysis, **Figure 17** illustrates the magnitudes of in- and out-commuting to and from three primary destinations, including Fort Collins, Greeley, and Loveland. Between 2004 and 2011, approximately 50 to 55 percent of Windsor’s workforce commuted in from these three communities (and the remaining 25 to 30 percent from elsewhere in the region), and between 50 and 60 percent of Windsor’s working residents commuted out.

Figure 17
Major Commuting Destinations, 2011



Housing Market

This section documents trends and conditions in the housing market in Windsor. Where available, housing market trends and conditions in surrounding communities are evaluated, particularly in the ownership housing market.

Housing Inventory

Regionally (including Windsor, Ft. Collins, Greeley, and Loveland), the housing inventory grew from approximately 97,000 units to more than 125,000 units between 2000 and 2010, as shown in **Table 6**. The number of owner-occupied housing, which accounted for 61 percent in 2000, grew at a rate of 2.3 percent per year, and the number of renter-occupied housing, which accounted for 39 percent in 2000, grew at a rate of 3.0 percent per year. In actual units, the largest contributors to the shift in tenure were Fort Collins, which added approximately 630 rental units per year during this time, followed by Loveland, which added more than half that number (320 units per year).

By comparison to the region and its neighbors, the Town of Windsor is predominately owner housing. Since 2000, approximately 80 percent of its housing inventory has been owner-occupied, compared to 55 percent owner-occupancy in Ft. Collins and 66 percent owner-occupancy in Loveland.

Table 6
Housing Inventory by Tenure, 2000-2012

	2000		2010		2000-2010		
	#	%	#	%	Total	Ann. #	Ann. %
Occupied Housing Units							
Fort Collins							
Owner	26,175	57%	31,864	55%	5,689	569	2.0%
Renter	19,707	43%	25,965	45%	6,258	626	2.8%
Total	45,882	100%	57,829	100%	11,947	1,195	2.3%
Greeley							
Owner	16,142	58%	18,909	57%	2,767	277	1.6%
Renter	11,505	42%	14,518	43%	3,013	301	2.4%
Total	27,647	100%	33,427	100%	5,780	578	1.9%
Loveland							
Owner	13,699	69%	17,898	66%	4,199	420	2.7%
Renter	6,042	31%	9,255	34%	3,213	321	4.4%
Total	19,741	100%	27,153	100%	7,412	741	3.2%
Windsor							
Owner	2,822	79%	5,408	80%	2,586	259	6.7%
Renter	741	21%	1,324	20%	583	58	6.0%
Total	3,563	100%	6,732	100%	3,169	317	6.6%
Regional							
Owner	58,838	61%	74,079	59%	15,241	1,524	2.3%
Renter	37,995	39%	51,062	41%	13,067	1,307	3.0%
Total	96,833	100%	125,141	100%	28,308	2,831	2.6%

Source: US Census Bureau; Economic & Planning Systems

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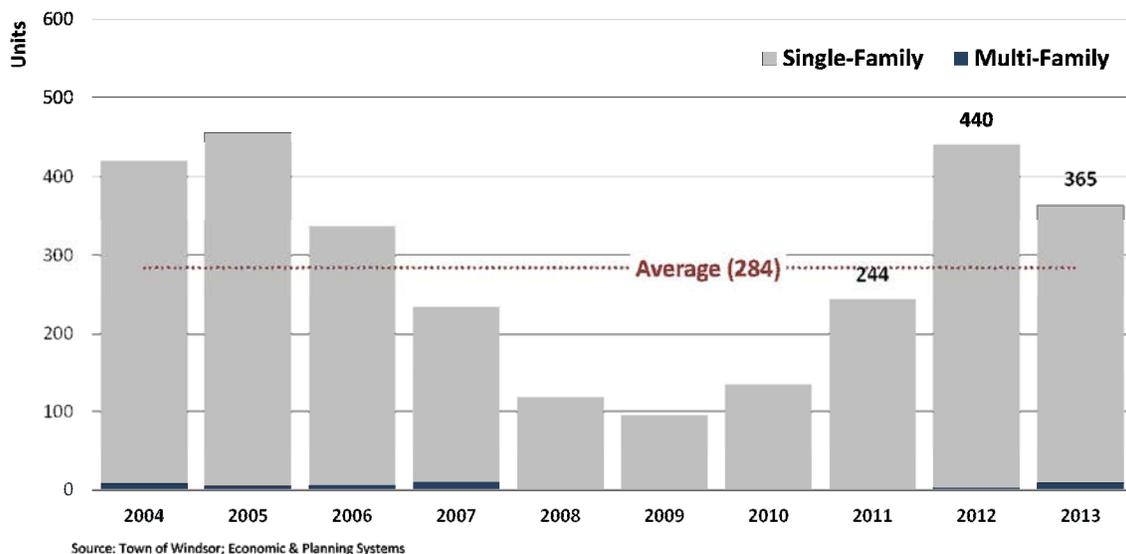
Residential Construction Trends

Between 2004 and 2007, there was an average of 284 residential units constructed per year, as shown in **Figure 18**. Nearly all of the building activity that has occurred over the past decade has been focused on the development of single family homes. Between 2004 and 2013, there were only 41 multifamily units constructed. During the same period, there were approximately 2,800 single family units constructed.

Between 2008 and 2010, there was a significant decline in residential development activity. However, activity has increased with an average of approximately 350 residential units constructed per year between 2011 and 2013, as shown.

As of July 2014, there were 159 single family building permits issued in the Town of Windsor. This is approximately 35 percent below the number of single family building permits issued through July 2013 (246 units) and 43 percent below the number of single family permits issued through July 2012 (277 units).

Figure 18
Windsor Construction Trends, 2004-2013



Residential Sales Volume and Housing Prices

Since the end of the recession, residential sales volume and prices have significantly increased in communities across the Front Range and the nation as a whole. In 2013, sales volume in Windsor had nearly doubled following the trough that occurred in 2008, as shown in **Figure 19** and **Table 7**.

Figure 19
Windsor Sales Volume and Average Prices, 2001-2013

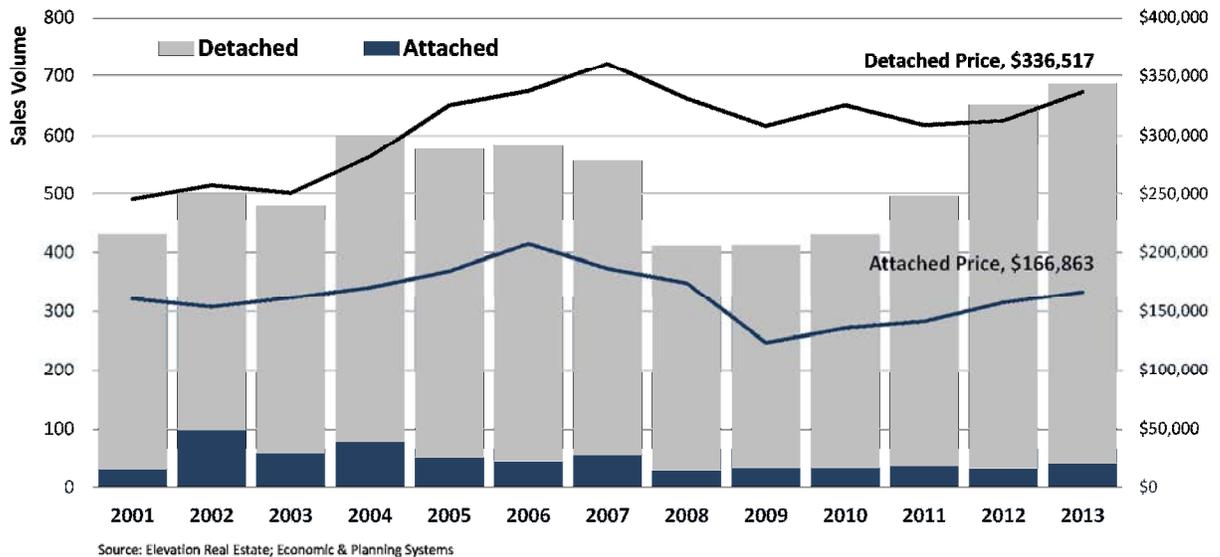


Table 7
Residential Sales Volume, 2001-2013

Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2002-2013	
														Avg. #	% of City
Fort Collins															
Detached	2,631	2,532	2,575	2,658	2,627	2,521	2,496	2,104	1,954	2,008	1,919	2,365	2,714	2,416	76.0%
Attached	918	1,133	907	989	905	769	709	654	626	554	581	695	774	786	24.7%
Subtotal	3,549	3,665	3,482	3,647	3,532	3,290	3,205	2,758	2,580	2,562	2,500	3,060	3,488	3,178	100.0%
Greeley															
Detached	1,596	1,576	1,581	1,488	1,596	1,332	1,220	1,291	1,237	1,153	1,089	1,086	1,385	1,356	87.0%
Attached	254	268	261	289	263	236	189	129	148	112	120	148	225	203	13.0%
Subtotal	1,850	1,844	1,842	1,777	1,859	1,568	1,409	1,420	1,385	1,265	1,209	1,234	1,610	1,559	100.0%
Loveland															
Detached	1,516	1,640	1,561	1,681	1,670	1,389	1,250	1,132	1,067	1,082	1,075	1,271	1,457	1,369	86.5%
Attached	164	233	248	256	272	223	189	159	162	166	167	234	295	213	13.5%
Subtotal	1,680	1,873	1,809	1,937	1,942	1,612	1,439	1,291	1,229	1,248	1,242	1,505	1,752	1,581	100.0%
Windsor															
Detached	400	402	422	521	526	538	502	382	379	397	461	620	646	477	90.9%
Attached	31	98	58	79	50	44	55	29	33	33	36	32	41	48	9.1%
Subtotal	431	500	480	600	576	582	557	411	412	430	497	652	687	524	100.0%

Source: Elevations Real Estate; Economic & Planning Systems

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While sales volume in Windsor showed improvement as early as 2010, **Table 8** shows that the average sales price has remained relatively stagnant and has only just begun to increase. In 2013, average sales prices for detached residential and attached residential units in Windsor were approximately \$336,000 and \$166,000, respectively. Between 2001 and 2013, average sales prices for detached residential units increased by approximately 2.7 percent per year, while average sales prices for attached residential units only increased by approximately 0.3 percent per year.

Table 8
Average Residential Sales Price, 2001-2013

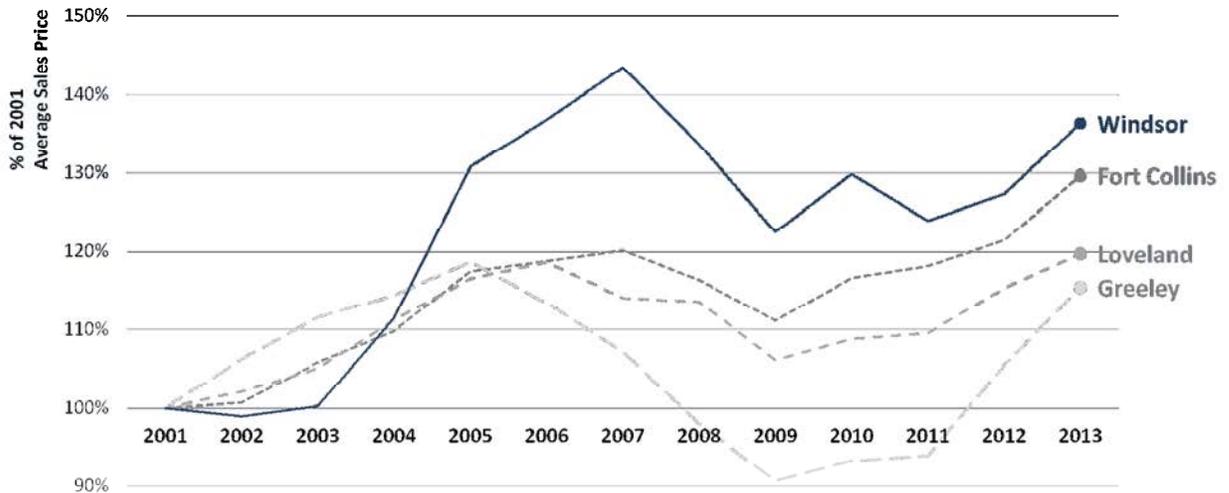
Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2001-2013		
														Total	Ann. #	Ann. %
Fort Collins																
Detached	\$240,623	\$246,267	\$253,690	\$264,173	\$279,926	\$282,543	\$282,170	\$276,511	\$263,485	\$275,332	\$283,096	\$288,844	\$306,171	\$65,547	\$5,462	2.0%
Attached	\$141,055	\$149,266	\$152,679	\$159,968	\$171,786	\$165,190	\$173,398	\$164,062	\$161,144	\$160,092	\$156,706	\$165,382	\$181,177	\$40,122	\$3,343	2.1%
Subtotal	\$214,869	\$216,280	\$227,379	\$235,915	\$252,217	\$255,113	\$258,107	\$249,846	\$238,654	\$250,413	\$253,723	\$260,803	\$278,434	\$63,565	\$5,297	2.2%
Greeley																
Detached	\$163,167	\$172,661	\$182,103	\$188,529	\$194,191	\$185,173	\$173,811	\$157,638	\$147,527	\$150,494	\$152,855	\$172,766	\$190,310	\$27,144	\$2,262	1.3%
Attached	\$129,987	\$144,084	\$144,897	\$144,403	\$151,245	\$149,147	\$145,170	\$133,290	\$111,594	\$120,294	\$113,263	\$126,849	\$137,473	\$7,486	\$624	0.5%
Subtotal	\$158,611	\$168,508	\$176,831	\$181,353	\$188,116	\$179,750	\$169,969	\$155,427	\$143,687	\$147,820	\$148,925	\$167,259	\$182,926	\$24,315	\$2,026	1.2%
Loveland																
Detached	\$212,250	\$219,051	\$226,639	\$239,821	\$253,425	\$260,142	\$247,582	\$246,926	\$230,682	\$236,062	\$238,186	\$253,771	\$263,385	\$51,134	\$4,261	1.8%
Attached	\$172,407	\$168,107	\$170,591	\$177,961	\$176,324	\$165,904	\$171,291	\$162,049	\$157,998	\$165,901	\$164,169	\$166,018	\$179,757	\$7,350	\$613	0.3%
Subtotal	\$208,361	\$212,714	\$218,956	\$231,645	\$242,626	\$247,105	\$237,562	\$236,472	\$221,101	\$226,730	\$228,233	\$240,127	\$249,303	\$40,943	\$3,412	1.5%
Windsor																
Detached	\$245,606	\$257,243	\$250,825	\$281,524	\$325,285	\$337,291	\$360,699	\$331,052	\$308,095	\$325,505	\$308,881	\$312,505	\$336,517	\$90,911	\$7,576	2.7%
Attached	\$161,011	\$153,912	\$161,855	\$170,760	\$184,602	\$207,212	\$186,969	\$174,645	\$123,571	\$135,639	\$141,345	\$157,572	\$166,863	\$5,852	\$488	0.3%
Subtotal	\$239,521	\$236,990	\$240,074	\$266,940	\$313,073	\$327,457	\$343,544	\$320,016	\$293,316	\$310,934	\$296,746	\$304,900	\$326,392	\$86,871	\$7,239	2.6%

Source: Economic & Planning Systems

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Figure 20 illustrates the relative change in overall residential sales prices among the four market area communities between 2001 and 2013. As was previously stated, Windsor experienced the greatest rise in prices compared to 2001 levels, growing by approximately 37 percent between 2001 and 2013. Average residential sales prices in Fort Collins also exhibited strong growth rates of nearly 30 percent between 2001 and 2013. In both Loveland and Greeley average residential sales prices increased by less than 20 percent during the same period.

Figure 20
Average Overall Residential Sales Price Index, 2001-2013



Source: Elevations Real Estate; Economic & Planning Systems

Housing Affordability

Definition

Generally, housing prices are considered affordable if average annual housing costs comprise less than 30 percent of a community's Area Median Income (AMI). Housing costs include rent or mortgage payments, insurance, property taxes, and any homeowners associated dues that are applicable. **Table 9** illustrates the median income in the four communities included in the market area and the various housing cost assumptions necessary to calculate an affordable housing unit cost. For the purposes of this analysis, EPS has used assumptions that reflect average lending terms and conditions in both 2000 and 2012⁴. As shown, the AMI in Windsor was nearly \$80,000 in 2012. Based on this and the various assumptions regarding lending terms and conditions previously described, housing in Windsor is considered affordable if the price remains under \$303,400, which is approximately \$100,000 higher than the next most expensive community, which was Loveland in 2012.

Table 9
Residential Sales Volume and Average Price, 2012

Factors	Fort Collins	Greeley	Loveland	Windsor	
Median Household Income (2012)	\$53,359	\$44,226	\$55,838	\$79,948	
Housing Payment Capacity					
Income Available for Housing [2] per Month	30%	\$16,008	\$13,268	\$16,751	\$23,984
Less: Insurance	\$500 / Year	\$1,334	\$1,106	\$1,396	\$1,999
Less: Property Taxes [3]	1%	-\$42	-\$42	-\$42	-\$42
Less: HOA Dues [4]	\$1,800 / Year	-\$170	-\$140	-\$180	-\$260
Net Available for Debt Service		<u>-\$150</u>	<u>-\$150</u>	<u>-\$150</u>	<u>-\$150</u>
		\$972	\$774	\$1,024	\$1,547
Valuation Assumptions					
Assumption 1	Loan Rate	5.0% int.	5.0% int.	5.0% int.	5.0% int.
Assumption 2	Loan Term	30-year fixed	30-year fixed	30-year fixed	30-year fixed
Assumption 3	Down Payment	5.0% down	5.0% down	5.0% down	5.0% down
Affordable Unit Price		\$190,600	\$151,800	\$200,800	\$303,400

Source: US Census Bureau; Economic & Planning Systems

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⁴ For 2000, the assumptions are: 8 percent mortgage interest rate; 30-year fixed rate mortgage, 5 percent down payment; property taxes of 1 percent of total housing value per year; insurance of \$400 per year; and HOA dues of \$100 per month. For 2012, the assumptions are: 5 percent mortgage interest rate; 30-year fixed rate mortgage, 5 percent down payment; property taxes of 1 percent of total housing value per year; insurance of \$500 per year; and HOA dues of \$150 per month.

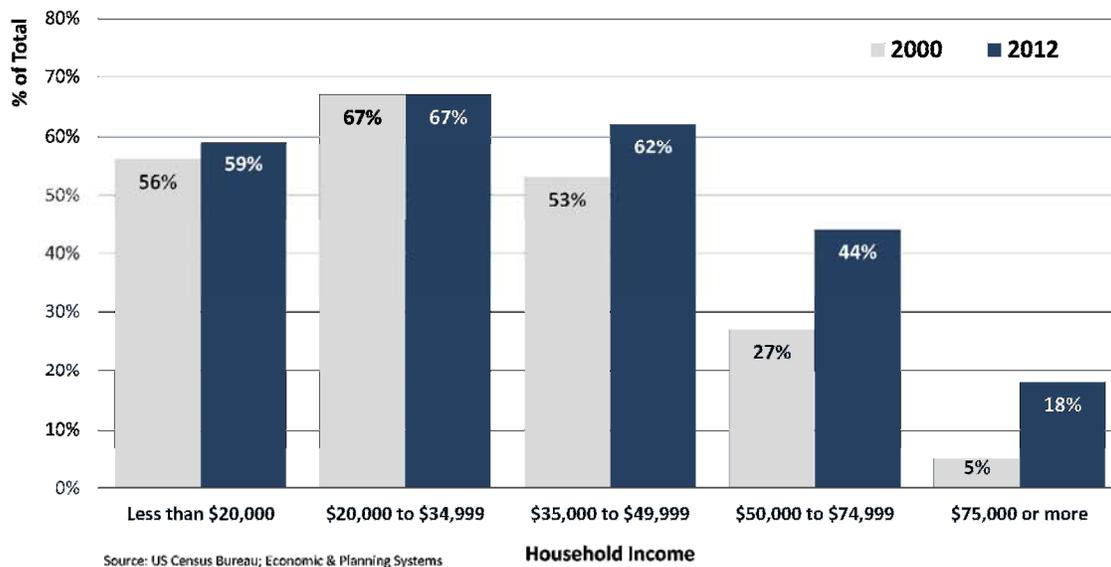
Cost Burden

Over the past decade, the increase in housing prices has outpaced the increase in incomes in Windsor. According to Census data on the median household income and median home values (different from the HUD median incomes reported earlier, and different from the average housing sales prices reported earlier), while median household income has increased by 3.2 percent annually since 2000, the median sales price of housing in Windsor has increased by 4.4 percent annually.

As a result, households are spending a higher proportion of their annual incomes on housing. Overall, the percent of households in the Town that are defined as “cost-burdened”, or those that spend more than 30 percent of their pre-tax incomes on housing (not including utilities) has increased from 30 percent to 34 percent between 2000 and 2012. **Figure 19** compares the percentage of Windsor’s cost-burdened households in 2000 and 2012 by income level. As shown, households – especially those earning over \$35,000 per year – were spending significantly higher proportions of their annual income on costs related to housing in 2012.

Particularly concerning is the increase in the portion of cost-burdened households above the \$50,000 per year income category. Between 2000 and 2012, there was a 70 percent increase in the number of cost-burdened households (from approximately 200 to more than 350 in 2012), and there was a tenfold increase in cost-burdened households earning more than \$75,000 per year (from 50 to nearly 600 households in 2012).

