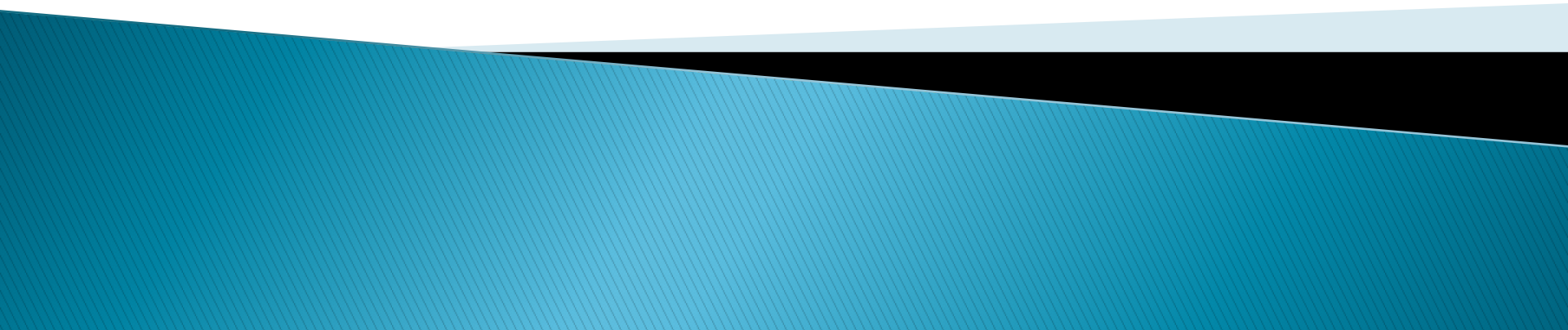
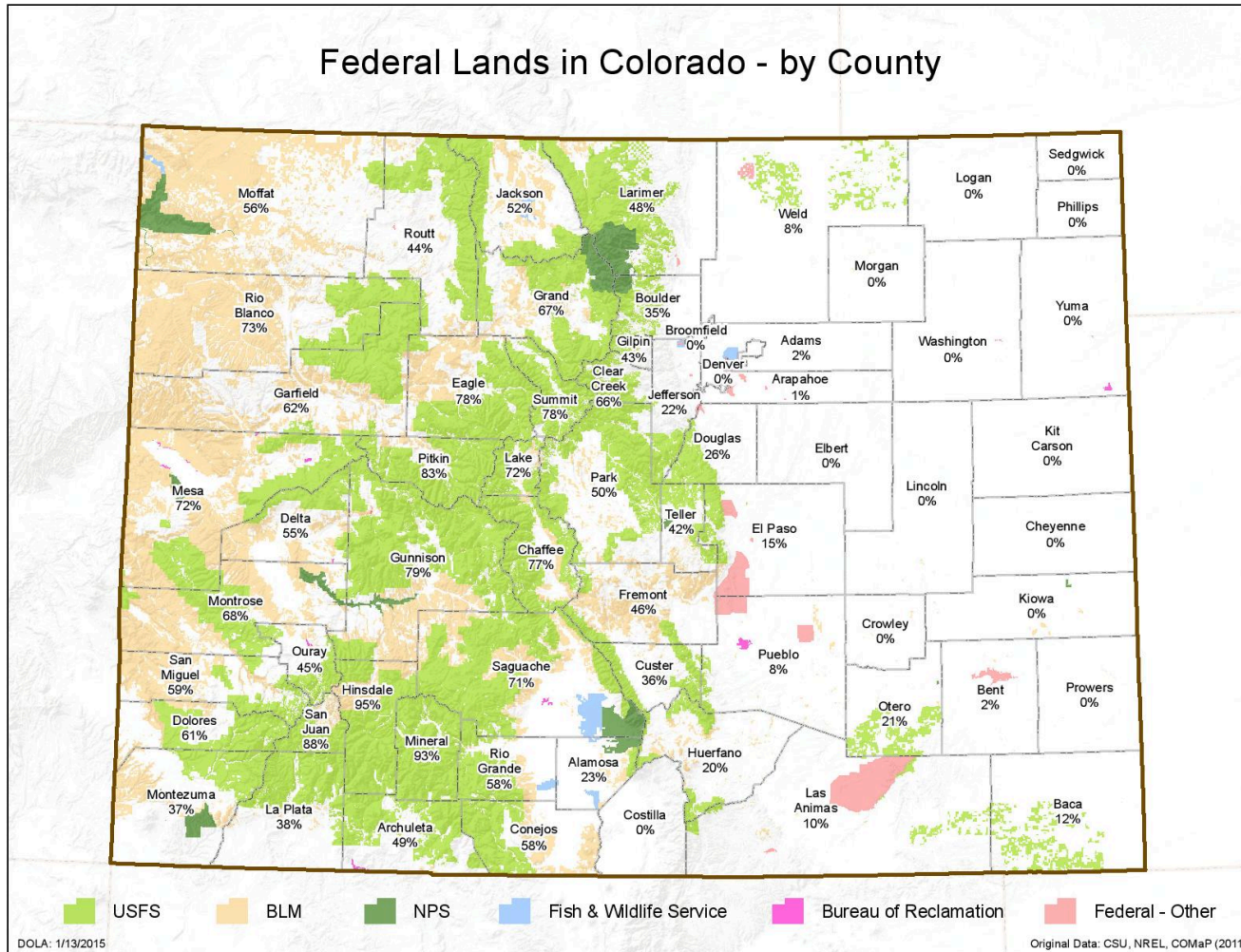