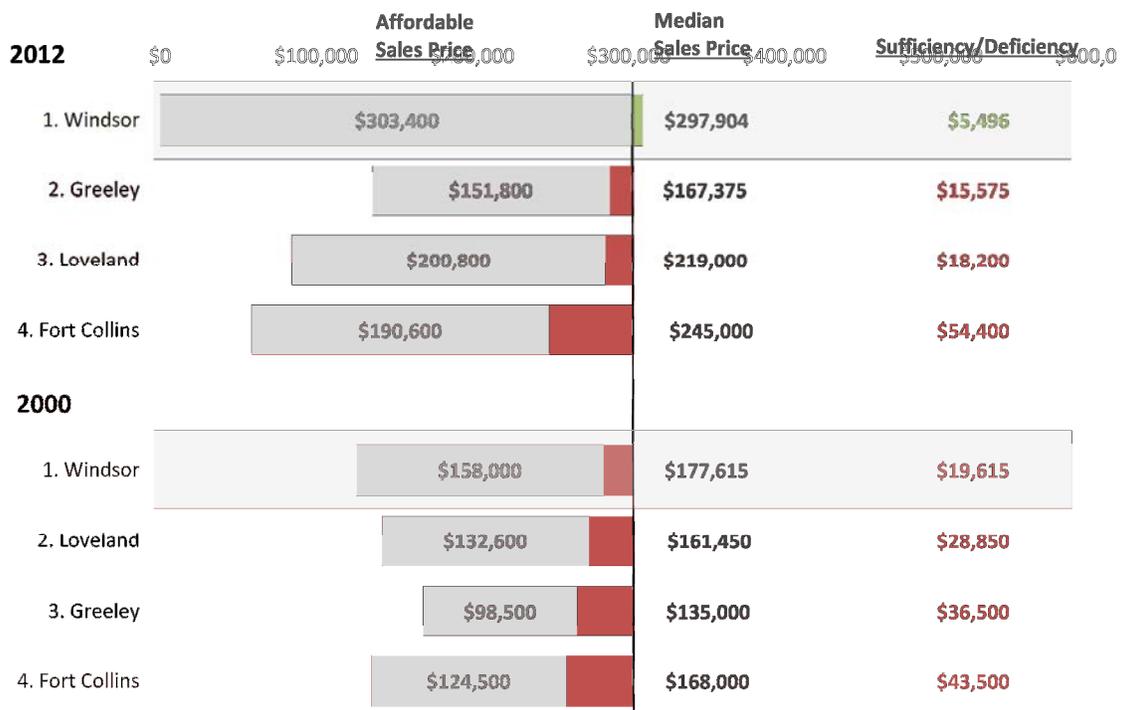
Figure 21
Cost Burdened Households, Windsor, 2000 and 2012



Affordable Housing Conditions

Comparing the calculated affordable sales price of a home in each community to the actual median sales price of homes in each respective community provides an indication of how affordable homes are for residents currently living in each of the communities included in the market area. In 2012, Windsor had both a high median sales price and a high affordable sales price, which is indicative of the high median incomes in the Town, as shown in **Figure 22**. As a result, Windsor was relatively affordable for residents living in the Town in 2012. In fact, due to the high median income in the Town, the affordable sales price was approximately \$5,500 higher than the median sales price.

Figure 22
City Specific Housing Affordability Gap, 2000-2012



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

In order to provide a broader understanding of affordability in the region, it is important to evaluate how housing prices in Windsor compare to median incomes in the region as a whole. Although Windsor is affordable for households currently living in the Town, it is not necessarily affordable for those living in the greater market area. Using an AMI for the market area as a whole, as opposed to an AMI for each individual city, results in an AMI for the market area of approximately \$53,000 and an affordability gap in Windsor of approximately \$110,000, shown in **Table 10** and **Figure 23**. Using this methodology, Windsor was the least affordable city in the market area in 2012, while Greeley was the most affordable.

The two methodologies discussed above result in a drastically different picture of housing affordability in Windsor. As a result, it is important to differentiate between who the Town is affordable for: those currently living in the Town or those living in surrounding communities. The Town is currently affordable for residents currently living within Windsor; however, there is a significant gap between the affordable sales price and the actual sales price for households living in the area surrounding the Town. This indicates that a significant proportion of the population currently living in and moving to Windsor are a self-selected group of higher income households that are able to afford the higher sales prices. As a result, there is not a significant amount of housing available for low and middle income households that may be working in and around the Town.

Table 10
Residential Sales Volume and Average Price, 2012

Factors		Fort Collins	Greeley	Loveland	Windsor
Median Household Income (2012)		\$52,907	\$52,907	\$52,907	\$52,907
Housing Payment Capacity					
Income Available for Housing [2]	30%	\$15,872	\$15,872	\$15,872	\$15,872
per Month		\$1,323	\$1,323	\$1,323	\$1,323
Less: Insurance	\$500 / Year	-\$42	-\$42	-\$42	-\$42
Less: Property Taxes [3]	1%	-\$170	-\$170	-\$170	-\$170
Less: HOA Dues [4]	\$1,800 / Year	-\$150	-\$150	-\$150	-\$150
Net Available for Debt Service		\$961	\$961	\$961	\$961
Valuation Assumptions					
Assumption 1	Loan Rate	5.0% int.	5.0% int.	5.0% int.	5.0% int.
Assumption 2	Loan Term	30-year fixed	30-year fixed	30-year fixed	30-year fixed
Assumption 3	Down Payment	5.0% down	5.0% down	5.0% down	5.0% down
Affordable Unit Price		\$188,400	\$188,400	\$188,400	\$188,400

Source: US Census Bureau; Economic & Planning Systems

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Figure 23
Market Area Housing Affordability Gap, 2000-2012



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

Gap Analysis

This section provides an update to the work EPS completed in 2009 and presents an estimate of housing gaps by income level for owner- and renter-occupied housing using data on the distribution of households by income level and distributions of owner-occupied inventory by value and renter-occupied inventory by monthly rental rate. The datasets are converted to an income-level basis for direct comparison in a gaps analysis. A gap analysis basically identifies the portion of households in the Town that are housing cost-burdened at certain income levels, but does not imply that more units need to be built.

Town of Windsor Workforce Housing Study (2009)

In 2009, EPS completed a workforce housing needs report for the Town of Windsor that included a gap analysis of the housing inventory at the time. The analysis indicated that there was a surplus in housing for those earning between 50 to 80 percent of the Area Median Income (AMI). There was, however, a deficit in the level of housing available for those earning below 50 percent of the AMI and those earning between 100 and 120 percent of the AMI. While it is not uncommon for there to be a deficit for the lowest income levels, EPS recommended that the Town consider policies and goals that address providing housing for these lower income groups in order to maintain an adequate supply of housing available to segments of the local labor force that are critical to the community. In addition, EPS advised that the Town explore policies and

programs that address gaps for households earning between 100 and 120 percent of the AMI due to the fact that many of the housing needs for households in these income groups could be addressed with relatively lower subsidy levels.

Owner Housing Gaps

Table 11 illustrates the components of the gap analysis, which include a juxtaposition of the number of owner housing units available at various income levels, using information from the U.S. Census and the distribution of ownership inventory at housing value levels. The results of the gap analysis for 2012 show that there are approximately 450 households earning less than \$25,000 per year and approximately 770 households earning between \$25,000 and \$50,000 who are cost-burdened (i.e. spending more than 30 percent⁵ of their gross household income on housing).

The demographics and sub-groups of these cost-burdened households include elderly or retired households, disabled, and households who do not have a mortgage, but some retirement or other income. According to the U.S. Census, there were approximately 210 owner-occupied households in 2012 with incomes less than \$25,000 and no mortgage. Subtracting these households from those that earn less than \$25,000 per year results in approximately 240 households that have a net cost-burden⁶. This level of housing need is not significantly different from the level of need that EPS identified in the 2009 study.

Table 11
Ownership Housing Gaps, 2000 and 2012

	Affordable Home Price Range	Owner Units		Owner Households		Gaps	
		2000	2012	2000	2012	2000	2012
Income Category							
Less than \$25,000	Less than \$69,300	22	112	335	452	-313	-340
\$25,000 to \$49,999	\$69,301 to \$176,100	838	242	666	774	172	-532
\$50,000 to \$74,999	\$176,101 to \$283,100	1,460	1,410	857	810	603	600
\$75,000 to \$99,999	\$283,101 to \$389,900	338	1,126	546	901	-208	225
\$100,000 to \$149,999	\$389,901 to \$601,700	192	1,178	345	1,325	-153	-147
\$150,000 or more	More than \$601,701	<u>15</u>	<u>1,267</u>	<u>116</u>	<u>1,073</u>	<u>-101</u>	<u>194</u>
Total		2,865	5,335	2,865	5,335	0	0

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

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⁵ This is an industry standard metric (30 percent) used in housing affordability studies, and is primarily guided by the direction of the Department of Housing and Urban Development's and U.S. Census's definition of cost-burden.

⁶ A similar statistic is not available from the U.S. Census for the year 2000.

Rental Housing Gaps

Table 12 illustrates the analysis of housing gaps in the rental inventory, i.e. the juxtaposition of the number rental housing inventory by income and affordability level, using information from the U.S. Census on the distribution of households by income levels and the distribution of rental inventory by rental rates. The results of the gap analysis for 2012 show that there are no significant gaps between the number of rental households earning less than \$75,000 per year and the number of units that are available in those price brackets. Again, this is not a significant variation from the 2009 study.

Table 12
Rental Housing Gaps, 2000 and 2012

		Rental Units		Renter Households		Gaps	
		2000	2012	2000	2012	2000	2012
Affordable Monthly Rent Range							
Income Category							
Less than \$25,000	Less than \$625	417	373	297	368	120	5
\$25,000 to \$49,999	\$626 to \$1,249	301	560	251	478	50	82
\$50,000 to \$74,999	\$1,250 to \$1,874	14	316	125	226	-111	90
\$75,000 or More	More than \$1,874	<u>0</u>	<u>158</u>	<u>59</u>	<u>336</u>	<u>-59</u>	<u>-178</u>
Total		732	1,408	732	1,408	0	0

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

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Conclusions

The Town of Windsor has experienced tremendous growth over the past decade. Over this period, population, employment, and average wages have all exhibited consistently strong growth rates. Moreover, growth rates in Windsor have generally outpaced those of surrounding communities included in the market area. Although the Town was not immune from the effects of the Great Recession, the economic and demographic shifts that have occurred in Windsor over the past decade have generally been positive. Employment levels have experienced consistent year over year growth; there has been strong growth in service jobs such as real estate and professional services; average wages are among the highest in the region; building activity and residential sales volume has surpassed pre-recession levels; and due to the area's higher median income, housing has remained relatively affordable for those living in the Town.

However, it is important for the Town to continue to track a number of trends of economic and demographic trends that have the potential to adversely affect the economic growth and social diversity of the Town. First, the median age in the Town has become significantly older over the past decade. It will be important for the Town to continue to track this trend and incorporate its implications in future planning efforts. Second, the median income in the Town has also experienced significant growth over the past decade, which has driven up housing prices and reduced the affordability of housing in the Town for those with incomes that are closer to the regional median. Many of these shifts have been driven by the inflow of higher income and older households that have generated a demand for higher priced housing.

As a result of the significant economic and demographic changes that have occurred in Windsor over the past decade, it is necessary for the Town to reevaluate its current development policies and procedures. The information provided in this section is critical in setting the framework for subsequent chapters of this report that will provide more direct guidance related to specific policies and procedures that the Town can implement to encourage development that will benefit the fiscal and economic health of the Town.

Subsequent chapters of this report will include a review of existing land use controls, which will detail the Town's land use controls and incentives structures, such as the primary workforce housing economic incentives resolution for effectiveness; and a chapter that will detail a variety of growth scenarios that will provide the Town with a projection of growth and demand over the study period. These chapters will be followed by a series of recommendations on some of these issues.

- General policies for addressing anticipated housing needs, which include community housing amenity preferences that relate to overall community and economic development concerns.
- Viability of the existing economic incentive resolution;
- Pros and Cons of infill versus greenfield development;
- The fiscal impacts to the Town of infill versus greenfield development

3. LAND USE & SUPPLY CONTEXT

This chapter reviews the zoning tools used by the Town, their development and land use patterns, scale of existing, active, and planned residential projects, and estimates the supply of remaining developable land within the GMA.

Current Land Use Context

This section of the chapter provides a discussion and analysis of the existing zoning classifications used by the Town, and the implications and patterns of land usage that each classification represents.

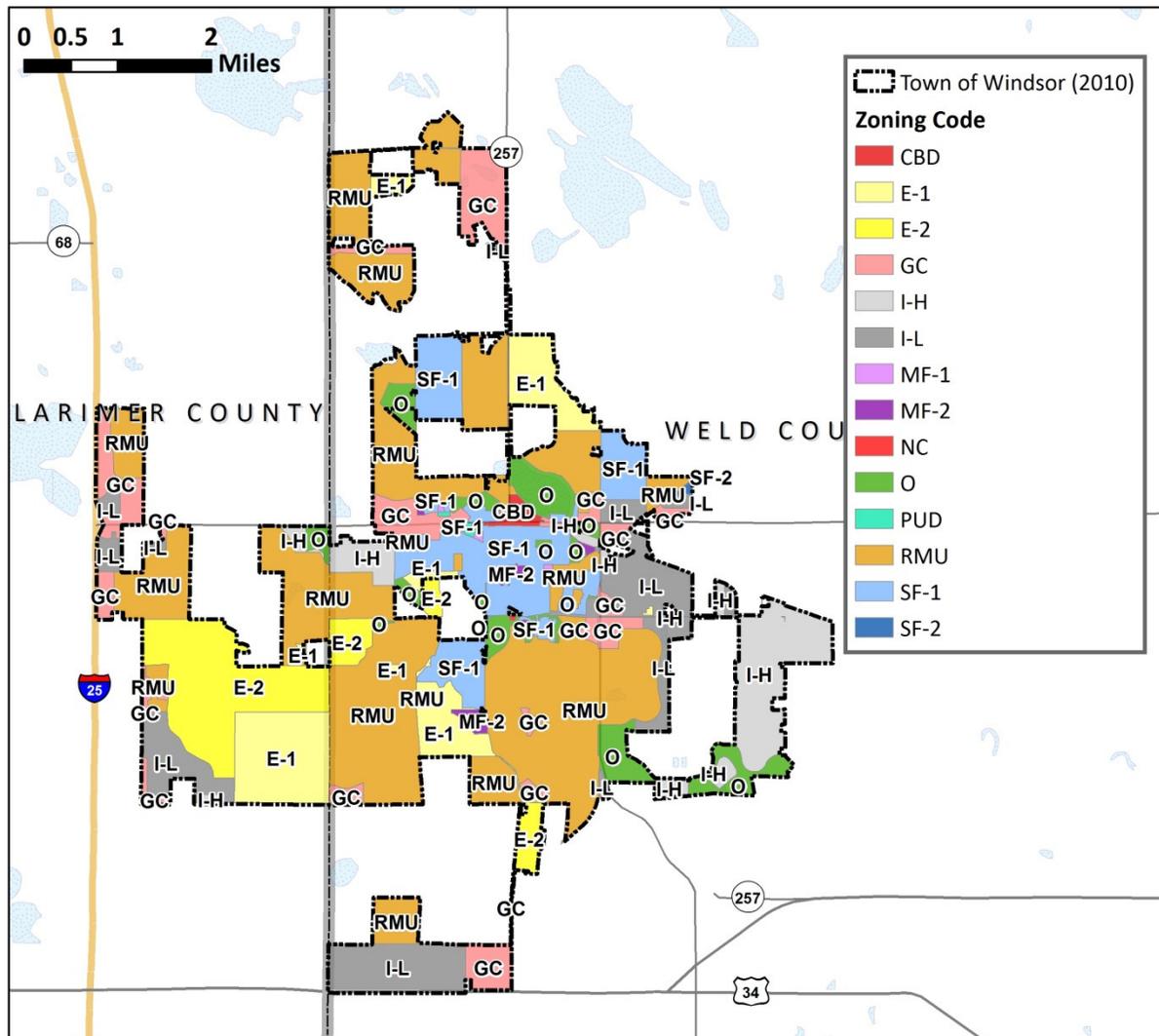
Zoning Classifications

Using zoning classification obtained from the Town of Windsor's Planning Department (see **Figure 24**) the following descriptions outline the usage of more than 15,800 acres within Windsor's incorporated boundary, excluding a few categories of land use such as mineral extraction lands and floodplains.

- **Residential Mixed-Use (RMU):** Approximately 40 percent of the Town or 6,251 acres is zoned RMU. This land use classification allows for the greatest flexibility in Windsor's land use development, permitting up to 25 percent of the developable area to be built as commercial uses. While not a mandatory minimum commercial requirement, this provision allows developers the flexibility to respond to market demand for a variety of uses.
- **Single-Family Residential (SF-1):** Approximately 10 percent of the Town or 1,617 acres are zoned as SF-1. This land use classification permits single-family detached housing products with a minimum lot area of 6,000 square feet.
- **Estate Residential (E-1):** Approximately 9 percent of the Town or 1,380 acres are zoned for estate residential lots. This classification permits minimum lot sizes of 1 acre, and a minimum housing size of 2,500 square feet.
- **Estate Residential (E-2):** Approximately 9 percent of the Town or 1,411 acres are zoned for estate residential lots. This classification allows for three types of lot sizes: estate residential development on 1 acre lots with a minimum house size of 1,500 square feet; minimum lot sizes of 6,000 square feet for single-family attached housing; and 7,500 square-foot lots for single-family detached housing.
- **General Commercial (GC):** Approximately 9 percent of the Town or 1,407 acres are zoned for general commercial.
- **Light Industrial (I-L):** Approximately 10 percent of the Town or 1,597 acres are zoned for light industrial uses.
- **Heavy Industrial (I-H):** Approximately 7 percent of the Town or 1,072 acres are zoned for heavy industrial uses. Most of this acreage is located in the Great Western Industrial

Park, which includes Vestas, Owens-Illinois, Hexcel, the National Guard, Front Range Energy, and Cargill.

Figure 24
Town of Windsor Zoning



Source: Town of Windsor; Economic & Planning Systems

Minimum Lot Sizes

The Town's zoning regulations also make provisions for minimum lot sizes (see **Table 13** and **Figure 25**). The RMU zoning category, however, allows for flexibility in minimum lot sizes according to the types of housing proposed in a development. For example, estate lots (E-1 or E-2) within the context of a project in RMU zoning could be one acre lots or less, single-family (SF-1) lots within the context would be 6,000 square feet, and so on. For illustrative purposes, RMU is shown as 6,000 square feet lots, given the potential for a wide mix of single and multifamily housing products.

- **1,400 square-foot lots:** This lot size is allowable under the multi-family zoning classification MF-2, the densest of all allowable residential uses. There are currently 80 acres in the Town zoned with this level of density.
- **2,400 square-foot lots:** This lot size is allowable under the multi-family zoning classification MF-1 and is primarily oriented to duplexes and fourplexes. Currently, there are only 13 acres in the Town zoned MF-1.
- **4,500 square-foot lots:** This lot size is allowable under the single family attached zoning classification SF-2. There are just 11 acres in the Town zoned SF-2.
- **6,000 square-foot lots:** This lot size is allowable as the exclusive minimum lot size of the SF-1 classification, but is also allowable under the E-2 estate residential zoning classification, which allows 43,560 square-foot lots, as well as 7,500 square-foot lots, and 6,000 square-foot lots. It should also be noted that this density is also permitted in the Residential Mixed-Use classification. There are more than 1,600 acres, or 15 percent of all the Town's zoning, where this minimum lot size occurs according to the SF-1 classification.
- **10,000 square-foot lots:** There is no 10,000 square-foot minimum lot designation. EPS selected this average minimum lot size to illustrate the average lot size of housing product densities within the E-2 and RMU zoning classifications. Because the E-2 and RMU zoning classifications are the two zones where a variety of housing densities may be used, development in Windsor within these two zones has occurred (in practice) at this average level of density. As a result, 71 percent of Windsor (7,660 acres) falls within zoning classifications that are likely to develop at an average of 10,000 square-foot lots.
- **43,560 square-foot lots:** The one-acre lot is the minimum lot size allowable under the E-1 zoning classification. There are currently 1,380 acres, or approximately 13 percent, zoned in the Town for this type of development.