LOCAL GOVERNMENT

IS THE RELATIONSHIP THAT IMPORTANT?



Federal Lands in Colorado



Counties with > 50% public lands


Greater than 90%

- ▶ Hinsdale County – Lake City – San Juan/GMUG/Rio Grande
- ▶ Mineral County – Creede – San Juan/Rio Grande

Greater than 80%

- ▶ San Juan County – Silverton – San Juan
- ▶ Pitkin County – Aspen – White River

Greater than 70%

- ▶ Gunnison County – Gunnison – GMUG
 - ▶ Eagle County – Eagle – White River
 - ▶ Summit County – Breckenridge – White River
 - ▶ Chaffee County – Salida – PSI
 - ▶ Rio Blanco County – Meeker – White River
 - ▶ Lake County – Leadville – PSI
 - ▶ Mesa County – Grand Junction – GMUG
 - ▶ Saguache County – Saguache – Rio Grande
- 

Counties with > 50% public lands

Greater than 60%

- ▶ Grand County – Hot Sulpher Springs – Arapahoe/Roosevelt
- ▶ Clear Creek County – Georgetown – Arapahoe/Roosevelt

Greater than 50%

- ▶ Jackson County – Walden – Routt
(had to have one from every forest!)

Shifting Tax Base

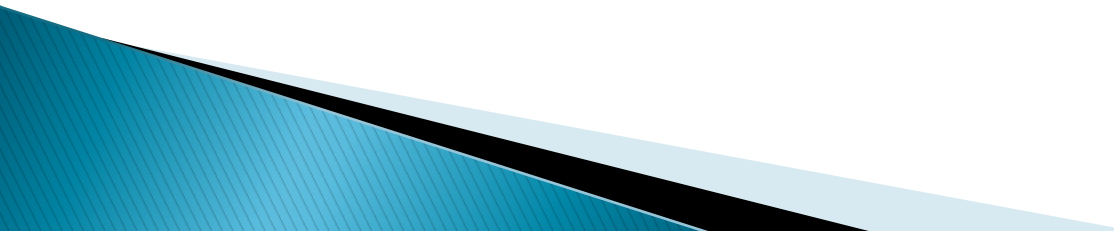
All 15 of these communities had their economic and employment roots in some sort of natural resource use – Mining – Timber – Gas/Oil Extraction – Ranching/Grazing

All of these uses had some kind of property/production tax attached to it

As these uses disappeared (for a variety of reasons) the tax base did too

All of the examples replaced or supplemented their dwindling economy with tourism and recreation