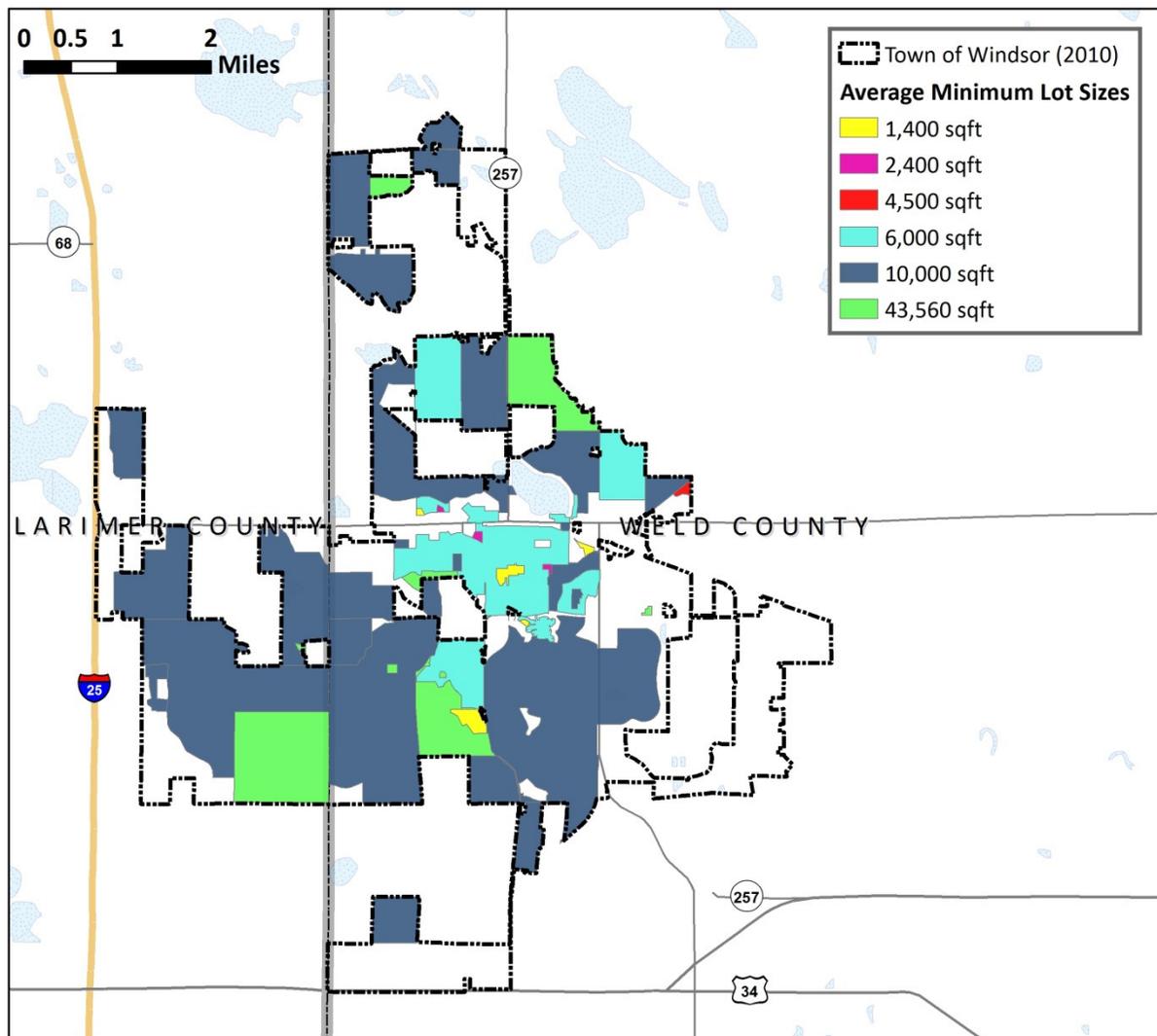
Table 13
Average Lot Sizes by Zoning Classification

	Acres by Zoning Category							Total	% of Total
	E-1	E-2	SF-1	SF-2	MF-1	MF-2	RMU		
Minimum Lot Sizes									
1,400 square feet	0	0	0	0	0	80	0	80	0.7%
2,400 square feet	0	0	0	0	13	0	0	13	0.1%
4,500 square feet	0	0	0	11	0	0	0	11	0.1%
6,000 square feet	0	0	1,617	0	0	0	0	1,617	15.0%
10,000 square feet	0	1,411	0	0	0	0	6,251	7,661	71.2%
<u>43,560 square feet</u>	<u>1,380</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,380</u>	<u>12.8%</u>
Total	1,380	1,411	1,617	11	13	80	6,251	10,762	100.0%

Source: Town of Windsor; Economic & Planning Systems

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Figure 25
Average Minimum Lot Sizes



Land Use Efficiency Analysis

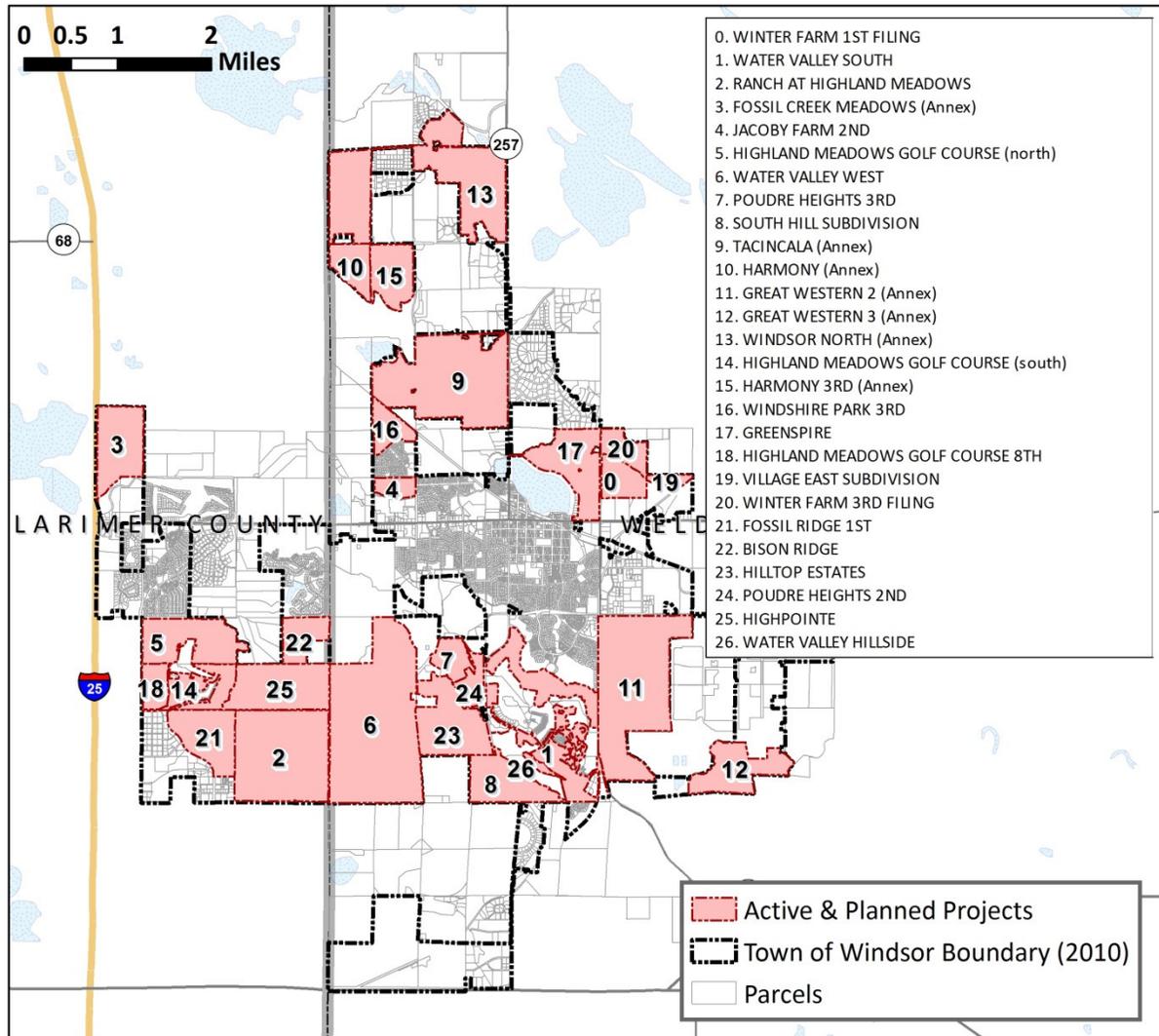
This section provides an evaluation and analysis of existing and current development patterns and the associated gross and net densities by zoning classification and active and planned major developments. The purpose of this analysis is to provide a quantitative basis for approaching decisions regarding the most efficient and appropriate use of Windsor's remaining developable area to meet future demographic and housing demands.

Active & Planned Development

Figure 26 illustrates the location of the Town's active and planned residential projects, which total 7,777 acres. Among them, some have been platted and mostly built, and others remain

under planning level review. Specifically, there are a total of 5,371 lots in active and platted single-family developments in the Town, of which approximately 65 percent have been permitted. There are also 415 multifamily lots, of which approximately 15 percent have been permitted. Among the unplatted and planned projects, there are a proposed 8,445 single-family and multifamily lots.

Figure 26
Active & Planned Residential Development



Source: Town of Windsor; Economic & Planning Systems

Table 14 shows the results of a close examination of 16 developments (within 4 different zoning classifications: SF-1; E-1; E-2, and RMU). EPS calculated the following statistics based on a variety of local and regional information sources. The primary result of this analysis quantifies gross residential development efficiency, i.e. the amount of residential density, net of right of way (ROW), open space (OS), and other uses. In general, the findings show that the current zoning tools allow for gross residential efficiency of 0.4 to 2.1 units per acre, when factoring in

land usage for ROW, OS, and other uses. The following discussion outlines the methodology for calculating these statistics.

- Single Family Lots (Column A): The number of single family residential units is identified for each development. Data are taken from the Town's worksheet titled "Platted Single-Family Lots in the Town of Windsor as of 6/30/14".
- Average Lot Size (Column B and Column C): This statistic is the average size of all the single-family unit lot sizes within a development. Data for this statistic come from the combined County Assessor's databases. For example, average lot sizes in SF-1 districts are approximately one quarter acre (0.23 acre); 2.23 acres in E-1 districts; one quarter acre (0.25 acre) in E-2 districts; and also one quarter acre (0.23 acre) in RMU district developments.
- Total Acres (Column D): This is the total acreage associated with the development project or filing. It includes all area for residential uses, non-residential uses, open space, and right-of-way (streets and utilities). Data for this statistic come from the Town Planning Department's subdivision shape file database.
- Commercial / Multi-Family Residential (Column E): In a few of the development projects, there are commercial and/or multi-family residential uses. This statistic captures the total acreage associated with those uses, and is derived from the combined County Assessor parcel database.
- Open Space (column F): This captures all acreage associated with open space, including parkland area within a development, easements, and any other space unassociated with residential, non-residential, commercial or multi-family, or right-of-way acreage. Data for this statistic came from analysis of the combined County Assessor parcel databases.
- Gross Single Family Residential (Column G): This is a measurement of acreage associated with only the residential portions of each development, including rights-of-way. As indicated in the column heading, this statistic is equal to the total development acreage less acreage associated with commercial or multi-family uses and less open space.
- Net Single Family Residential (Column H): This is a measurement of the acreage associated with residential lots (the number of units multiplied by the average lot size).
- Right-of-Way (Column I): The area associated with right-of-way was determined by subtracting the net residential acreage from the gross residential development acreage. In these developments, ROW accounts for between 15 and 25 percent of the total acreage.
- Net Efficiency (Column J): Using only the residential portions of a development, this metric identifies the portion of the residential development that is used for actual residential development. That is, residential development net of right-of-way, and excluding open space. Net residential development varies from approximately 60 to 85 percent. In the SF-1 districts, average net efficiency is 66 percent; E-1 districts have an average of 85 percent efficiency; E-2 districts have an average of 57 percent efficiency; and RMU districts have an average of 64 percent efficiency within their residential portions of development.

- **Gross Efficiency (Column K):** In the forecast, however, it will be important to make assumptions regarding future development of land in uses other than residential as well. As such, this statistic captures the portion of a total development that is solely residential. For example, when factoring in other uses, open space, and ROW, SF-1 projects have an average efficiency of 46 percent; average E-1 developments have a much higher efficiency of 80 percent; E-2 developments have an average of 31 percent residential; and RMU developments have an average of 33 percent residential.

Table 14
Average Development Densities by Four Common Zoning Classifications

Description	Units / Lots			Development Acreage						Efficiency	
	SF Units	Avg. Lot (sqft)	Avg. Lot (acres)	Total Acres	Comm. / MF Res.	Open Space	Gross SF Res.	Net SF Res.	ROW / Streets	Net	Gross
	(A)	(B)	(C)	(D)	(E)	(F)	(G) = D-E-F	(H) = A x C	(I) = G - H	(J) = H ÷ G	(K) = H ÷ D
SF-1											
Poudre Heights, 2nd Filing	164	9,800	0.22	80	0	25	55	37	18	67%	46%
Westwood Village, 2nd Filing	145	12,900	0.30	112	0	55	57	43	14	76%	38%
Winter Farm, 1st Filing	317	8,400	0.19	113	0	11	102	61	41	60%	54%
Total / Average	626	9,809	0.23	305	0	92	213	141	72	66%	46%
E-1 Zoning											
Ranch at Highland Meadows	243	95,200	2.19	630	0	15	615	531	84	86%	84%
Hilltop Estates	88	111,000	2.55	310	43	0	267	224	43	84%	72%
Ventana	48	80,000	1.84	116	0	11	105	88	17	84%	76%
Total / Average	379	96,944	2.23	1,056	43	26	987	843	144	85%	80%
E-2 Zoning											
Fossil Ridge	290	12,100	0.28	234	0	118	115	81	35	70%	34%
Highland Meadows GC (north)	405	8,600	0.20	288	0	145	143	80	63	56%	28%
Highpointe	377	11,900	0.27	331	0	124	207	103	104	50%	31%
Total / Average	1,072	10,707	0.25	853	0	388	465	264	201	57%	31%
RMU Zoning											
Windshire Park, 3rd Filing	290	7,700	0.18	97	0	25	72	51	20	72%	53%
Water Valley South	707	12,100	0.28	800	0	463	337	196	141	58%	25%
Brunner Farm	298	7,400	0.17	99	0	24	76	51	25	67%	51%
Bison Ridge	111	15,761	0.36	120	0	71	49	40	9	82%	33%
Ridge West PUD	115	18,155	0.42	121	0	61	60	48	12	80%	40%
Greenspire	563	8,200	0.19	281	28	84	169	106	63	63%	38%
Jacoby Farm, 2nd Filing	154	6,500	0.15	58	14	7	38	23	15	61%	40%
Total / Average	2,238	10,030	0.23	1,575	41	734	800	515	285	64%	33%

Source: County Assessor Parcel Data; Town of Windsor Planning Department; Economic & Planning Systems

H:\143007-Windsor Study of Demographics and Housing Opportunities>Data\143007- Vacant and Ag Land Summary.xlsm\Efficiency Factor

Residential Development Density

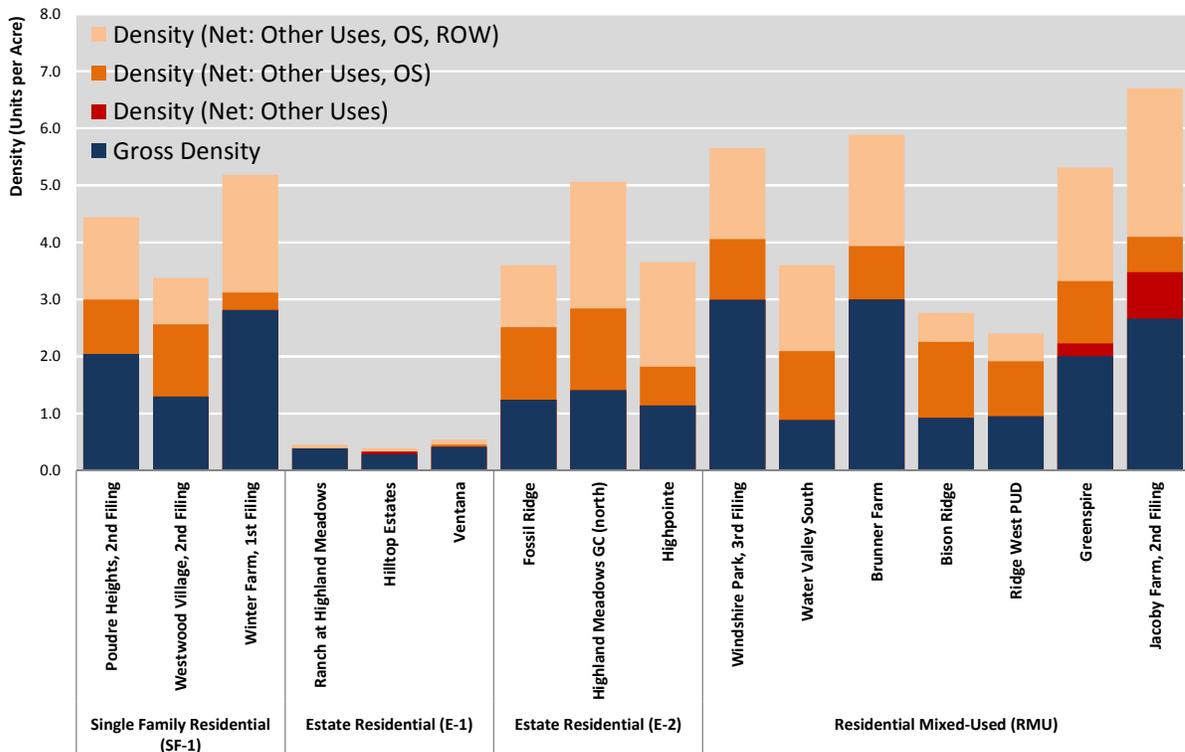
Using the analysis of those 16 developments, **Figure 27** identifies the gross and net densities of each development. The different metrics of density illustrated are discussed below:

- **Density Net of Other Uses, OS, and ROW:** At the highest level, this measure of density is best described as “net density”, i.e. the density of development when only the acreage of actual lots is considered. For example, among the SF-1 projects, average lot sizes range from 0.19 to 0.30 acres, which means that net density identifies the number of lots that could be developed in a space with no ROW, open space, or any other use. In the SF-1 example, a development with average lots of 0.19 acre would have a net density of 5.2 lots/units per acre, and a development with average lots of 0.30 acre would have a net

density of 3.4 lots/units per acre. Among the E-1 developments, average net densities are clustered around 0.5 lots/units per acre (or 1 lot/unit per 2 acres); E-2 developments average 4.1 lots/units per acre; and RMU developments average 4.3 lots/units per acre.

- **Density Net of Other Uses, OS:** Factoring in acreage associated with ROW, average densities drop. Also as noted previously, ROW typically consumes between 15 and 25 percent of the total acreage of a development. In these examples, average density in the SF-1 district ranges between 2.6 and 3.1 lots per acre with the average at 2.9 units/lots per acre; average densities in E-1 districts are roughly the same at approximately 0.4 lots/units per acre; E-2 districts are at 2.3 lots/units per acre; and RMU district developments average 2.8 lots/units per acre.
- **Density Net of Other Uses:** Although there are only a few developments with other uses, such as commercial or multi-family, factoring in this additional use reduces the average densities further.
- **Gross Density:** This metric illustrates the level of residential density in a development when all other land uses are factored into the calculation. For example, when considered all uses, the residential density of SF-1 districts ranges from 1.3 to 2.8 lots/units per acre; the residential density of E-1 districts ranges from 0.3 to 0.4 lots/units per acre; the residential density of E-2 districts ranges from 1.1 to 1.4 lots/units per acre; and the residential density of RMU projects ranges from 0.9 to 3.0 lots/units per acre.

Figure 27
Densities by Development

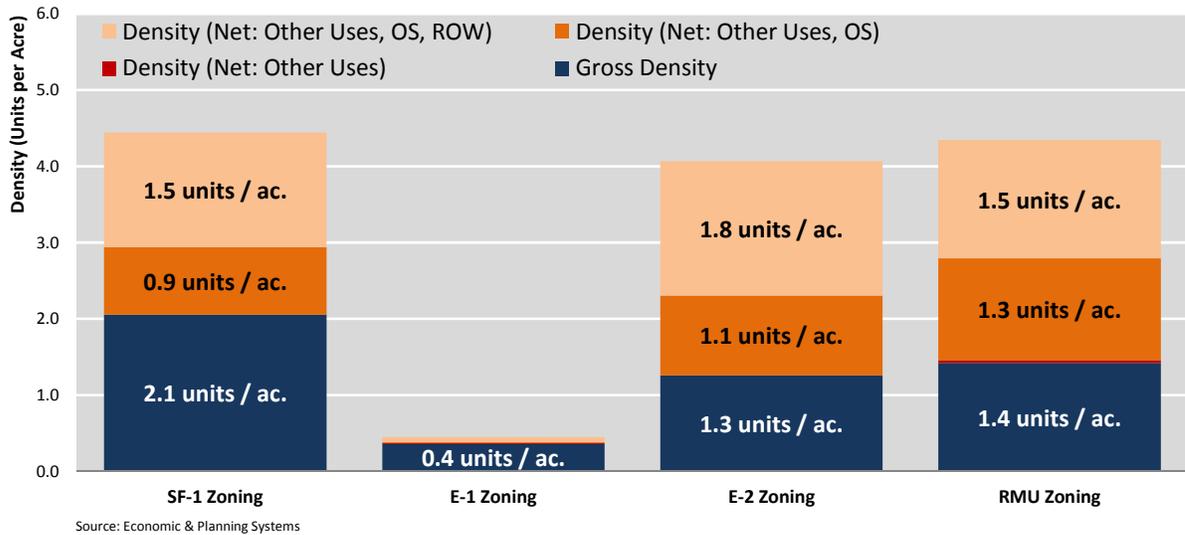


Source: Economic & Planning Systems

Average Gross Density by District

Figure 28 illustrates average densities calculated from the preceding analysis. In general, this analysis shows that average gross residential density in the Town ranges from 0.4 units per acre in the E-1 district to 2.1 units per acre in the SF-1 district. While the RMU zoning allows for the greatest flexibility of all residential and non-residential land uses, in practice, it does not appear to be yielding higher density residential development, and it appears to be very similar to the density patterns of the E-2 zone district which allows for 3 different types of residential product.

Figure 28
Densities by Zoning Classification



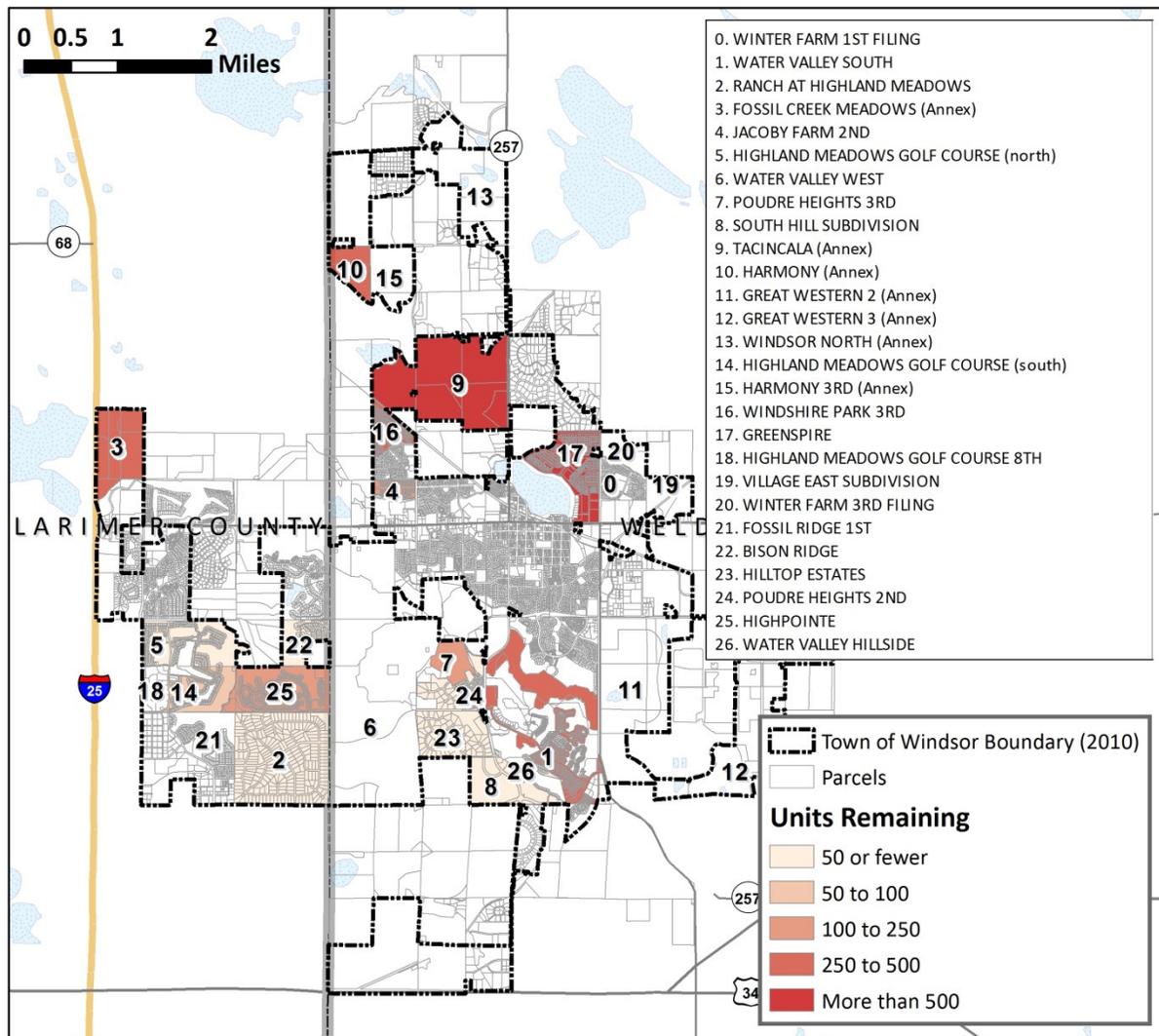
Land Use Supply Analysis

This section outlines the land use supply context, including an analysis of the remaining units to be permitted and/or platted in the active and planned projects, as well as an analysis of the remaining developable area within the GMA. EPS estimates a possible breakdown of that developable area by infill and greenfield opportunities, followed by a projection of the number of units that could be developed, assuming current land use efficiency and gross development density factors developed through the preceding analysis. This section concludes with a projection of remaining units developable within the Town’s GMA.

Remaining Supply in Active & Planned Projects

Figure 29 illustrates the number of remaining units to be permitted and/or platted, including those developments for which boundary and location information were available at the time of this study. This representation accounts for 6,983 lots on 5,005 acres (an average gross density of 1.4 units per acre, consistent with the average for RMU zoning as illustrated previously) and illustrates the location of 5,178 lots yet to be platted or permitted. As such, this estimate plays a role as a component of the pipeline supply of units to meet new future population and household demand.

Figure 29
Lots Remaining in Active & Planned Projects

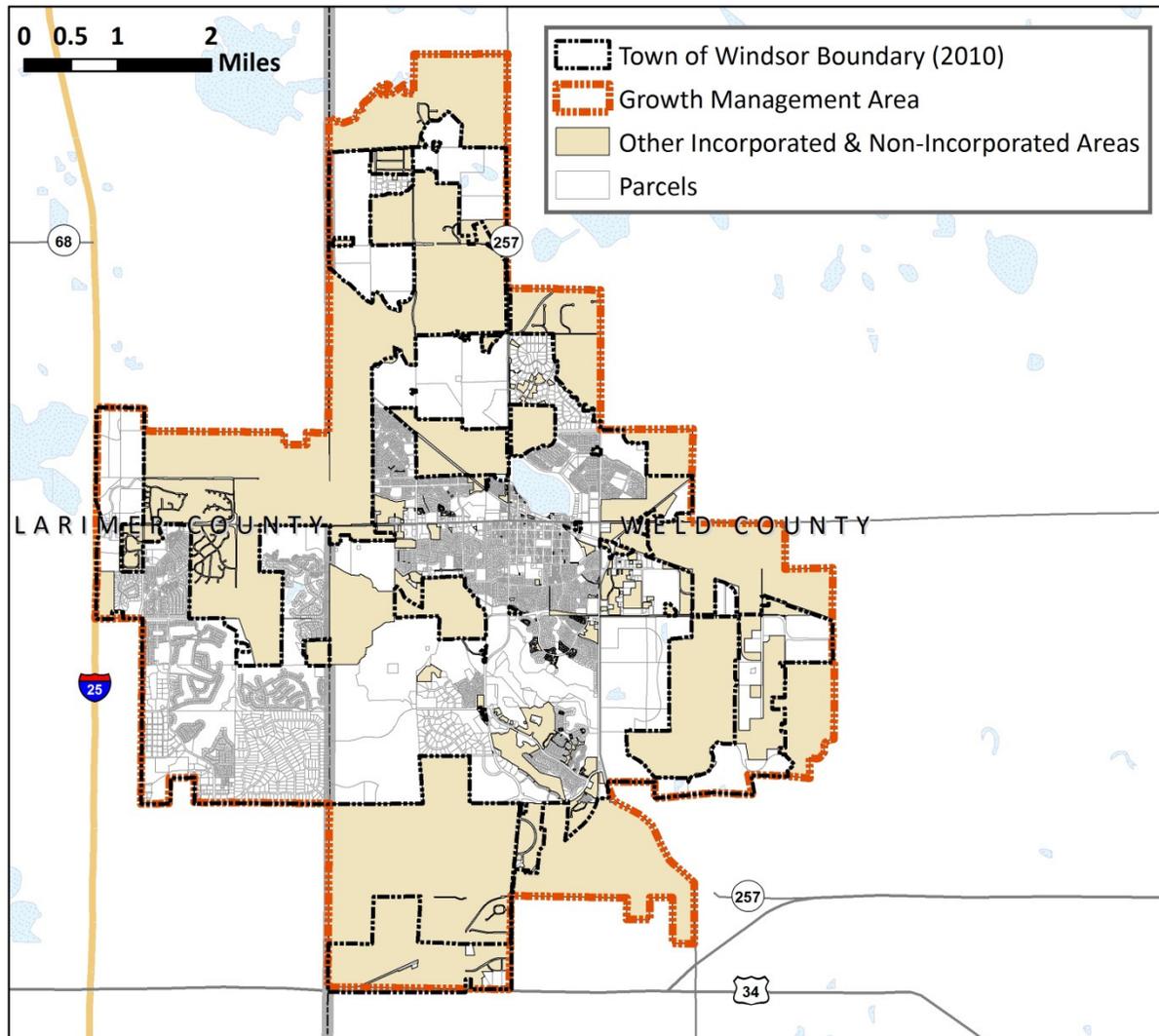


Source: Town of Windsor; Economic & Planning Systems

Undeveloped Area within GMA

The purpose of this analysis is to determine where and to what extent development opportunities exist within the GMA. The following series of maps illustrates the process and methodology by which EPS developed estimates of developable area within the GMA, which as illustrated in **Figure 30**, contains more than 14,000 acres in incorporated and unincorporated areas.

Figure 30
Other Incorporated and Non-Incorporated Areas



Source: Town of Windsor; Economic & Planning Systems

Table 15 illustrates that existing subdivisions account for nearly 40 percent of the undeveloped area (approximately 5,490 acres), non-residential uses (such as the Great Western Industrial Park and other uses) constitute 11 percent (more than 1,500 acres), and currently undeveloped area (classified as “vacant” or agricultural land” and currently not occupied by any residential or non-residential development) constitutes 50 percent (approximately 7,040 acres). The undeveloped area is illustrated in **Figure 31**.

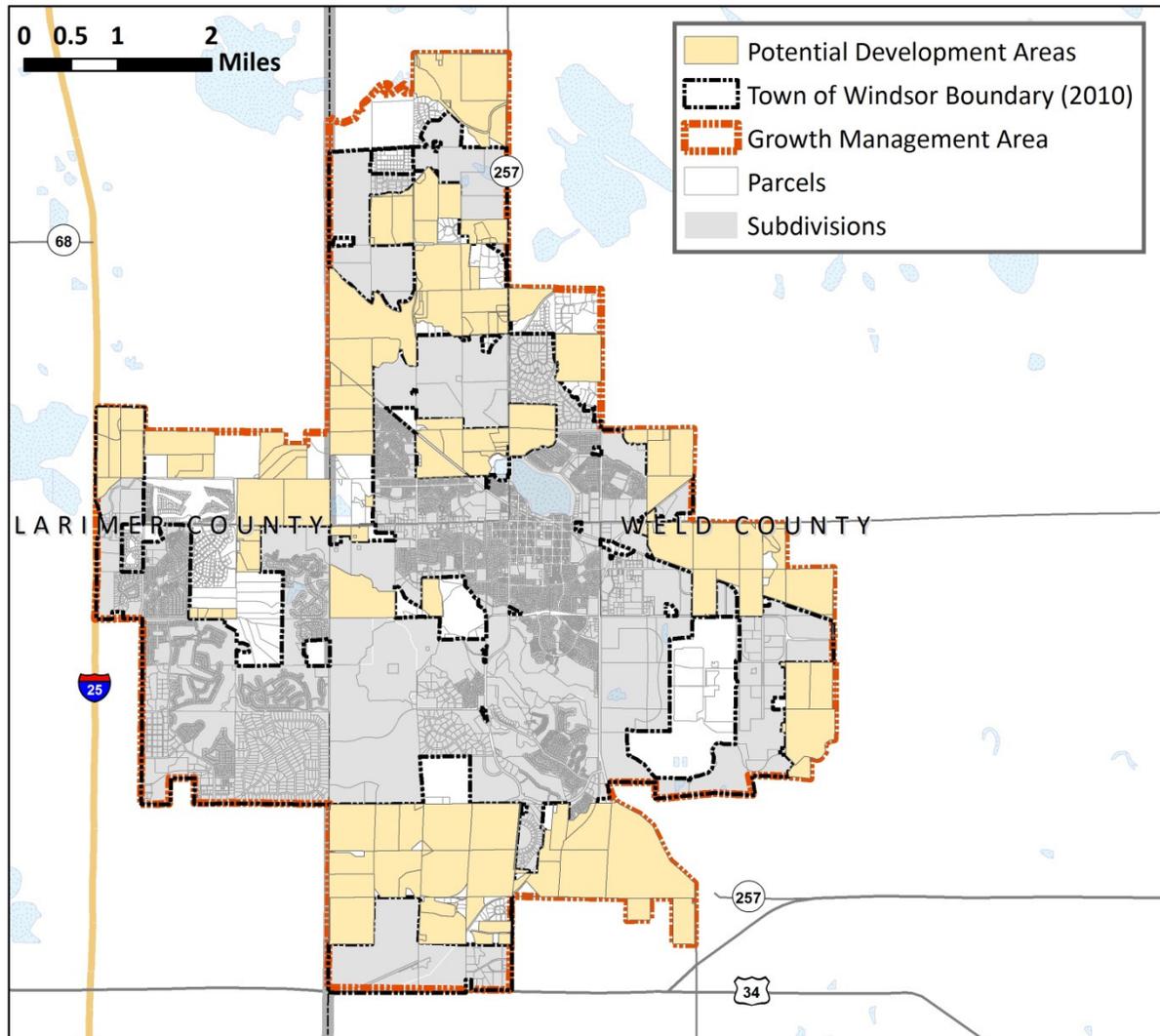
Table 15
Other Areas within the Incorporated & Unincorporated GMA

	Incorporated	Unincorporated	Total	as % of Total
Area Classification				
Existing Residential Areas	635	4,850	5,485	39%
Non-Residential Zoning	1,527	0	1,527	11%
Undeveloped Areas	<u>324</u>	<u>6,718</u>	<u>7,042</u>	<u>50%</u>
Total	2,486	11,568	14,054	100%
as % of Total	18%	82%	100%	

Source: Economic & Planning Systems

H:\143007-Windsor Study of Demographics and Housing Opportunities\Data\143007-FutureDevelopmentOpps-110514.xlsm\TABLE 1 - Other Areas

Figure 31
Developable Areas within GMA

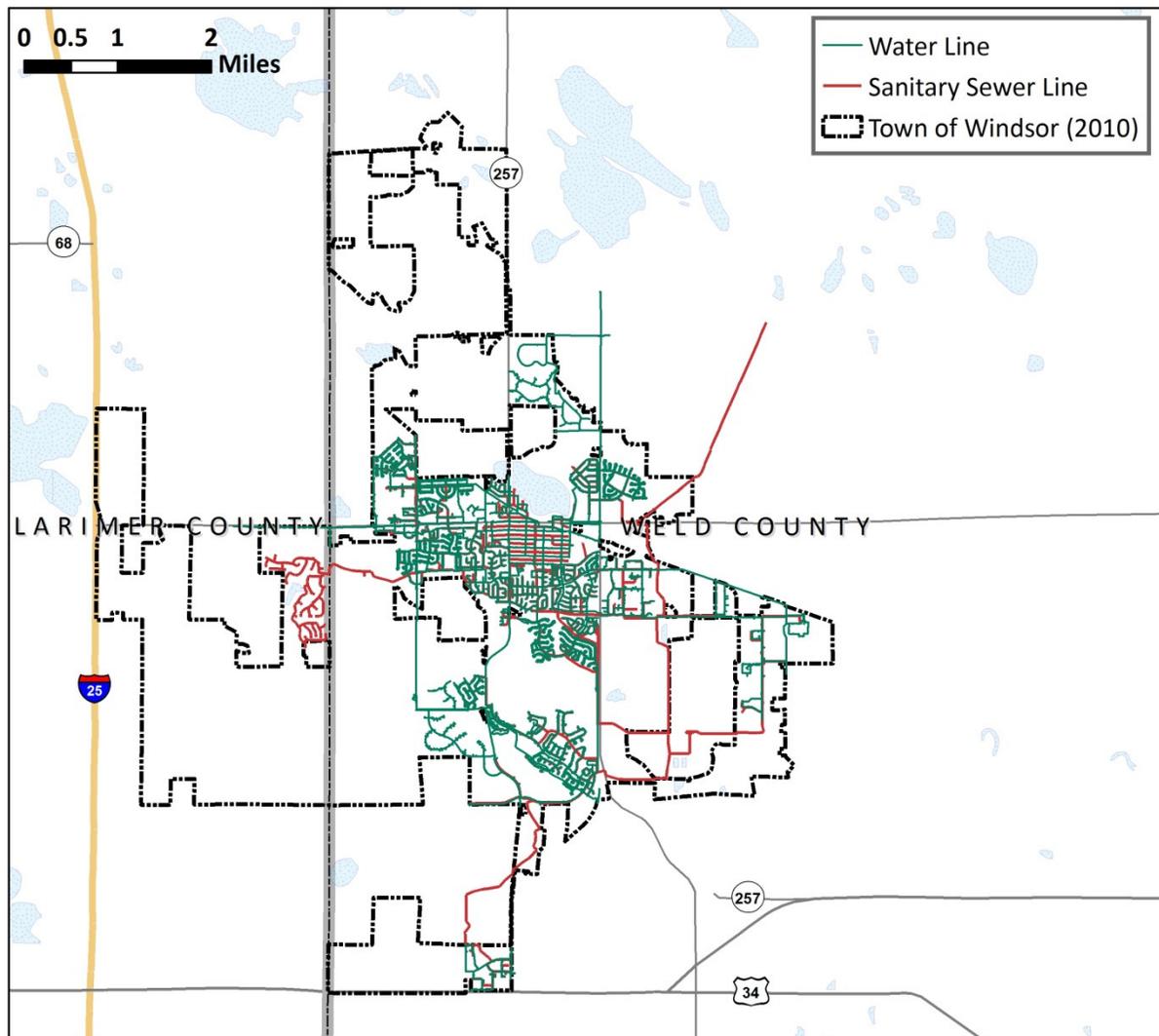


Source: Town of Windsor; Economic & Planning Systems

Infill & Greenfield Development Opportunities

The quantification of developable areas and their classification of infill and greenfield are made based on proximities and access to existing mainline water and sewer infrastructure. According to staff, infill is defined as any area where at least one of its borders is shared with existing development served by water and sewer (see **Figure 32**). Although the area does not need to be served internally by water and sewer, the mainline must abut the area and be easily extended into the subject area. In EPS' analysis, a few exceptions occurred where areas did not abut a parcel with water/sewer mainline, but were within a short distance. As a result, EPS expanded the definition of infill to include a parcel where water/sewer was not more than 500 feet from the parcel line. Greenfield development on the other hand, was defined as an area whose borders are not abutted by an existing area with water/sewer infrastructure. (As of December 8, 2014, GIS information had not yet been delivered to EPS from the LFCWD or SFCSD.)

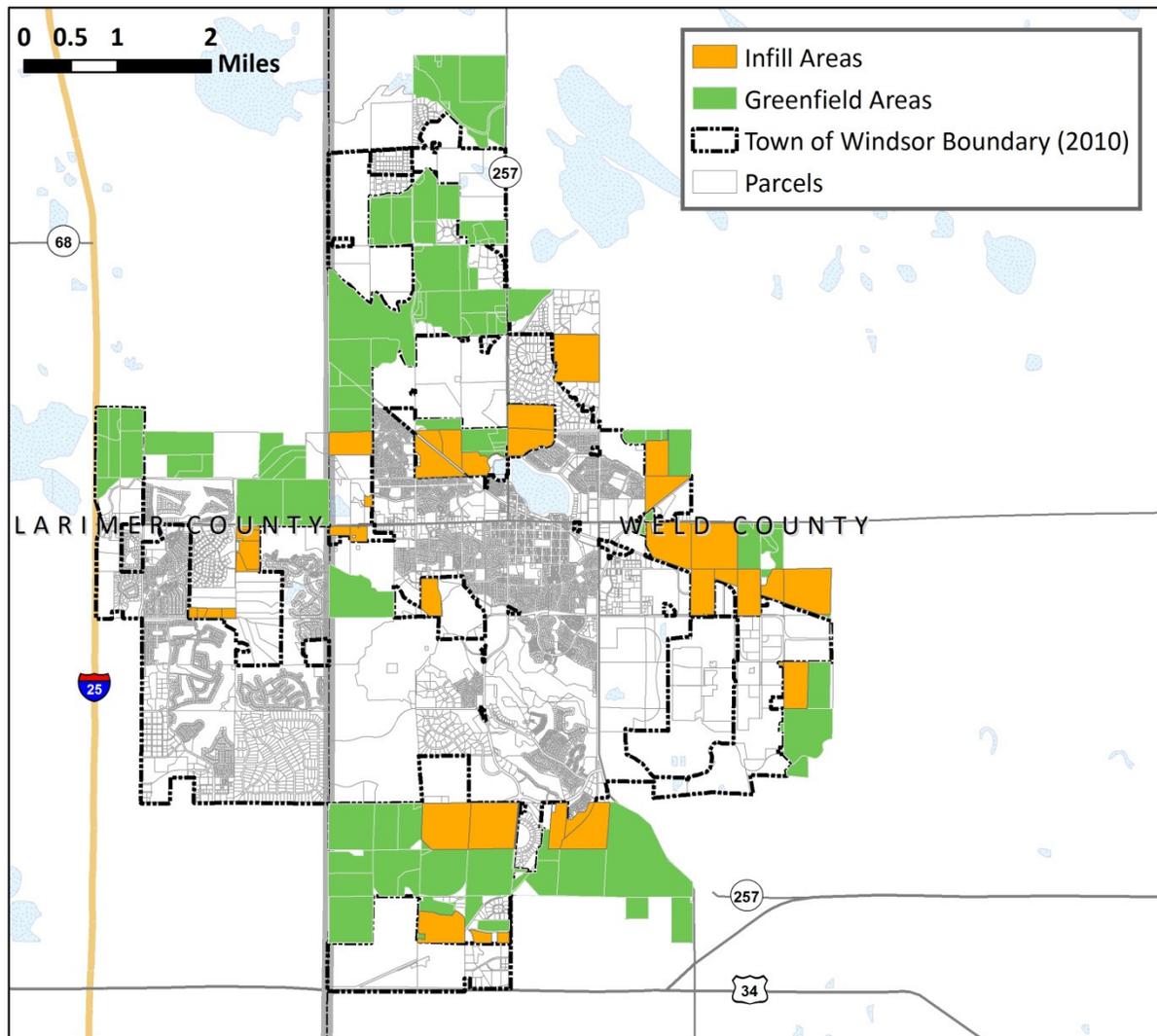
Figure 32
Existing Weld County Infrastructure Lines



Source: Town of Windsor; Economic & Planning Systems

As illustrated in **Figure 33** and detailed in **Table 16**, approximately 70 percent (nearly 4,900 acres) of developable area within the GMA would be characterized as greenfield and 30 percent (approximately 2,100 acres) would be infill. The findings also show that just 5 percent (approximately 320 acres) fall within incorporated areas of the Town, while 95 percent (approximately 6,700 acres) fall inside the GMA but outside the Town's incorporated boundary.

Figure 33
Future Development Opportunities



Source: Town of Windsor; Economic & Planning Systems

Table 16
Future Development Opportunity Acreage

	Incorporated	Unincorporated	Total	as % of Total
Development Potential Type				
Infill	139	2,007	2,146	30%
Greenfield	185	4,710	4,895	70%
Total	324	6,718	7,042	100%
as % of Total	5%	95%	100%	

Source: Economic & Planning Systems

H:\143007-Windsor Study of Demographics and Housing Opportunities\Data\143007-FutureDevelopment Opps-110514.xlsm]TABLE 2 - Infill Green

Estimated Development Potential

This section presents an analysis of the development potential for the 7,000 acres designated as infill and greenfield opportunities. To illustrate the wide range in development capacity, 6 scenarios are shown in **Table 17**. Four are based on the likelihood that all areas could be developed as one or another current zoning classification, and two scenarios are based on a mix of zoning classifications resembling the mix of zoning classifications surrounding the areas.

Capacity Estimates

Under each scenario, the efficiency and density assumptions for the respective zoning classifications developed through the preceding analysis are held constant (see the footnotes of **Table 17**). The analysis shows that between 2,500 and 14,470 units could be developed in the 7,000 acres of developable area within the GMA depending on the underlying density assumptions.

- **Scenario 1:** Developed entirely as SF-1, it is estimated that approximately 14,470 units could be developed, averaging 2.1 units per acre. This would be the densest scenario among all scenarios.
- **Scenario 2:** Developed entirely as E-1, it is estimated that approximately 2,500 units could be developed, averaging 0.4 units per acre. This scenario would have the least density among all scenarios.
- **Scenario 3:** Developed entirely as E-2, it is estimated that approximately 8,850 units could be developed, averaging 1.3 units per acre.
- **Scenario 4:** Developed entirely as RMU, it is estimated that approximately 10,000 units could be developed, averaging 1.4 units per acre.
- **Scenario 5:** It is assumed that the both infill and greenfield areas could develop with equal parts SF-1, E-1, E-2, and RMU. Under this scenario, it is estimated that approximately 8,960 units could be developed, averaging 1.3 units per acre.
- **Scenario 6:** Based on closer examination zoning districts surrounding the infill and greenfield areas, this scenario assumes that within the infill areas, 25 percent could develop at SF-1 densities, 25 percent at E-2 densities, and 50 percent at RMU densities. It is also assumed that within the greenfield areas, 10 percent could develop at E-1 densities, 15 percent at E-2 densities, and 75 percent at RMU densities. Under this

scenario, it is estimated that approximately 9,600 units could be developed, averaging 1.4 units per acre.