The property/production tax was replaced with sales/use/lodging (bed) taxes



Example #1

Homestake Mining shut down silver mine in Mineral County in 1985

- ▶ 95 jobs were lost in one day
- ▶ School lost nearly 1 / 3 of its enrollment in a week
- ▶ Assessed Valuation in 1984 was \$13,728,200 – in 1994 valuation was \$13,010,040
- ▶ Saving grace – this happened before TABOR and the County raised the mill levy to mitigate the tax loss – unfortunately in the 23 years since the mill levy has not changed significantly
- ▶ Although the County has enjoyed over a 100% increase in sales tax since 2005 the sales tax revenue is 1 / 3 of property tax revenue

Example #2

Henderson Mine in Clear Creek County is slated to close soon

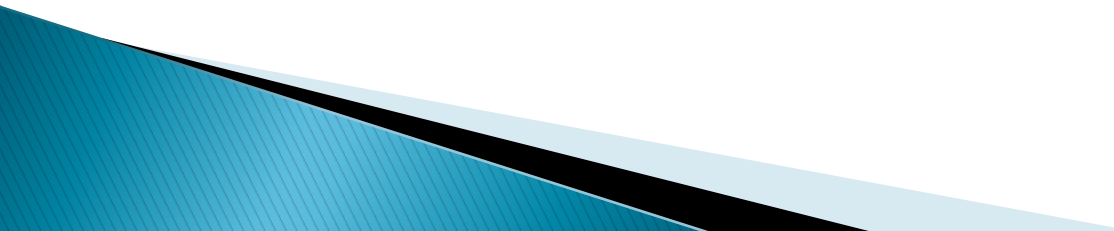
- ▶ Estimates place the decline in the economy nearly 40%
- ▶ Direct loss in property tax, loss of jobs, loss of families
- ▶ Nothing will replace the income lost ever again

Why the mini-economy lesson?

Highlight not just the reduction in tax base that results in lower taxes but the shift in burden as to who is paying the taxes and the changes to what those taxes can be used

Sales tax is generally not used for Road and Bridge or Public Welfare – these areas will never regain what they lost when these natural resource uses were diminished

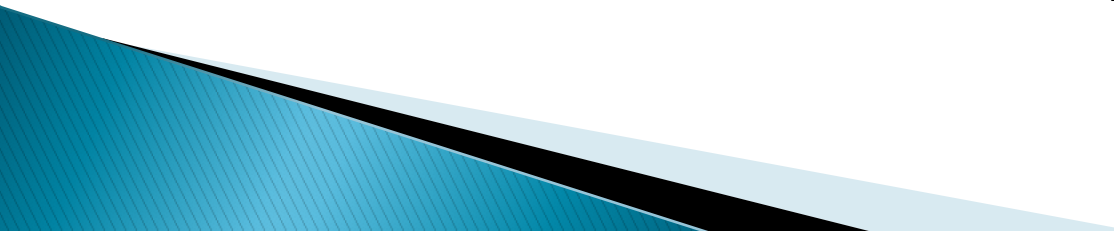
The shift in budgeting and managing offer their own challenge but economic development is now competing with communities in the same predicament and often tax incentives, i.e., reduced taxes, are the only way to bring something new into the area



How does this tie to motorized recreation?

All of these areas and so many more have turned to recreation and tourism to shore up their economies – although most have attempted to create a diversified economy few have been truly successful so their version of diversification is summer and winter – and a handful of these special gems feel a loss of identity

It is important to understand that even though many of the jobs can be shifted, wages are not generally the same, businesses can keep their doors open but maybe just for 9 months every year, and many of the communities have had an influx of second home owners that offsets some of the property tax deficit but often put extra pressure on the services communities have to provide. These communities are on their last legs – they are out of options if any one element of this new natural resource use is eliminated or compromised by man or nature



So, why is the relationship important?

Local governments, by the very nature that this country was founded on, is transient

Decisions made 30 years ago rarely are interpreted correctly now and if those decisions were made in a vacuum it is even worse

In these 15 examples of communities that have lost taxes, jobs and families with the loss of their primary industries, the Federal Agencies and community leadership HAVE TO BE partners going forward in these “world as we know it” changing decisions and often the onus of creating that partnership falls on the agencies as much as on the local government officials

Because we all feel very strongly that coming to the table with solutions to the problems is paramount to positive relationships, it has to be communicated that this theory is a two way street

Open, honest dialogue over small issues as well as large develop the trust and understanding that creates the culture of “sustainable” relationships!