Table 17
Estimates of Housing Development in Opportunity Areas

	Development Scenarios					
	Scenario 1: SF-1	Scenario 2: E-1	Scenario 3: E-2	Scenario 4: RMU	Scenario 5: Mixed	Scenario 6: Mixed
Zoning Assumptions						
<u>Infill</u>						
Single-Family Residential	100.0%	0.0%	0.0%	0.0%	25.0%	25.0%
Estate Residential, E-1	0.0%	100.0%	0.0%	0.0%	25.0%	0.0%
Estate Residential, E-2	0.0%	0.0%	100.0%	0.0%	25.0%	25.0%
<u>Residential Mixed-Use</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	100.0%	<u>25.0%</u>	<u>50.0%</u>
Subtotal Infill	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Greenfield</u>						
Single-Family Residential	100.0%	0.0%	0.0%	0.0%	25.0%	0.0%
Estate Residential, E-1	0.0%	100.0%	0.0%	0.0%	25.0%	10.0%
Estate Residential, E-2	0.0%	0.0%	100.0%	0.0%	25.0%	15.0%
<u>Residential Mixed-Use</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>100.0%</u>	<u>25.0%</u>	<u>75.0%</u>
Subtotal Greenfield	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Development Potential						
Area (Acres)						
Infill [1]	2,146	2,146	2,146	2,146	2,146	2,146
Greenfield [2]	<u>4,895</u>	<u>4,895</u>	<u>4,895</u>	<u>4,895</u>	<u>4,895</u>	<u>4,895</u>
Subtotal	7,042	7,042	7,042	7,042	7,042	7,042
Developable Units						
<u>Infill</u>						
Single-Family Residential [3]	4,410	0	0	0	1,103	1,103
Estate Residential, E-1 [4]	0	770	0	0	193	0
Estate Residential, E-2 [5]	0	0	2,698	0	675	675
<u>Residential Mixed-Use [6]</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,050</u>	<u>762</u>	<u>1,525</u>
Subtotal Infill	4,410	770	2,698	3,050	2,732	3,302
<u>Greenfield</u>						
Single-Family Residential	10,059	0	0	0	2,515	0
Estate Residential, E-1	0	1,757	0	0	439	176
Estate Residential, E-2	0	0	6,153	0	1,538	923
<u>Residential Mixed-Use</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,955</u>	<u>1,739</u>	<u>5,216</u>
<u>Subtotal Greenfield</u>	<u>10,059</u>	<u>1,757</u>	<u>6,153</u>	<u>6,955</u>	<u>6,231</u>	<u>6,315</u>
Total	14,469	2,527	8,852	10,005	8,963	9,617
<i>Overall Gross Density</i>	<i>2.1</i>	<i>0.4</i>	<i>1.3</i>	<i>1.4</i>	<i>1.3</i>	<i>1.4</i>

[1] Infill accounts for 30 percent of total developable area.

[2] Greenfield accounts for 70 percent of total developable area.

[3] Average lot size is 0.23 acre, and gross development efficiency is 46 percent.

[4] Average lot size is 2.23 acre, and gross development efficiency is 80 percent.

[5] Average lot size is 0.25 acre, and gross development efficiency is 31 percent.

[6] Average lot size is 0.23 acre, and gross development efficiency is 33 percent.

Source: Economic & Planning Systems

H:\143007-Windsor Study of Demographics and Housing Opportunities\Data\143007-FutureDevelopmentOpps-110514.xlsm\Development Potential

Remaining Developable Units within GMA

Adding to these scenarios the remainder of units within active and existing projects within the GMA, **Table 18** illustrates the total number of units under each of the preceding scenarios that the Town could accommodate. As noted earlier, approximately 65 percent of the units within active and existing single-family platted projects and 85 percent of the units within active and existing multifamily platted projects remain to be built or permitted. In total, this results in 2,269 units that remain to be built within active projects. Also, there are 8,445 units in unplatted but planned projects. Altogether, there are 10,714 units remaining to be built within the context of active, existing, and planned projects in addition to the number of units identified in the infill and greenfield areas. In total, the Town of Windsor could accommodate estimated housing unit growth of approximately 13,200 to 25,200 units.

**Table 18
Estimates of Total Future Units in GMA**

	Development Scenarios					
	Scenario 1: SF-1	Scenario 2: E-1	Scenario 3: E-2	Scenario 4: RMU	Scenario 5: Mixed	Scenario 6: Mixed
Total Developable Units in GMA						
Subtotal Developable Units	14,469	2,527	8,852	10,005	8,963	9,617
Active / Planned Development						
Platted / Unbuilt / Unpermitted	2,269	2,269	2,269	2,269	2,269	2,269
<u>Unplatted / Planned</u>	<u>8,445</u>	<u>8,445</u>	<u>8,445</u>	<u>8,445</u>	<u>8,445</u>	<u>8,445</u>
Subtotal Active / Planned Units	10,714	10,714	10,714	10,714	10,714	10,714
Total	25,183	13,241	19,566	20,719	19,677	20,331

Source: Economic & Planning Systems

H:\143007-Windsor Study of Demographics and Housing Opportunities\Data\143007-FutureDevelopmentOpps-110514.xlsm]TABLE 5 - Total GMA Units

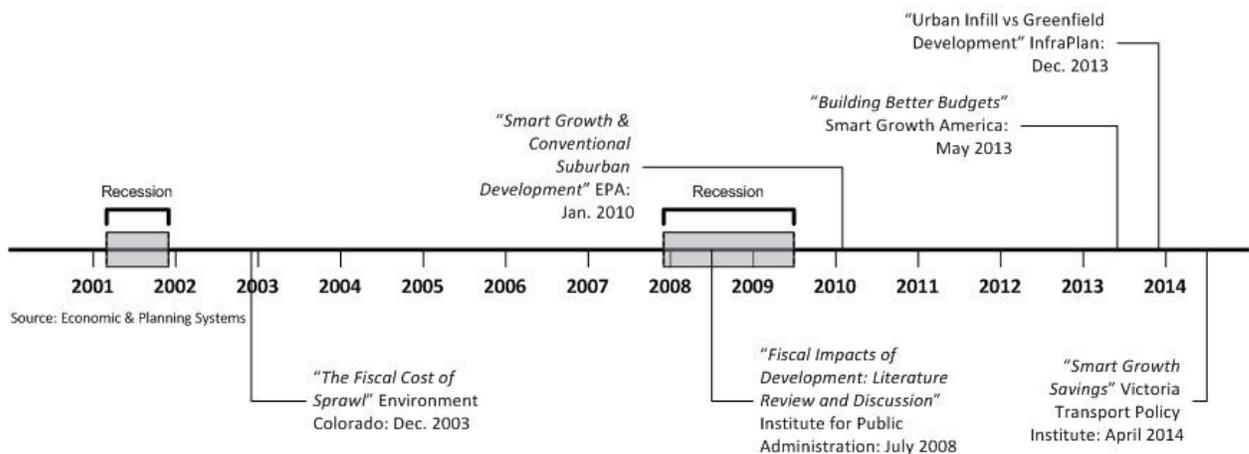
Fiscal Impacts of Development

The following discussion is offered as a brief review of relevant existing and recent literature regarding the costs and impacts associated with different types of development (i.e. infill versus greenfield). Although these considerations reflect a more limited definition of “infill”, the findings will be useful to the Town of Windsor’s planning efforts and understanding the general fiscal implications.

Literature Reviewed

This is not intended to be an extensive review of literature that addresses the advantages and disadvantages to infill or greenfield development, but it is intended to pull from some of the more prominent contributions of recent literature regarding the impacts associated with these types of development. As illustrated in **Figure 34**, six significant contributions to the literature from the past decade are reviewed. The oldest study, completed by the Environment Colorado Research and Policy Center in late 2003, offers remarkably consistent findings to those of the newer studies, e.g. a study completed by the Victoria Policy Institute in April 2014.

Figure 34
Timeline of Development Type Infrastructure Cost Literature Review



Definitions

The definitions of infill and greenfield in these studies differ from the definitions used in the above analysis in this report. As such, the following brief definitions pull from the research to provide a comparison and point of reference to this study.

Infill

Infill can generally be defined as development or redevelopment of vacant, abandoned, or underutilized sites located within an existing and/or developed municipal context. A primary characteristic of such a site is the presence of water, sewer, communications, or road, etc. infrastructure internal to the site that are relatively (though not always or completely) sufficient to meet the needs of the proposed development. Other characteristics may be more contextual, such as proximity to other residential areas, services, civic amenities and attractions, and employment centers.

Greenfield

Greenfield development, by contrast, is characteristically the development of open space, non-productive land, habitats, or existing agricultural land on the urban periphery that does not contain water, sewer, communications, or road infrastructure internal to the site that are relatively insufficient to meet the demands of the proposed development. Under these conditions, utility connections, such as mainline water and sewer lines need to be extended into the site, roads and rights-of-way need to be provided, and other infrastructure needs to be developed.

Impacts

As noted in much of the literature reviewed, the impacts of infill and greenfield developments can vary widely depending on their location and proximity to services, existing infrastructure, transportation networks, and employment centers. Generally, however, there are consistencies among the findings of these studies pointing to the reality of increased costs and impacts to the public sector in both capital and ongoing costs as a result of greenfield development.

The following findings are summarized from the studies collected and generally have itemized costs associated with the following horizontal infrastructure costs to the public sector in terms of either dispersed or compact development, density levels, general infill and greenfield development case studies. The costs identified are also fairly high level in terms of roads, water and wastewater, fire, police, schools. Some studies also delve deeper to include electricity, telecommunications, gas, and health costs. But for simplicity of understanding, the following discusses the cost impacts associated with water/sewer and roads.

Water and Sewer Impacts

The extension of mainline water and sewer infrastructure can be a costly component of horizontal development, regardless of location. But, for the most part, the findings of this literature reveal that water and sewer costs associated with greenfield development range from 20 to 50 percent higher than water and sewer costs associated with infill development. Using case studies, the authors of this literature calculate that:

- Victoria Transport Policy Institute (2014): Annual municipal utility costs are 36 to 48 percent higher for rural cluster development types than for higher or medium density development types.
- Environment Colorado (2003): The capital costs of constructing water and sewer lines can increase costs by 20 to 40 percent.
- Infraplan (2013): Citing a study completed by Roman Trubka in 2012, which used 22 case studies from the U.S., Canada, and Australia, upfront water and sewer infrastructure costs were 52 percent higher in outer-fringe or greenfield developments than infill developments.
- Institute for Public Administration (2008): In this literature review, a study of developments in Texas identified that water infrastructure in greenfield development cost approximately 27 percent more than in infill developments. Other studies cited cost savings for infill of 17 to 29 percent over greenfield.

- EPA (2010): This study estimated that general infrastructure cost savings for infill development ranged from 32 to 47 percent over greenfield development.
- Smart Growth America (2013): This study uses a handful of case studies from around the country and estimates that infill or smart growth development saves an average of 38 percent on general infrastructure costs over greenfield or conventional suburban development.

Road Impacts

The findings of some of the literature show that road costs associated with infill come with a cost savings ranging from 12 to 25 percent lower than greenfield development, whereas other sources put the magnitude of difference between costs in multiples of 3 to 5. Estimates by study are:

- Victoria Transport Policy Institute (2014): This study cited a 1999 study completed that estimated the cost of roads at 2.1 units per acre were nearly 3 times the cost of roads in developments of 5.5 units per acre.
- Environment Colorado (2003): This study estimated that the cost of building roads was approximately 25 percent lower in infill or compactly developed areas than in sprawling greenfield areas.
- Infraplan (2013): In this study of 22 case studies, average road costs of greenfield development were higher by multiplies of 5, and general infrastructure costs were higher in greenfield developments by a factor of 3 over infill development.
- Institute for Public Administration (2008): This study cited a national study of road infrastructure costs completed in 2000 that estimated a savings of nearly 12 percent over greenfield development costs for the U.S. if a more planned development pattern took place. It also cited another national report that average several fiscal impact studies conducted on the differences between road costs for infill and greenfield development types, which determined that roads in infill development cost 25 percent less than roads in greenfield developments.

4. FORECAST & DEMAND

This chapter presents the State Demographer’s forecast of population by age for Larimer and Weld counties and EPS’s projection of Windsor’s capture of the combined county population forecast based on a projection of historic capture of population by age cohorts and average household size. It also presents a projection of households and housing units based on the population forecast, which is compared to the estimates of future development capacity presented in the previous chapter. The intent is to identify the magnitude of housing demand with respect to supply constraints and present a platform for the Town as it seeks to maintain, revise, or modify its policy and zoning framework to ensure that growth and demand are facilitated in the future.

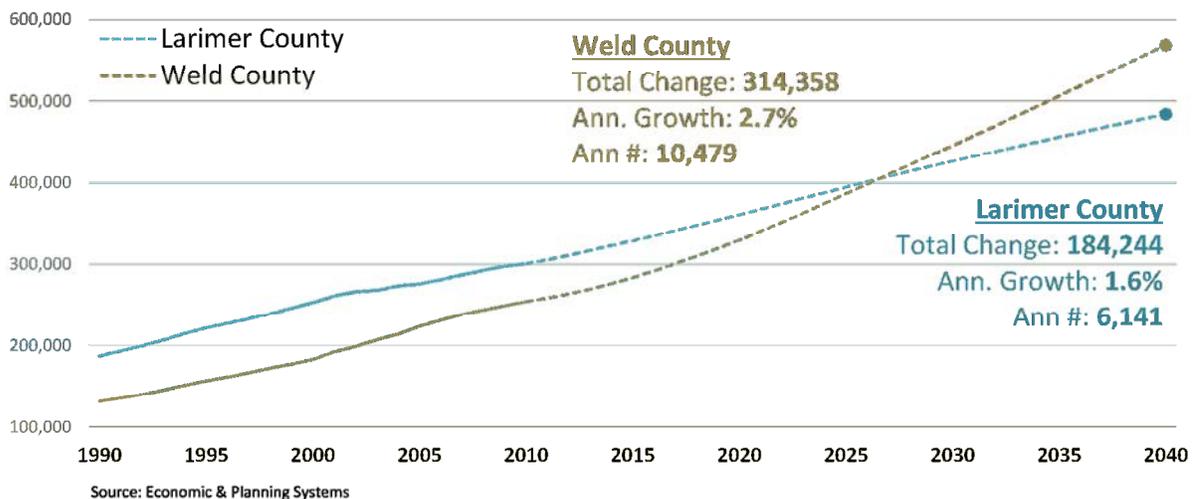
Population Forecast

County Level Population Forecast

This section presents a forecast of population by age cohort prepared by the Colorado Department of Local Affairs, State Demographer’s Office (SDO). Annually, the SDO updates its age cohort forecasts for each county within Colorado. **Figure 35** illustrates the most recent forecast of population for Larimer and Weld counties.

- Larimer County: The county is forecast to increase by more than 184,000 people between 2010 and 2040, reflecting an annual average growth of more than 6,100 persons or a rate of 1.6 percent on average.
- Weld County: The county is forecast to increase by more than 314,000 people between 2010 and 2040, reflecting an annual average growth of more than 10,400 persons or a rate of 2.7 percent on average.

Figure 35
DOLA Historic and Forecasted Population by County, 1990-2040



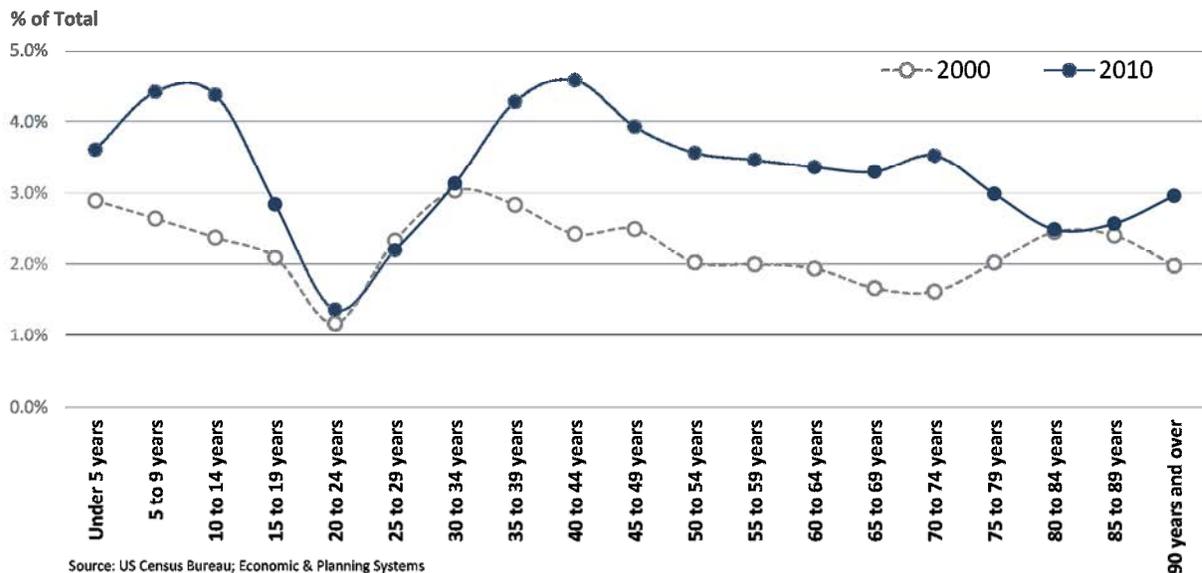
Town of Windsor Population Forecast

The combined county population forecast from the SDO along with data and analysis of demographic trends and conditions from the first chapters of this report are used to project the Town of Windsor's population.

Windsor's Capture of County Age Cohorts

Two factors for the projection of the Town's population are pulled from the following analysis: the percentage of Windsor's population to the combined county population; and Windsor's share of each age cohort, as **Figure 36** illustrates. Windsor's share of the combined counties' 5 to 9 year olds increased from less than 3 percent to 4.5 percent between 2000 and 2010. The Town's share of 40 to 44 year olds also increased from 2.5 percent to over 4.5 percent. Overall, Windsor accounted for 2.4 percent of the total combined county population in 2000, and by 2010, it accounted for 3.4 percent of the combined population.

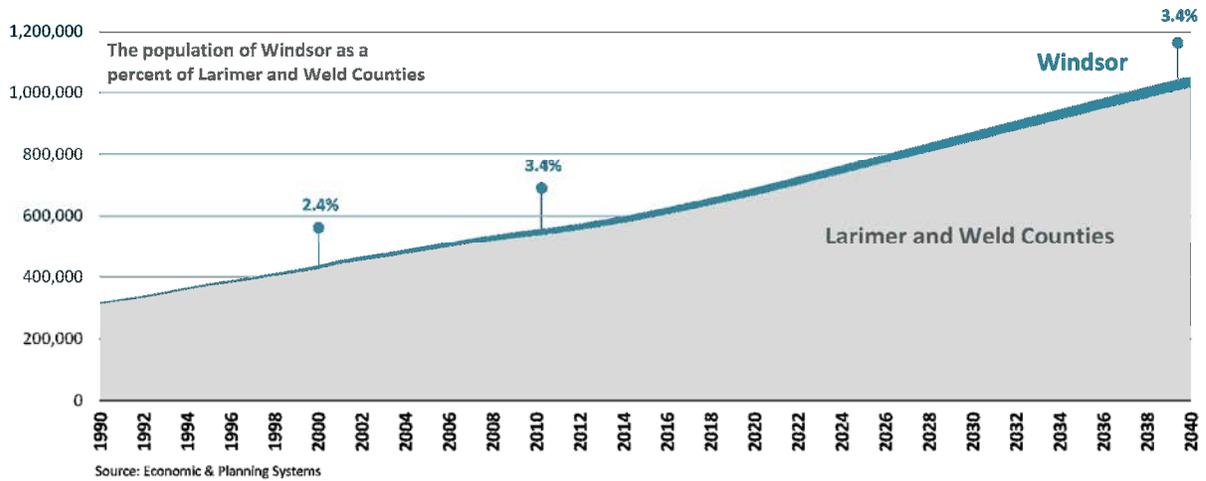
Figure 36
Windsor's Share of Larimer and Weld County Populations by Age, 2000 and 2010



Forecast of Windsor's Share of County Population

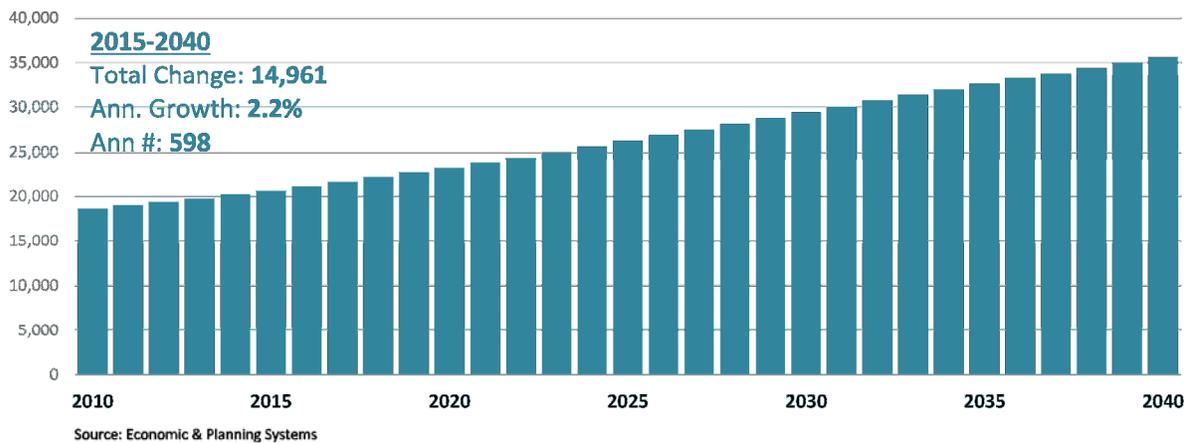
Assuming Windsor maintains current capture by age cohort, Windsor would be projected to continue its current proportion of the combined county population at 3.4 percent through 2040. As illustrated in **Figure 37**, the combined population of the counties is projected to grow to 1.0 million by 2040, reflecting a doubling of the existing population and growing by nearly 500,000 at a rate of 2.2 percent annually on average.

Figure 37
Windsor's Share of Larimer and Weld County Populations by Age, 2000 and 2010



By comparison to the historical rate of population growth of approximately 684 persons per year between 1990 and 2010, the SDO-based forecast projects Windsor to grow by 598 persons per year between 2015 and 2040, as illustrated by **Figure 38**.

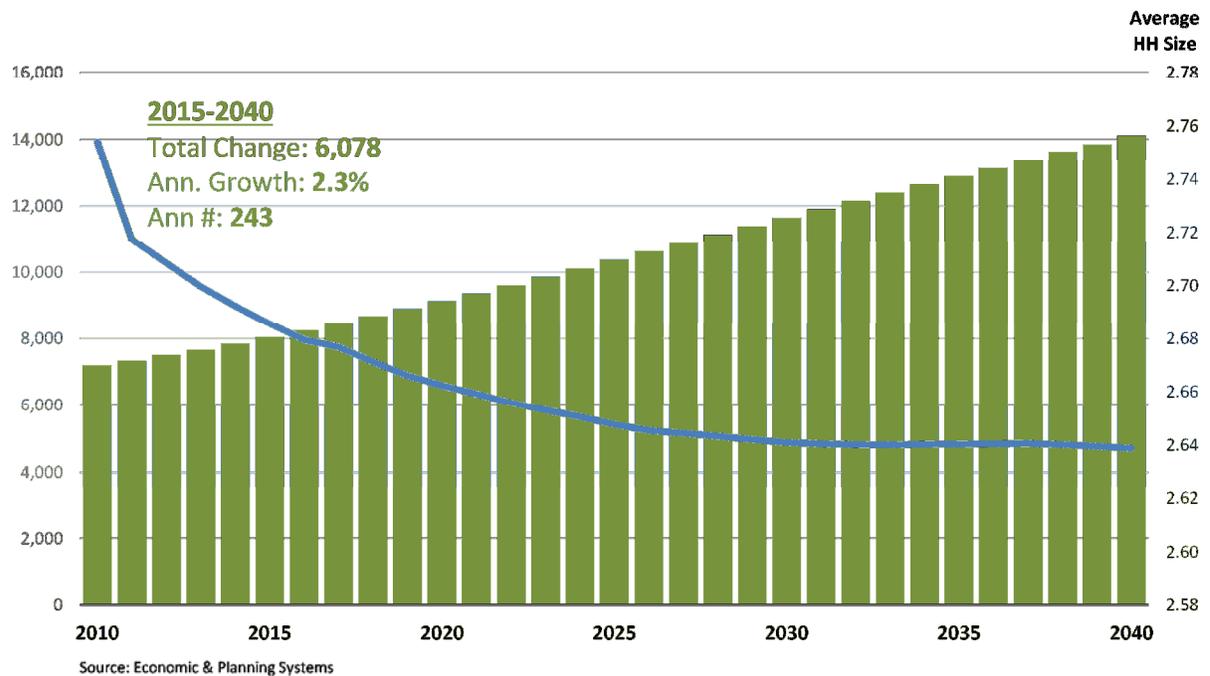
Figure 38
Town of Windsor Population Forecast, 2010-2040



Translating the population forecast into households and housing units requires identifying the changing regional trends in ratio of population to households. In 2010, the average household size for the Town of Windsor was 2.75 persons per household, according to the U.S. Decennial Census. Using an analysis of the SDO's demographic data, which forecasts a decrease in the average household size over the forecast time period, EPS estimated the proportionately decreased Windsor's average household size, as illustrated in **Figure 39**, from the current 2.75 to approximately 2.64 persons per household by 2040.

As a result, the forecast of housing units is estimated from households by factoring in a vacancy rate, which under circumstances of general market equilibrium is approximately 5 percent, the number of housing units in the Town is forecast to double over its 2010 level to more than 14,000 by 2040. This level of growth reflects a slightly lower magnitude of population and household growth than Windsor experienced during the decade 2000 to 2010. Overall, the number of housing units is projected to increase by approximately 6,100 between 2010 and 2040 at a rate of 243 units per year (compared to an average of 323 new units per year between 2000 and 2010), or a rate of 2.3 percent per year.

Figure 39
Town of Windsor Housing Unit Forecast, 2010-2040

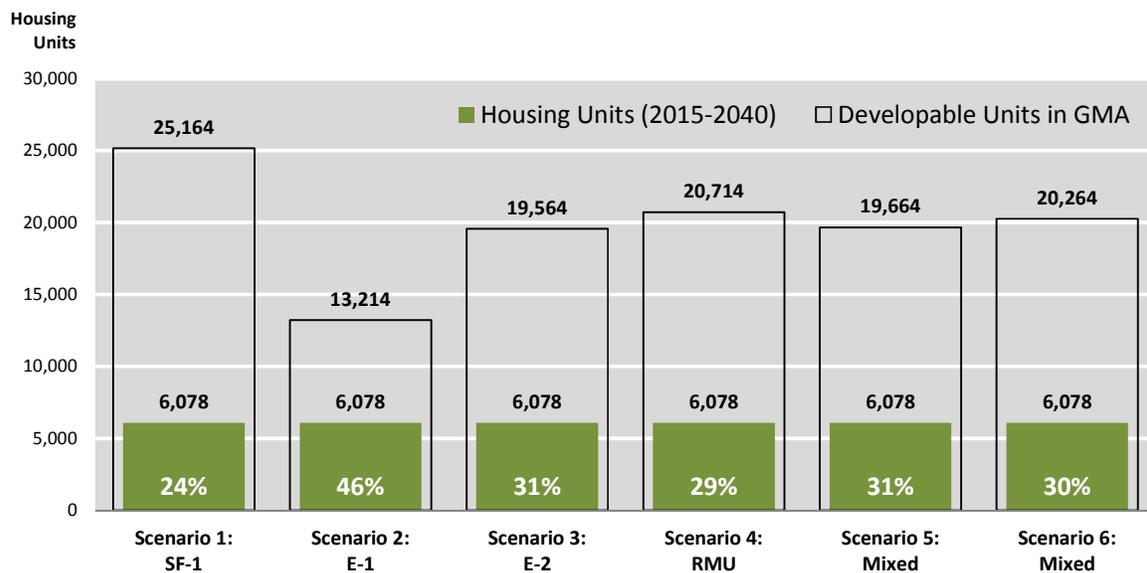


Capacity for Growth

Considering the magnitude of active and planned projects with units remaining to be built as well as the developable area within the GMA (infill and greenfield opportunity areas), these growth assumptions do not imply that Windsor will surpass its capacity for growth over the next 25 years. **Figure 40** illustrates the portion of the Town's total remaining capacity for housing unit development (assuming absorption of active and planned projects, as well as the other developable capacity within the GMA) scenarios from the last chapter that this projected population, household, and housing unit forecast is estimated to capture.

- **Scenario 1:** As SF-1 generally creates the densest gross development, projected growth is estimated to consume 24 percent of the Town's total remaining capacity. At the projected rate of growth, this scenario would facilitate another 79 years of housing growth beyond 2040.
- **Scenario 2:** As E-1 generally develops with the lowest gross density, projected growth is estimated to consume 46 percent of the Town's total remaining capacity. This scenario would facilitate another 29 years of housing growth beyond 2040.
- **Scenario 3:** Under the more varied E-2 development patterns, projected growth is estimated to consume 31 percent of the Town's total remaining capacity. This scenario would facilitate another 55 years of housing growth beyond 2040.
- **Scenario 4:** Also under the flexible RMU zoning, projected growth is estimated to consume approximately 30 percent of remaining capacity. This scenario would facilitate another 60 years of housing growth beyond 2040.
- **Scenario 5 & 6:** Under these two scenarios, as well, projected growth is estimated to consume approximately 30 percent of remaining capacity. These scenarios would facilitate another 56 or 58 years of housing growth beyond 2040, respectively.

Figure 40
Forecasted Growth as Portion of Developable Area in GMA



Source: Economic & Planning Systems

Housing Demand

This section summarizes stakeholder input and data from other housing studies on the qualitative characteristics of the regional housing environment with an understanding of Windsor's role within the North Front Range regional economy. It also provides a summary of the confidential discussions EPS conducted with several housing developers and stakeholders in the Town of Windsor.

Changing Preferences

As demographics across the country are changing, drivers of new housing demand are increasingly favoring preferences for neighborhoods with different housing types, higher-densities, mixed-use environments, and walkability to services, entertainment, and employment. In choosing where to live, households are seeking amenity- and proximity-driven housing options, or housing with a sense of place. This section briefly presents some findings from other communities on similar housing demand and forecast issues. Among the major findings are that housing preferences of those currently under 45 differ from those over 45, and that this carries implications for identifying the appropriate market balance between demand for high-activity mixed-used urban environments and low density suburban ones.

Components & Drivers of Demand

Housing demand is multi-faceted and can be characterized by a variety of standard economic, locational - such as housing, neighborhood, and community preferences, socio-demographic factors - and personal, individualized preferences.

- **Economic:** From a macro perspective, housing demand is driven by employment, or other major industries that attract new households from outside the regional economy. As local industries expand and employ more workers, or as new industries establish business and employ workers, the demand for housing will increase. From a micro perspective, housing demand is created when a new renter or owner household is formed, such as young adults moving out of parents' homes, a university student moving to the city, a worker relocating to the city, when an existing renter household has sufficient equity and income to buy a home, or when an existing owner household buys a new home in the same city.
- **Locational:** The context and setting of housing is a significant element of demand, but not in itself a creator; rather, locations serve to facilitate, orient, and direct where housing demand goes. Neighborhood and community-level amenities can attract, retain, or turn away housing demand. For example, a neighborhood with streetscaping and bike paths, neighborhood-scale retail, restaurants, entertainment, and an employment center attract households. Housing demand characterized in these terms can be called "sense of place" or "sense of community". One major finding among several surveys EPS has conducted around the U.S. confirms that most households (i.e. 80 percent choose to buy a house on the basis of its location or neighborhood features rather than merely its size or type). In the case of younger generations (particularly Gen Y), their preferences are focusing even more so on housing in mixed-use, pedestrian-scale settings. As this and younger generations age into primary home-buying ages, responding to their needs by facilitating the growth and development of urban activity centers and walkable neighborhoods could mitigate against the potential loss of these households.

- **Housing Types:** While the type of housing is more a characteristic of supply than demand, the absence of housing types or even absence of a variety of housing types can be a deterrent to housing demand. For example, communities that rank the highest for “sense of place” or “sense of community” are those that not only have established centers of activity with stores, restaurants, entertainment, and employment in close proximity, but also have a variety of housing types and at a variety of price points. This is important not only for meeting housing demands with new greenfield development, but also infill or redevelopment areas.
- **Schools:** The presence of quality schools in proximity to housing is one of the more significant drivers of housing demand. Although improving the quality of schools is not always within a municipality’s direct control, ensuring and planning for the development of housing in walkable neighborhoods with services and amenities close to existing or future schools is. In EPS’ surveys, when asked whether the size of a house, the neighborhood, or something else was most important in deciding where to live, quality of schools is most commonly cited as that “something else”.
- **Other Preferences:** EPS’ research also indicates that households find “sense of privacy” and “sense of safety and security” very important aspects of where they live. Sense of privacy concerns seem to be more important to older age cohorts than younger ones, and there seems to be an inverted relationship between sense of privacy and the desire to be in a place that’s the “center of it all”. That is, younger age cohorts generally are not viewing sense of privacy as important as older age cohorts. Older generations seem to be motivated to find housing that meets their demands for sense of privacy, which has led them in great quantities to lower-density housing developments. Sense of safety and security, however, seems to be equally important to all age cohorts.
- **Trade-offs:** Implicit in all of these components of demand, however, are trade-offs. Housing demand has always been characterized by the presence of them, and EPS’ survey research indicates the emergence of a shift increasingly away from historic trade-offs where bigger houses and greater sense of privacy are favored over smaller houses, smaller lots but better proximity to amenities like centers of activity with retail, restaurants, entertainment, and employment. The pivot point in this is a decrease in the desire to drive as much and what households are willing to do with the cost savings of driving less. That is, a household that favors a larger house with more privacy located further from shops, restaurants, entertainment, and work must drive everywhere. As a result they have a willingness-to-pay threshold for housing. A household that chooses to live in a proximity- and amenity-driven environment does not have the same transportation costs, and has the ability to pay more for housing, because they can capitalize the cost of transportation into their house. In general, households are increasingly making decisions based on the “sense of community” they perceive not just as evident in the community at large, but in a neighborhood as well.

Regional & Local Relevancy

While the general discussion of national research regarding housing demand drivers and shifting preferences is useful in framing the discussion of regional and local relevance, it is important to note that these trends do not imply that all future housing development must conform to such amenity- and proximity-driven characteristics. The demographics of housing demand are

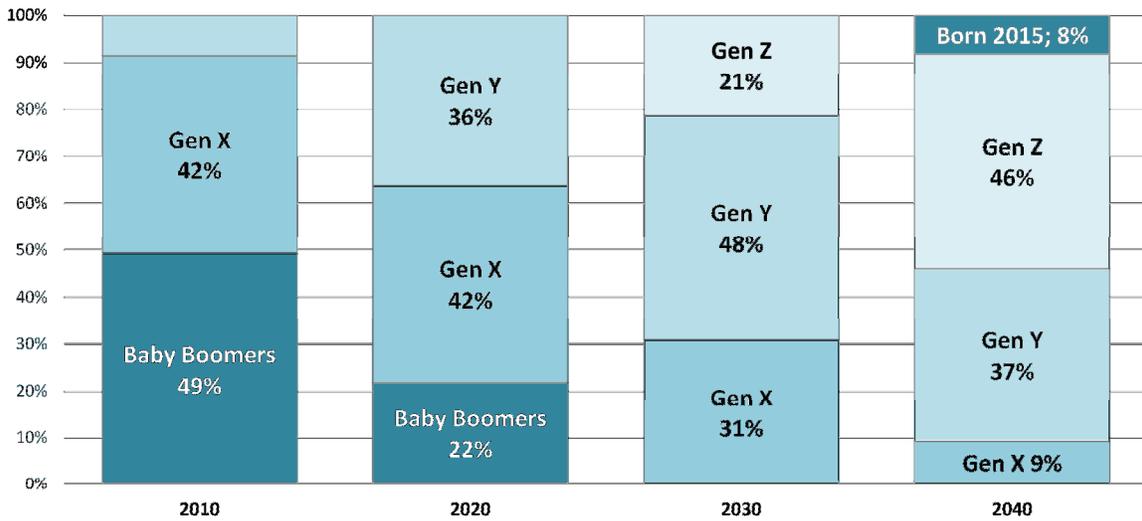
complex and multi-faceted. Many different population groups and household types make up the housing market. As the Town of Windsor is an integral component of the Northern Front Range regional economy, it is reasonable to project that Windsor will continue to see growth and development pressure. From this perspective, the following brief discussion highlights some of the issues and opportunities facing Windsor discussed with local developers and stakeholders.

- **Regional Economy:** Windsor is a part of the larger Northern Front Range regional economy, whose employment center is the City of Fort Collins. The relationship between Windsor and Fort Collins, for example, has positively impacted growth in the Town of Windsor over the past decade or two, and it is likely to remain that way in the foreseeable future. As an example, Fort Collins' land use and development policies (i.e., its higher development impact fees and urban growth boundary) have indirectly impacted housing growth in the Town of Windsor. Moreover, the growth of Fort Collins' employment base and local cost of housing have also positively impacted housing and population growth in the Town of Windsor. As noted earlier in the report, in-commuting to Fort Collins has increased by 85 percent over the past 10 years, a sign of an increasing portion of Fort Collins job-holder choosing to live in Windsor. (The number of overall out-commuters has also more than doubled in the last ten years.)
- **Local Community Attractiveness:** Although unprompted in the interviews, many stakeholders commented about one major element of Windsor's attractiveness: its "hometown" community feel. Although stakeholders also voiced unison opinions regarding Windsor's lack of a vibrant downtown that could attract higher-density mixed-used developments like Fort Collins, for example, it was a common theme among their comments what Windsor does offer is the attractiveness of a hometown, whether or not people grew up there.
- **Proximity & Amenity-Driven Environment:** Related to the population forecast by age (the analysis of which is illustrated in **Figure 41**) and related to the components of demand described before that, stakeholders felt that Windsor would continue to attract a similar demographic to those that had been moving there over the past decade in spite of the shifting demographics of the home-buying population. From the perspective of the national research, although new home-buying generations are expressing an interest in more amenity- and proximity-driven housing environments, a large portion of them still aspire to the single-family detached housing environment which communities like Windsor offer. And within the Northern Front Range regional economy for employment and housing opportunities, Windsor will likely meet the demands for that portion of those demographic cohorts well into the future.

As an illustration of the population forecast by age, EPS estimates that by 2020, Generation Y (also known as the "Millenials") will account for more than a third of the home-buying population (ages 25 to 65), and by 2030 will account for nearly half.⁷ As the historic demographic analysis shows, there are families with children moving in and there are many retirees and empty-nester households downsizing that have newly made Windsor their home.

⁷ EPS chose this age bracket based on housing demand work completed for other clients, as well as other national research.

Figure 41
Forecasted Growth as Portion of Developable Area in GMA



Source: Economic & Planning Systems

- Water Availability:** The issue of rising costs of Colorado-Big Thompson shares entered into discussion frequently with stakeholders. Many expressed concern that it presented an economic challenge to development, and it was also noted that the cost per unit (identified as approximately 7/10ths of a CBT share) currently around \$25,000 to \$30,000 per unit were not likely to decrease. It was noted that the dwindling supply of CBT water availability and the increased demand through development regionally has caused the price to take its recent jump.

5. POLICY CONTEXT & RECOMMENDATIONS

Against the backdrop of the supply and demand contexts, this final chapter identifies some of the basic elements of Windsor's regulatory and policy structure relevant to the discussion of meeting and facilitating future housing and demographic growth and demand. The chapter briefly summarizes existing policies and land use controls and provides several recommendations in line with ensuring that the Town's policy framework does not hinder or get in the way of development but rather manages it.

Context

Oil & Gas Impacts

The Town of Windsor has benefited somewhat from the increased oil and gas exploration activity of the region. Employment directly and indirectly related to the industry's activity has increased by nearly 200 jobs, particularly in the professional and technical services industry. The Town's employment in the industry's most direct activity, drilling and support activities, is approximately 50 jobs out of more than 1,300 jobs region-wide. Overall, oil and gas jobs in the Town account for only 2 to 3 percent of the overall employment related to the industry, but that does not imply that such a small fraction of workers have chosen to live elsewhere.

Local secondary information is extremely limited with regard to the residence selection of this workforce. Based on EPS' understanding of the transience and mobility of this workforce (as noted in the section of Chapter 2 that described the employment levels and oil and gas employment phases), it is likely that the anecdotes regarding housing being purchased by workers in the industry are more likely to be reflective of demand from the more stable occupational categories within the industry. That is, as mentioned previously, most if not all rig workers follow the rig they work with, meaning their housing impact is a temporary one, i.e. occupying apartments or even hotel rooms. It is likelier, although still speculation, that much of the housing that has been occupied by the oil and gas workforce is engaged in the more regional (more stable) occupational categories of the industry's activity.

Land Use Code

This study is not intended to provide a full examination of the robustness or legal soundness of the Town's land use code, but EPS reviewed a few of the elements related especially to subdivision and zoning classifications, as analyzed in the previous chapter on land use supply context. While not all related to zoning classifications, they all speak to the overall capacity of development and the ability of the Town to flexibly respond to and accommodate different types of development patterns.

- Maximum Occupancy: Article II §16-2-20 of the Town's zoning code identifies that the maximum occupancy of a dwelling unit not be more than 4 unrelated persons. While this issue is highly contentious in some communities, such as in Fort Collins where the limited to occupancy is 3 unrelated persons, there seems to be little to no pressure to change this definition. This aspect of the Town's land use code is noted because, under the

circumstance of greater demand for rental housing, which Windsor does not currently have, a relaxation (or increase) in the maximum allowable unrelated persons can sometimes help to alleviate rental housing inventory pressures.

- Minimum Setback from Oil & Gas: Article II §16-11-80 and §16-11-90 indicate that minimum setbacks from oil and gas development for low density residential development is 150 feet and 350 feet from high density developments. Why different?
- Parking Requirements: Article II §16-11-70(8) indicates that parking requirements are two spaces per residential dwelling unit, regardless of density setting.
- Minimum Single-Family Dwelling Size: There are multiple references to a dwelling unit minimum usable living area, such as 1,000 square-feet for a single-family dwelling unit in Article II §16-11-70(6), concerning the application of individual lots.
- Minimum Lot Area: As noted in the analysis, each zoning classification allows for different minimum lot sizes as well as combinations thereof. This aspect of the land use code is noted because it is a primary point of control for allowing greater or lesser density. As Windsor plans for its future, the Town should take into consideration that smaller lot sizes and greater density may contribute positively toward the goal of increasing the core old town's attractiveness.
- Mixed-Use Setting: Except for the RMU classification which allows for a mix of commercial and residential uses, the Neighborhood Commercial District allows for residential uses where the occupant of residential uses above commercial space is limited to "owner, proprietor, commercial tenant, employee or caretaker located in the same building, according to Article XVII §16-11-70(6).

Economic Incentives Resolution 2004-39

The "economic incentives" resolution was adopted in 2004 by the Town Board. It established a policy mechanism by which developments that met the definition of a "work force housing project", where at least 20 percent of its housing were affordable to households earning up to 80 percent of the Area Median Income (AMI) could receive up to three incentives: bonus densities; fast-tracked development process; and deferral of fees.

Primary work force housing units were defined as "*dwelling units designed for home ownership that are available for purchase on terms that would set principal and interest payments, insurance payments, tax payments and utility expenses at a total amount equaling no more than 35 percent of the monthly income of households that earn up to 80 percent of the average household income in the Town of Windsor.*"

The resolution also provides that "*primary work force housing developments or project shall be entitled to an additional number of units equal to 10 percent of the number of primary work force housing units proposed for the development or project.*" It is noted that this resolution has not been codified into the Town's zoning code, and that since passage of this resolution, only the local Housing Authority has taken advantage of it.

Recommendations

General

The following are recommendations related to preceding findings.

1. The Town should take a balanced approach to its community and economic development initiatives.

It has been mentioned that one of the primary characteristics of Windsor's attractiveness is its "hometown" feel. But, along such traditional lines, Windsor is not a traditional economy. As the findings suggest, only 20 percent of local jobs are held by residents, and only 10 percent of its residents work locally. The Town should put as much of its resources and attention to the task of building its local employment base as it should in ensuring that its housing stock is meeting the demands of its future residents.

2. Building the Town's employment base should strategically link quality of jobs with location.

The dramatic commuting patterns indicate that Windsor is heavily reliant on regional job-holders to fill its positions, some of which are manufacturing, but that it is also a net exporter of labor to a number of other cities (primarily Fort Collins, Greeley, and Loveland), where 90 percent of employed Windsor residents work somewhere else.

Attracting, recruiting, and retaining good-paying jobs is central to economic development officials' missions, but it should not be the only objective of the Town. While municipal fiscal structures often place communities in a position of competing for sales tax against one another, the Town should not lose sight of building its employment base in quality industries that are more "export-driven", i.e. manufacturing, professional and technical services, administrative and management, financial services, etc. Additionally, taking more control of where this employment might be located would positively contribute to the long-term development and invigoration of its old town area. As such, the Town should look for and evaluate infill and redevelopment opportunities within its core that would be appropriate for catalytic development sites. Succeeding at these efforts would be major achievements in increasing the overall attractiveness of the central part of the Town as not only a place to do business, but a place to live, shop, etc.

3. Look for opportunities to increase the density of housing in the Town's core.

Related to the previous point, an increase in housing density in the core of the old town area does not necessarily mean suddenly permitting mid- or high-rise development. Rather, as the core of the Town becomes more attractive, it will become more attractive to households seeking a greater diversity of housing options, including rental or even condominiums. Along these lines, the Town should also evaluate sites within a defined area that would be appropriate for infill or redevelopment as residential or mixed-use.

4. The Town should promote housing development that meets the needs of a more diverse and wider spectrum of incomes (especially for workforce housing).

Some points of analysis, such as the increase in cost-burdened households earning over \$75,000, point to a mismatch in housing supply. The housing gaps analysis also points to an undersupply of housing affordable to households earning less than \$50,000 per year (if not

just a problem of wages being too low). Along these lines, it is not clear whether households are choosing to place themselves in a cost burden situation or not. And the analysis of the distribution of commuters by industry illustrates that most of the manufacturing jobs, for example, in the Town are held by non-residents.

5. The Town's minimum lot size within the central parts of Town should be revisited.

As noted above, if the Town makes a strategic long-term effort to plan for a denser, more vibrant urban environment in its core, reducing the minimum lot sizes, which are 6,000 square-feet in most of the areas surrounding the old part of Town, will facilitate this. This does not mean that a new zoning classification should be created, but that, especially through the Town's comprehensive planning process, the zoning classifications of this part of central Windsor should be reexamined and aligned with the possibility of increasing overall residential densities and facilitating the longer-term goal of creating a mixed-use environment.

Housing Incentives Resolution

The following recommendations are related specifically to the refinement of the economic incentives resolution 2004-39, which pertains to affordable housing development.

6. The definition of a "primary work force housing project at 20 percent is fairly aggressive and would cut deeply into the economics of an otherwise market-oriented development.

This language is derived from the structures of Inclusionary Housing Ordinances in which a "set-aside" requirement is established. The City of Boulder's set-aside requirement, for example, is 20 percent, and the City of Denver's is 10 percent. It is a hotly contested aspect of these land use control mechanisms and one that faces high developer opposition. EPS recommends lowering this figure to 10 percent, or scaling the set-aside percentage so that it is appropriately balanced with the economic value of the incentives offered: e.g. a 10 percent set-aside would be granted a limited type of incentive, whereas a higher set-aside could be granted more incentive.

7. The definition of a "primary work force housing unit" could be modified.

While it is compelling to include utilities into the equation of affordability for work force housing households, industry practice typically omits this because of the administrative difficulty in qualifying the units and households. Relatedly, the total household income limit should be reduced to 30 percent of income, not 35 percent. This would also align the policy to industry standard practice. And unless intentional, the language on the type of income is typically "area median income", not the "average household income", which in Windsor's case is a much higher number. In practice, this may practically result in a policy that incentivizes what other communities actually deem "work force housing" needs in the 100 to 140 percent AMI categories.

8. The value of bonus density should be more appropriately estimated to align with actual market economic value.

Ordinarily, a bonus density is one of the most economically valuable incentive tools available under similar land use regulations. In lower-density environments, however, where there is little to no market support or interest in greater density, the incentive has little economic

value. In Fort Collins, for example, the bonus density of its economic incentives policy is also viewed by the development community as holding little economic value. The market doesn't even support it there. The current 10 percent, as only calculated from the number of work force housing units provided, is too small and is unlikely to influence development community behavior.

9. *The fast-tracked development process holds debatable value.*

It is fairly debatable whether expedited review holds real economic value to a developer. In terms of quantifying what is at stake (i.e. where the economic value in this incentive lies), for a market-rate development, a developer might have his or her own money, staff, attorney or any other staff time involved during the entitlement process. Another element that may quantify the entitlement process is the degree of entitlement risk involved in a project, i.e. a risk premium that is figured into the hurdle rate for proceeding with a project. Each of these aspects for quantifying the value of the planning and entitlement review process speaks, however, to predictability. Developers look for predictability, and if this incentive is to have any quantitative value, it should be defined in actual terms of how much the process is expedited – e.g. number of months. Otherwise, many developers see little to no value in this incentive.

10. *Fee deferrals may not impact developer bottom-line, i.e. influence behavior, enough.*

Deferrals differ from fee "waivers", which are in use in surrounding communities and in most communities with these types of incentives. Regionally, Loveland waives (and essentially back fills with General Fund dollars) the development review fees, which can be a substantial incentive to the project, and Fort Collins is in the process of reevaluating its policy with regard to fee waivers for housing projects, as well. The Town should reevaluate whether it can afford to fund fee waivers for projects that are likely to come forward.

Other

The following recommendations are indirectly related to some of the issues and findings of this study and EPS' research.

11. *The Town should proactively pursue alternative sources of water.*

While it is beyond the scope of this study to assess the merits of the Town's water provision and development policy, there were several policy considerations noted by stakeholders that are worth mentioning. Support the Northern Integrated Supply Project (NISP), but be more proactive about finding alternative and local water sources so that the cost of water does not become a deterrent to development.

12. *The Town should conduct a survey of its residents during the Comprehensive Plan Process.*

Surveys can be a valuable means to collect primary data on socio-economic and demographic characteristics that are not available through commonly available secondary sources. Such a tool would also enable the Town to identify the extent to which job-holders in new households to Windsor are employed in the oil and gas industry. In its longer-term strategy, and especially in the next comprehensive planning effort, the Town should include a household and employee survey component to identify some of the "choice" issues that have surfaced through this analysis with questions that evaluate what type of financial trade-offs

households may have made to move to Windsor, whether they have intentionally chosen to put themselves in a cost-burden situation, and for employees, whether the availability of lower cost housing would motivate them to live in Windsor.



MEMORANDUM

Date: December 15, 2014
To: Mayor and Town Board
VIA: Kelly Arnold, Town Board
From: Stacy Johnson, Economic Development Director
Re: Regional Tourism Act Update
Item #: WKS – Item 2

Background / Discussion:

Go NoCO, a private 501c.3 was formed for the purpose of completing a Regional Tourism Act (RTA) application to the State of Colorado Economic Development Commission. This item is an update to Town Board on the progress the organization has made. The report will include information on potential destination tourism projects to be located in Loveland, Windsor, and Larimer County if the application is successful. The update will outline the organization's communication strategy and the work of the consultants which have been hired to complete the application. The town staff report will update Council on their future participation in the application process.

In July of 2014, the City of Loveland, Town of Windsor and Larimer County began an effort to compete for a State of Colorado RTA award. The purpose of the RTA is to support the development of destination tourism attractions and amenities with State of Colorado sales tax increment generated over a period 30 years. The official Northern Colorado application is due in February 2015. An award will not be announced until November of 2015.

Relationship to Strategic Plan:

Diversify, Grow & Strengthen the Local Retail and Industrial Economy

Attachments:

Presentation from Go NoCO Board
Go NoCO Team Information
Town Staff Report
RTZ Maps
Letter from OSPB – Base line growth rate

Go forward. Go stronger. Go NoCO

RTA Application Update

Windsor Town Board
Work Session
December 15, 2014



Go forward. Go stronger. Go NoCO.

Progress to date

- Over 20 site visits by potential project operators
- Three Go NoCO Board Meetings
- In progress: private sector fundraising effort to raise \$50-100K
 - Funds for application preparation and Sylvan Dale Guest Ranch redevelopment plan
- “A-Team” consultants hired
- Potential projects being considered and analyzed for feasibility



**“Success is where preparation and
opportunity meet.”**

— Bobby Unser



Go forward. Go stronger. Go NoCO.

The Go NoCO A-Team

- *Tom Hazinski, HVS: Hotel Market Study*
 - Supported Aurora RTA win in 2012
- *Mike Anderson, Summit Economics*
 - Supported Colorado Springs \$120M RTA win in 2013
- *Trey Rogers, Lewis Roca Rothgerber*
 - Wrote the RTA legislation with Don Marostica and Governor Ritter
- *Roger Thorp, Thorp Associates, PC*
- *Roger Sherman, BHA*



The Go NoCO A-Team

- *Dave Claflin, C2 Creative: real estate marketing materials*
- *Nicole Yost, Fyn Public Relations: PR, messaging & application development*
- *John Metcalf, Perfect Square: branding, design & application packaging*
- *Lori Gama: website development & social media*
- *Karen Fournier, Starstream Productions: video*



Go forward. Go stronger. Go NoCO.

The Go NoCO A-Team

- Developer-hired consultants
 - *David Cushman, Cushman Properties*
 - *Steve Graham, Stellar Development*
 - *Sports Facility Advisors*

Consultants bring extensive, successful destination attraction knowledge and expertise.



What is the Go NoCO A-Team doing on every project?

- Studying market demand and feasibility
- Marketing northern Colorado to operators
- Developing the application and messaging
- Analyzing each projects ability to generate NNOVS
- Developing economic impact analysis
- Identifying the financial models
- Determining the 'But For'



Go NoCO Potential Projects

- Sports Tourism Complex (Centerra)
- Wildlife & Natural History experience (Centerra)
- Regional Ice Sheets (Fairgrounds/Crossroads)
- Peligrande Resort & Convention Center (Windsor)
- Sylvan Dale Guest Ranch
- High-end RV Park
- Other exciting projects in the works



Go NoCO Potential Projects

Sports Tourism Complex for both field & sport courts
(Centerra)



McWHINNEY

\$30 Million Cost Estimate



Site Plan: Final Schematic Design
YOUTH SPORTS COMPLEX
City of Gatlinburg and the Gatlinburg-Sevier County Joint Venture

28 January 2013



Go forward. Go stronger. Go NoCO.

Go NoCO Potential Projects

Wildlife & Natural History experience (Centerra)



Go forward. Go stronger. Go NoCO.



Go NoCO Potential Projects

Peligrande Resort & Convention Center

Project Facts

Project Location:

City: *Windsor, CO*

County: *Weld*

Major Intersection: *New Liberty Rd. and Marina Drive*

Land Use:

Estimated Land Acreage: 40 Acres

Convention Center SF: 50,000

Marina SF: 20,000

Estimated Construction Costs Convention

- : \$10,000,000

Estimated Construction Costs Marina -

\$10,000,000

Amenity Enhancement - Hotel /

Timeshare - \$50,000,000



WATER VALLEY LAND COMPANY
Resort Area Lower Plan - October 2010



Go forward. Go stronger. Go NoCO.



Go NoCO Potential Projects

Sylvan Dale Guest Ranch



Go forward. Go stronger. Go NoCO.

Go NoCO Potential Projects

High-end RV Park

Project Facts

Project Location:

City: *Windsor, CO*

County: *Weld*

Major Intersection: *¼ Mile South of
Crossroads Blvd and 7th Street*

Land Use:

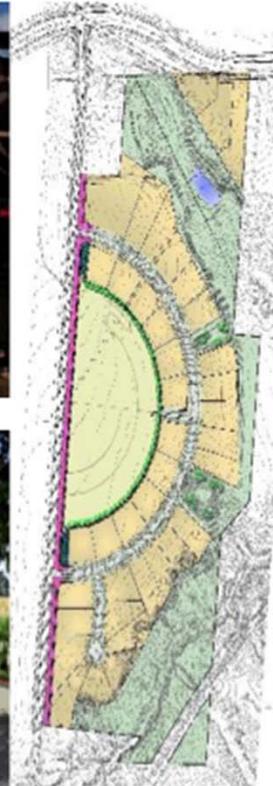
Estimated Land Acreage: 93 Acres

Estimated Construction Costs:

\$5,000,000

Summary:

High-End RV Park



Go forward. Go stronger. Go NoCO.



Next Steps

- Additional information in January work session
- January 12, 2015 formal support for RTA application needed
- Potential meetings as-needed pending project feasibility work
- Working on website, additional marketing
 - Video to spark community enthusiasm/engagement
 - www.GoNoCO.org
- RTA Application due February 2015
- Announcement of awards November 2015



Go NoCO RTA Application Update

Windsor Town Board

December 15, 2014

As Go NoCO prepares its Regional Tourism Act (RTA) Application, we have assembled an exceptional team of consultants with proven RTA and destination tourism experience to help us achieve our vision of bringing Go NoCO's tourism potential to-life with an RTA grant. This 'Dream Team' has already been working hard to analyze, research, prioritize and build resources to support Go NoCO.

Tom Hazinski, HVS

Thomas Hazinski was instrumental in Aurora's 2012 RTA win. He has an advanced degree in Public Policy from the University of Chicago and over 20 years of practical experience in the public sector and the consulting business. Tom is nationally recognized by rating agencies, bond insurers, and investors on Wall Street, as well as by clients throughout the world for his expertise in convention, sports, entertainment, and hospitality projects.



Mike Anderson, Summit Economics

Mike is performing the financial analysis for the modeling of the TIF generation in the RTZ. Each project is being evaluated for its ability to perform and bring net new visitors to Colorado and the increment it will create. He supported Colorado Springs \$120M RTA win in 2013. As a senior partner, will serve as the project lead for the Go NoCO project. Anderson has over 32 years of experience in municipal budgeting, public finance, municipal management, and fiscal economic impact analysis. His career has included serving as a financial analyst, financial economist and city manager for local government. He has specialized experience and expertise in financial feasibility studies, fiscal impact analysis, economic development, and public policy.



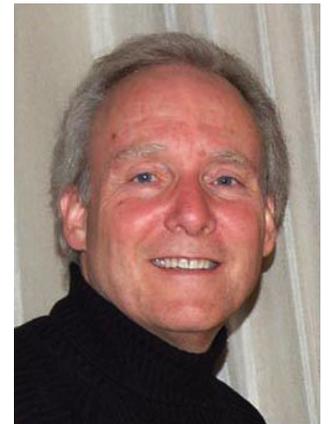
Trey Rogers, Lewis Roca Rothgerber

Trey is representing and advising the Go NoCO Board on the application process and financial and legal obligations. Trey served under the Ritter Administration and was instrumental in working with Don Marostica on the RTA legislation. As an attorney with Lewis Roca Rothgerber, Rogers' practice is focused on litigation, public law and government relations. He has significant experience in local and national politics. He assists clients on public policy development, regulatory and legislative solutions, election law, campaign finance, and governmental strategies. His litigation experience includes jury and bench trials, arbitrations, and mediations. Mr. Rogers has extensive experience with motions practice, discovery, and appellate advocacy in complex matters in state and federal courts.



Roger Thorp, Thorp Associates PC, Architects and Planners

Roger M. Thorp, AIA, LEED AP, NCARB, is an award-winning architect with over 44 years of professional experience in architectural design and planning in public and private sector projects. A 1970 honor graduate of Kansas State University School of Architecture with graduate work at Harvard School of Design, Roger is licensed in 16 states and two Canadian provinces. In 1976 he founded Thorp Associates in Estes Park as a service-oriented, client-inclusive, environmentally-sound architectural design and planning firm. He has participated in many multi-disciplinary teams developing architectural concepts and planning solutions throughout the United States and Canada. The firm has earned over 40 awards and citations, and in 2010 Roger was named "AIA Architect of the Year" by Colorado North Chapter of AIA.



Roger Sherman, BHA Design

Roger Sherman is the vice president and design principal for BHA Design, an award-winning landscape architecture firm located in Fort Collins, Colorado. They are known for crafting design solutions that are fitting, artful, interesting, and appropriate given the context. BHA has focused its predominant design efforts in Northern Colorado. At the same time they remain actively engaged in the design world and are constantly striving to keep their firm at the forefront of design innovation. In fact, BHA has received nineteen design awards in the past decade from organizations such as ASLA, AIA, and CPRA.



David Clafin, C2 Creative

Dave is responsible for the real estate marketing materials to use in attracting operators of destination attractions. Dave's eclectic resume brings together several marketing disciplines. Serendipitously, Dave became interested in the science of creativity over 15 years ago. His current work furthers that research and applies it on behalf of corporate and individual clients in the form of workshops and seminars and marketing consulting.



Nicole Yost, Fyn Public Relations

Nicole will handle public relations and media communications for the Go NoCO board. She is also preparing and coordinating the final application. Nicole has helped companies all over the globe achieve real public relations results - all from the beautiful state of Colorado. Yost has worked in various industries, but primarily focuses on places including travel and tourism, economic development, municipalities and counties, real estate and destination events and attractions. She has placed clients in national top tier media such as BusinessWeek, MSNBC, Yahoo.com, USA Today, The Today Show, New York Times, CBS Sunday Morning, Fox & Friends, Redbook, Travel & Leisure, The Associated Press, Reuters, The Washington Post, among countless others.



John Metcalf, Perfect Square

John is the graphic design consultant who created the Go NoCO logo and he will be assisting with the development of the final application. His more than 20 years of professional graphic design experience encompasses logo, branding, print advertising, marketing collateral, direct mail, annual report, online promotion and web site design projects. Metcalf is equally adept at typography, multi-page print pieces and complete advertising campaigns. Several of Metcalf's designs have been recognized with local, state & regional awards and included in graphic design publications.



Lori Gama, DaGama Web Studio, Inc.

Lori is building the Go NoCO website and leading social media. For 18 years, Lori has helped thousands of people increase visibility, engagement and conversion rates by getting top search results in Google; by reaching and engaging with millions of people via social media marketing; and by producing websites that convert visitors into customers. Social Media Management; SEO management; Responsive Website Design; E-commerce; Email Marketing; Google and Facebook Ad Campaigns are some of the things she loves doing for northern Colorado and beyond.



Karen Fournier, Starstream Productions

Karen is Go NoCO's videographer. Karen focuses on capturing the essence of businesses and nonprofits through logo animations and promotional videos which are concise, creative and compelling.



David Cushman, Cushman Properties

David Cushman is best known for putting people together. A highly respected full-service developer on his own, David brings many areas of expertise to the table; but, as a seasoned networker and team builder, he taps into his resources network of masters of all development and operational disciplines. For more than 30 years David has been a developer, builder and operator of destination experiences. His projects include mixed-use, retail, Class A office, multi-family, and hospitality, but he has a special affinity for attractions. As an entertainment and attractions driven developer the tourism city of Branson, Missouri has been "home" to David his entire life and is a source of inspiration and support for his visioning.



Steve Graham, Stellar Development

Steve Graham brings together a rare combination of expertise in architecture, construction, development and leasing. His career has embraced all of these talents and interests resulting in development experience focused on the largest and most-complicated commercial development challenges. Before launching Stellar Development Steve spent the previous 10 years as the Vice President for Destination Development for RED Development. Steve contributed greatly to the leasing, development and strategy behind some of RED's biggest shopping centers, including The Legends Outlets of Kansas City, The Promenade at Chenal and The Legends at Sparks Marina.



Sports Facility Advisors

SFA is a sport center planning consultant. SFM is a sport center management company. Its venues host recreation programs, league sports, tournaments, concerts, meetings and conventions, and all types of special events. They assess feasibility, master plan entire community programs, produce funding documents, structure public-private partnerships, oversee new facility openings, and they manage and advise many of today's most notable community sport and recreation centers. Since 2003, SFA|SFM have become the preeminent resource for public and private clients seeking to plan, fund, open, and optimize indoor and outdoor recreation venues. From sports tourism and tournament style venues to community recreation- they are making a difference in communities around the world. In 2013 and 2014 alone, SFA|SFM opened 1.5 Million square feet of indoor facilities and nearly 800 acres of outdoor complexes! In 2015, SFA|SFM client facilities will host more than 15 million visits.





MEMORANDUM

Date: December 15, 2014
To: Mayor and Town Board
VIA: Kelly Arnold, Town Board
From: Stacy Johnson, Economic Development Director
Re: Staff Report
Item #: WKS – Item 2

Staff Report to Town Board - Regional Tourism Authority (RTA) Update

Activity:

In the past few months staff from Town of Windsor, City of Loveland & Larimer County have been meeting with real estate professionals, developers and operators. The preliminary application was submitted in October with the maps identifying the proposed Regional Tourism Zones (RTZ). Maps of the RTZ are included with this report for reference. Work continues to identify potential projects within side all of the RTZs. Financial and Economic impact models are being run by Mike Anderson with Summit Economics and HVS.

Baseline Growth Rate: Town Staff in Economic Development, GIS, Finance/Sales Tax have worked diligently with Jason Schrock the Chief Economist for the State of Colorado, to establish the RTZ Sales Tax Baseline Growth Rate. Included with this report is a letter to Go NoCo Board Chair Rick Raesz, from Mr. Schrock at the state Office of Planning & Budgeting (OSPB) stating; "OSPB determined that the baseline growth rate for state sales tax revenue in the proposed RTZ over the next 30 years is 4.5%".

This is significant as it reduces the amount of tax increment the RTZ will generate for projects especially in the early years of project expense for construction and critical infrastructure. Staff and Mike Anderson from Summit Economics have met with the OSPB Staff to review this finding. At the time of this report we have not received any notification the OSPB has changed their assessment to reduce the baseline growth.

Management of expectations: As the Town Board interacts with the public it is critical to remind people that if the RTA request is awarded, success is not overnight. The State will make the announcement in October/November 2015. Then the Go NoCo Regional Tourism Authority (This is the managing entity that will be established if successful) will need to negotiate a contract(s) with the State. This could take six months to a year. Town Board members should not expect projects to come out of the ground before late 2016 or possibly 2017. It is paramount for citizens to be reminded of this timing reality. One example of the importance of keeping expectations realistic is that Sylvan Dale will still need to operate for two more Dude Seasons before RTA revenue would be available. While the RTA will be a valuable tool for the redevelopment of the ranch it will not be the only tool.

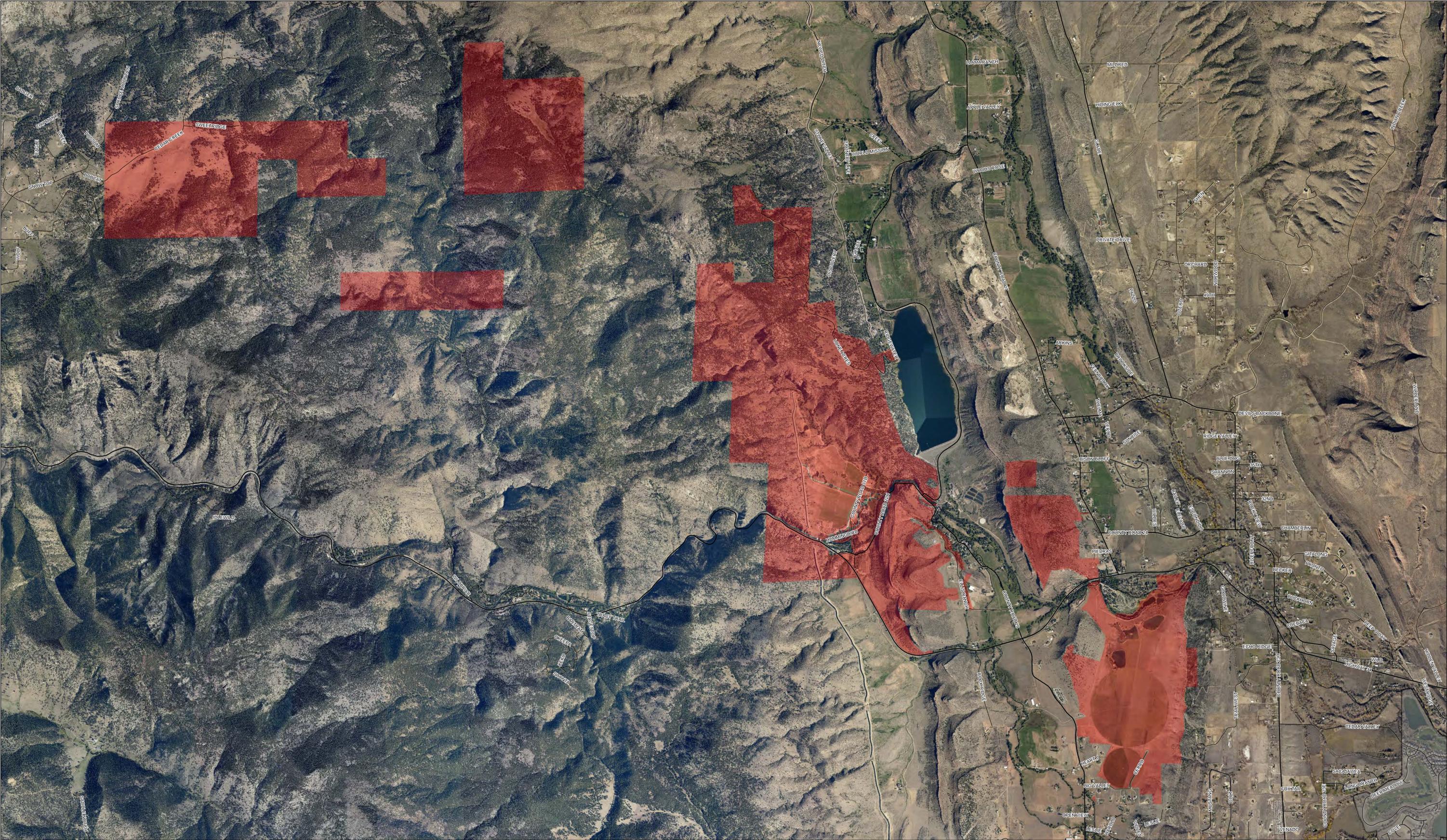
Future actions for Town Board: The state sales tax increment financing provided by the RTA is gap financing. One key factor in the legislation is the "But For" requirement. The RTA funding is not intended to be the only public investment in the regional destination projects. The

Town of Windsor and City of Loveland leadership should anticipate being asked for business incentive agreements by project owners and developers.

All potential projects are being evaluated for their ability to produce net new out of State visitor stays (NNOSV) and the associated generation of new state sales tax increment to support the project over 30 years. If the projects meet certain thresholds then additional analysis of the broader economic impact and possible financing models are being developed. Once these reports are complete it will be necessary for economic development staff and the Town Manager to ask Town Board to hold executive session(s) to consider participation and negotiations of any incentive agreement. These requests may occur in January. There are no projects ready for this consideration at this time.

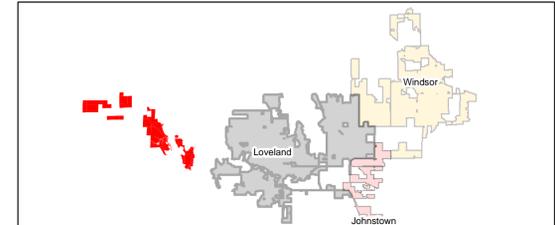
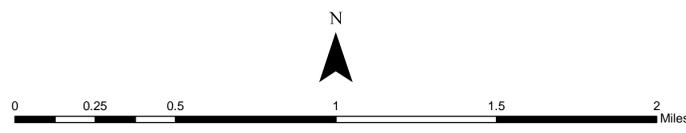
The costs to prepare the application have increased due to additional requests for information and application requirements from the state economist. Loveland City Council will be asked for funding request for additional lodging tax and incentive fund money in January. Betsey Hale, the Economic Development Director did anticipate this when it was discussed at the July study session when the first request was made.

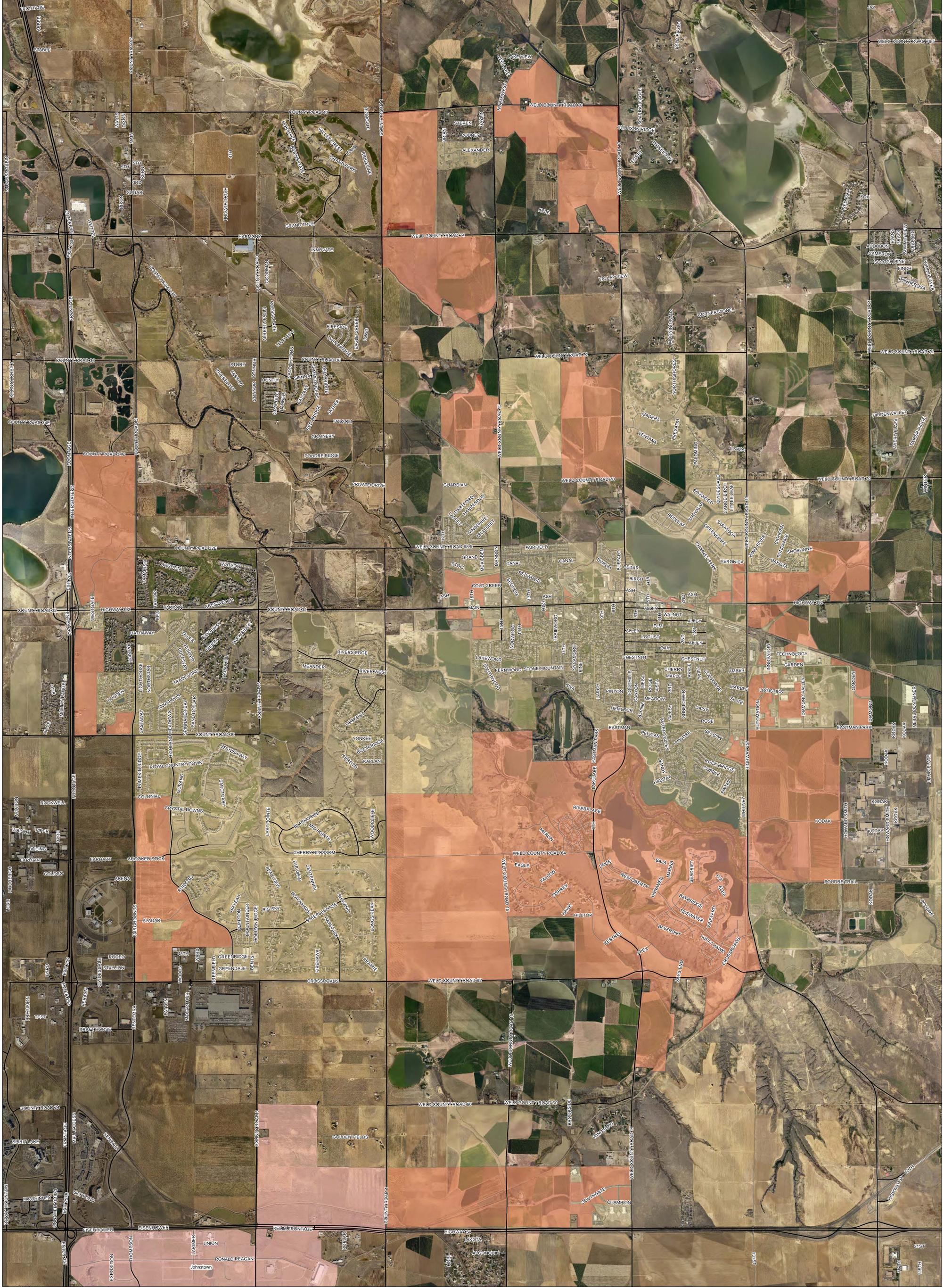
All elected bodies included in the RTA application will need to provide a resolution of support for the application. Town Staff anticipates this action being taken at the January 12th, 2015 Town Board Meeting.



Loveland City Limits
 Sylvan Dale Regional Tourism Zone (Unincorporated Larimer County)
 Sylvan Dale RTZ Area ~ 3370.1 acres

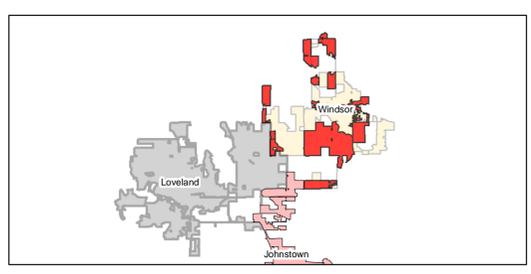
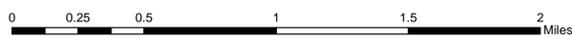
Sylvan Dale RTZ





- Johnstown City Limits
- Loveland City Limits
- Windsor City Limits
- Windsor Regional Tourism Zone
- Windsor RTZ Area ~ 7156.4 acres

Windsor RTZ





November 19, 2014

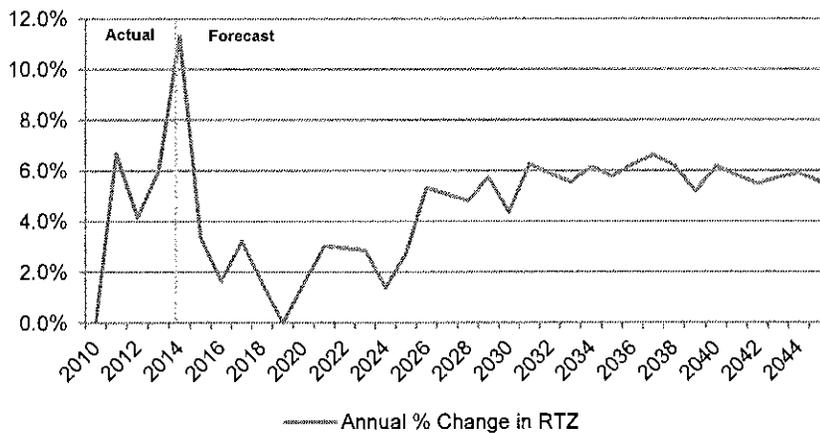
Mr. Rick Raesz, Board Chair
 Go NoCo

Re: Determination of Sales Tax Baseline Growth Rate for Regional Tourism Zone

Dear Mr. Raesz:

Section 24-46-304 (1.5) (a), C.R.S., requires the Governor’s Office of State Planning and Budgeting (OSP), in conjunction with the Colorado Office of Economic Development, to determine the baseline growth rate for state sales taxes for a proposed regional tourism zone (RTZ). Section 24-46-303 (1.5), C.R.S., defines the baseline growth rate as the forecasted growth in state sales tax revenue above the base year revenue that would be collected in a proposed RTZ if the proposed RTZ project did not occur. Per Section 24-46-304 (1.5) (c), C.R.S., both the local government applicant and the state’s third party analyst are required to use the baseline growth rate in their assumptions and economic analyses for the purpose of calculating the total cumulative dollar amount and percentage of the state sales tax increment revenue that can be dedicated to the proposed RTZ.

OSP determined that the baseline growth rate for state sales tax revenue in the proposed RTZ over the next 30 years is 4.5 percent. From 2007 to 2013, estimated annual state sales tax revenue growth in the zone averaged 1.0 percent, though this period included a major recession. State sales taxes collected in the entire Loveland and Windsor area combined from 1995 to 2013 grew at an average annual rate of 6.9 percent. The following graph depicts the historical growth rate in state sales tax revenue as well as the forecast baseline growth rate. This forecast projects that the RTZ will collect \$6.1 million in state sales tax revenue in calendar year 2015.



Summary of methodology. A forecast for statewide state sales tax revenue over a 30-year period was a key component used in determining the baseline growth rate for the proposed RTZ. The long-term forecast of statewide state sales tax revenue was derived using a similar methodology that OSPB uses in its quarterly forecast for state sales tax revenue. This methodology uses econometric time series techniques that incorporate dynamic relations among variables both in the short- and long-term based on an analysis of historical patterns in the data. These relationships connect sales tax revenue to key macroeconomic drivers, such as personal income and retail sales, as well as demographic trends and other factors that affect sales tax collections.

Moody's Analytics' long-term forecast for national retail sales was used a key component for deriving the forecast of the growth rate of State sales tax revenue. Colorado retail sales influence statewide sales tax collections, and retail sales in Colorado closely follow trends nationally. Moody's Analytics' below-trend long-term growth alternative national economic forecast scenario was utilized for the forecast. This scenario projects slightly lower economic growth, and thus consumer spending, than the baseline forecast to make the forecast more conservative than otherwise. Furthermore, after running multiple forecast scenarios of statewide state sales taxes, OSPB also picked a more conservative growth rate of statewide state sales tax activity for use in its analysis.¹

The relationship between statewide state sales tax revenue with sales tax activity for all of Loveland and Windsor combined, as well as within the proposed RTZ was analyzed using econometric time series techniques and other data analysis, including data on types of taxable sales by industry. Because state sales tax data was not specifically available for the zone, an analysis of the relationship between the City of Loveland's and the Town of Windsor's taxable sales and state taxable sales was utilized. The zone's proportion of overall Loveland and Windsor sales tax activity was also analyzed. Additionally, economic and demographic trends for the area were incorporated into the analysis. An econometric forecasting model with similar characteristics as the model for deriving the forecast for statewide state sales tax activity was utilized to help develop the baseline growth rate for state sales tax revenue within the proposed RTZ. This analysis considered more than the previous five calendar years of growth in the area, thus meeting the requirement set forth in Section 24-46-304 (1.5) (a), C.R.S.

Key factors and assumptions used in determining the baseline growth rate:

- State taxable sales for Loveland and Windsor combined grew at an average annual rate of 7 percent from 1995 to 2013 due in part to the area's population growth.
- Based on the State Demographer, the City of Loveland, and the Town of Windsor, population growth for the area will be higher than for the state overall through 2040.
- The proposed RTZ zone will experience a lower growth rate in state sales tax collections in the near term than the region overall due to the zone's smaller amount of retail and other commercial development. However, increased development in the zone will occur over the next 30-year period due to the continued projected population growth in the

¹ The same forecast for statewide state sales tax revenue was used in determining the baseline growth rate in the proposed regional tourism zone for each of the pre-applicants.



region. This will lead to a higher growth rate in state sales tax collections in the zone as time goes on, reaching a rate similar to sales tax growth for the overall region.

- Sales tax collections for the unincorporated Larimer County portion of the zone will generally reflect trends in sales tax growth for the region, though because this portion of the zone represents a small part of its overall activity, its growth rate does not have a material impact on the forecast.
- The shifting of consumption from taxable goods to nontaxable services will continue to occur (which is reflected in the historical trends in sales tax data underlying this forecast), especially as the area has a greater proportion of over 65 individuals over time.
- The sales tax growth rate will continue to be negatively affected by online retail sales (which is reflected in recent sales tax data underlying this forecast), but not substantially as changes in the business practices of retailers and changes in tax policy are assumed to enable the state to receive a greater portion of sales taxes due on taxable online retail transactions.

Caveats and forecast uncertainty. Projections for future economic and tax activity, especially over the longer term, are subject to a high amount of uncertainty as multiple dimensions of the future structure of the economy and tax policy cannot be known. For example, changes in the tax rate or tax base, such as the inclusion of more services, as well as changes in the nature of economic transactions could cause sales tax growth to be materially different than forecast. Also, the proposed zone area is largely undeveloped, leaving a larger range of potential types and levels of development in the future. A larger or smaller pace of development in the zone than assumed in this forecast will cause a similar change in the forecasted sales tax growth rate. Further, changes in tax collections from online sales materially different than assumed by this forecast could affect the growth rate.

Sincerely,



Jason Schrock
Chief Economist

Cc: Ms. Betsey Hale, Economic Development Director, City of Loveland





MEMORANDUM

Date: December 15th, 2014
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Kelly Unger, Management Assistant
Re: LED Street Lighting
Item #: WKS Item 3

Background / Discussion:

The Town of Windsor and Poudre Valley REA partnered together in August 2014 to implement a Light Emitted Diode (**LED**) **Street Lighting Pilot Project**.

The Pilot Project included nine (9) street lights through both residential and main corridors in Windsor. We tested both 100 watt and 70 watt bulbs. The selected areas included; Highlands Meadows and Water Valley.

The goal for the pilot project was to gather information to develop a LED street light rate and fixture option. The data we collected allowed staff to better understand maintenance requirements, costs, reliability, energy consumption and light output. This Pilot Project allowed staff to gain valuable customer feedback on both the potential benefits and concerns with the new technology. Overall, staff received positive feedback from both residents and law enforcement.

After analyzing the results of the Pilot Project, Poudre Valley REA prepared a rate structure and cost for the LED street light conversion. The financial impact charts below show the cost of conversion, monthly/annual cost savings of LED lights, and payback rate.

Financial Impact:

The total cost for LED street light conversion is **\$698,195**; which includes Tri-State Rebates. With an annual savings of **\$42,022.68** the payback rate is **16 years**.

LED STREET LIGHT CONVERSION						
Device Type	Units	\$/Unit	Lamp Cost	\$/Labor	Tri-State Rebate	TOTAL COST
70W LED Decorative	512	\$1,169	\$598,528	\$38,400	(\$28,160)	\$608,768
150W LED Cobra	89	\$550	\$48,950	\$6,675	(\$7,120)	\$48,505
250W LED Cobra	74	\$608	\$44,992	\$5,550	(\$9,620)	\$40,922
TOTAL	675		\$692,470	\$50,625	(\$44,900)	\$698,195

POUDRE VALLEY REA MONTHLY RATE ANALYSIS					
CURRENT RATE VS PROPOSED LED RATE					
Current Lamp Type	Units	\$/Unit	Current Total	Proposed LED \$/Unit	Proposed LED Total
100 W Commercial	15	\$11.22	\$168.30	\$6.55	\$98.25
150 W Commercial	3	\$15.35	\$46.05	\$8.93	\$26.79
250 W Commercial	16	\$22.97	\$367.52	\$11.89	\$190.24
100 W Street	497	\$11.22	\$5,576.34	\$6.55	\$3,255.35
150 W Street	86	\$13.97	\$1,187.45	\$8.93	\$767.98
250 W Street	86	\$20.37	\$1,181.46	\$11.89	\$686.62
MONTHLY TOTAL	58		\$8,527.12		\$5,025.23

POTENTIAL CONVERSION SAVINGS		
Device Type	Monthly Cost	Annual Cost
High Pressure Sodium	\$8,527.12	\$102,325.44
LED	\$5,025.23	\$60,302.76
TOTAL SAVINGS	\$3,501.89	\$42,022.68

PAYBACK RATE	
Total Conversion Cost	\$698,195.00
Annual Savings	\$42,022.68
TOTAL YEARS	16 years

In January, staff would recommend another discussion on how to proceed with the LED street light conversion. Poudre Valley REA indicated this would be an ideal winter time project. The conversion could be phased through a 2-3 year period.

Relationship to Strategic Plan:

Goal 1.E: “Implement LED Street Light Conversion.”

Recommendation:

For review and discussion



FUTURE TOWN BOARD MEETINGS

Work Sessions & Regular Meetings will be held in the Board Chambers unless otherwise noted.

December 22, 2014 6:00 p.m.	Town Board Work Session Cancelled
December 22, 2014 7:00 p.m.	Town Board Meeting Cancelled
December 29, 2014	Fifth Monday
January 5, 2015 6:00 p.m.	Town Board Work Session Oil & gas updates – verbal update 125 th Anniversary update – K. Unger/Slate Communications Amendment to Poudre Tech Metropolitan District Intergovernmental Agreement
January 12, 2015 5:30 p.m./1 st floor conference room	Board/Manager/Attorney Monthly Meeting
January 12, 2015 7:00 p.m.	Town Board Meeting Kern Board Meeting
January 19, 2015 6:00 p.m.	Town Board Work Session
January 26, 2015 6:00 p.m.	Town Board Work Session
January 26, 2015 7:00 p.m.	Town Board Meeting
February 2, 2015 6:00 p.m.	Town Board Work Session
February 9, 2015 5:30 p.m./1 st floor conference room	Board/Manager/Attorney Monthly Meeting
February 9, 2015 7:00 p.m.	Town Board Meeting
January 16, 2015 6:00 p.m.	Town Board Work Session
February 23, 2015 6:00 p.m.	Town Board Work Session
February 23, 2015 7:00 p.m.	Town Board Meeting

Additional Events

None.

Future Work Session Topics

Joint meeting with Parks, Recreation & Culture Advisory Board

Town Board compensation review

Overview of Development Review Process & Development Review Software presentation – J. Plummer/S. Ballstadt

Capital Improvement Program discussion – K. Arnold/D. Moyer

Metropolitan District Policy discussion – K. Arnold/I. McCargar

Oil & Gas Royalty Funds discussion – J. Vazquez