



# Transportation Department

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June 8, 2010

Subject: Paving of Unincorporated Subdivision Roads

Dear Interested County Subdivision Property Owner:

Thank you for your continued interest in our efforts to address the condition of paved roads in unincorporated Boulder County subdivisions and thank you also to those who responded to the opinion survey and provided comments on different approaches to paying for the rehabilitation of paved county subdivision roads. More than 2,000 property owners responded to the survey, more than 1,800 completed all questions, and nearly 1,000 provided comments. In addition, we have received many emails, and have presented information to many homeowners associations.

The purpose of this letter is to:

- Let you know about the follow up to the survey and next steps,
- Update you on the results of the survey, and
- Provide information on two possible options that were developed based on the results of the survey and other public input.

For additional information on subdivision paving, the possible options, and a summary of the survey results, I encourage you to visit our website at:

[www.BoulderCounty.org/Transportation/SubdivisionPaving.htm](http://www.BoulderCounty.org/Transportation/SubdivisionPaving.htm)

**Follow Up/Next Steps:** The commissioners and staff have evaluated the results of the survey, listened carefully to other emailed comments through our website, the work of the subdivision paving workgroup, and the suggestions of many people who have called and sent letters.

Based on what we have heard, the commissioners directed staff to:

- Develop specific options: one that addresses the problems more quickly (over five years) and one that is spread over a longer time frame (15 years)
- Identify ways the county can reduce the costs of improvements
- Get public feedback on the two options

The commissioners would like to see a strong indication of support by potentially affected property owners before they would create a local improvement district. In order to gauge the level of support for creation of an improvement district, they intend to sponsor an "advisory ballot" of all potentially affected property owners this summer to see if there is support for moving forward with either of the options. If the advisory ballot response indicates support, the commissioners will create a local improvement district to rehabilitate the paved roads in subdivisions.

We will refine these options based on your comments and reactions, hold two public information sessions, and in late July or early August each property owner of a potentially affected property will receive a ballot advising the Commissioners on whether to proceed with either of the options, or not at all.

Please submit your comments on these options and questions to:

[subdivisionpaving@bouldercounty.org](mailto:subdivisionpaving@bouldercounty.org)

Two information sheets are attached to this transmittal that I hope you take the time to review.

Attachment 1: A summary of the options that staff has created, as well as answers to common questions regarding local improvement districts.

Attachment 2: Additional information regarding three common issues that we have heard significant comment on over the past several months.

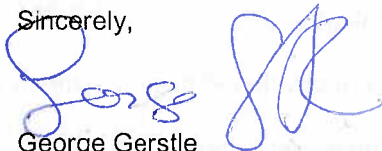
Thank you again for taking the time to submit for your thoughtful comments and feedback.

If you would like me to come to a neighborhood or homeowner association meeting to discuss this (or any other) issue, please feel free to contact me at: [ggerstle@bouldercounty.org](mailto:ggerstle@bouldercounty.org).

In the next week we will also send out a postcard to all affected property owners asking them to review the options at our website.

Please feel free to distribute this letter to any email distribution lists, HOA member lists, etc. that may include people interested in this issue.

Sincerely,



George Gerstle  
Transportation Director

## Attachment 1

*IMPORTANT NOTE: All costs are best estimates based on pavement quality as measured in 2009, forecasts of the cost of materials, and participation by 10,600 property owners.*

### Option One

#### Resurface all County Subdivision Paved Roads in Five Years

What Would I Receive? All paved roads in unincorporated subdivisions would be rehabilitated to a good condition.

Time Frame? Improvements within five years

How Would The County Contribute?

- The county would take on responsibility for key collector roads in subdivisions that serve regional destinations (such as schools, churches, etc), reducing costs by \$200,000/year for a total of \$1 million.
- The county would loan money from reserve accounts at a 3% interest rate in order to reduce the costs of borrowing on the bond market.

How Much Would It Cost?

- If paid off over five years, each property owner would pay \$407 per year for five years, for a total cost of \$2,035.
- If paid off over ten years, each property owner would pay \$219 per year for ten years, for a total cost of \$2,190.

### Option Two

#### Resurfaced and Chip Seal All County Subdivision Paved Roads Over Fifteen Years

What Would I Receive? All roads in unincorporated subdivisions would be both repaved and chip sealed over fifteen years.

- In years 1 and 2, all roads currently in poor condition would be repaved.
- In years 2 through 6, all roads currently in fair and good condition would be chip sealed (which extends the life of a road by five to seven years).
- In years 7 and 8, all roads repaved in the first year would be chip sealed.
- In years 9 through 15, all roads chip sealed in years 2 through 6 would be repaved.

Time Frame? Fifteen Years

How Would The County Contribute?

- The county would take on responsibility for resurfacing key collector roads in subdivisions that serve regional destinations (such as schools, churches, etc); reducing costs by \$200,000/year, for a total of \$3 million.
- The county would loan money from reserve accounts at a 3% interest rate in order to reduce the costs of borrowing on the bond market.
- County forces would be responsible for chip sealing roads at an approximate savings of 32% when compared to the cost of paying a private contractor.

How Much Would It Cost? Each property owner would pay \$124/year for 15 years, for a total of \$1,860.

### Common Questions

1. How do I know the money I pay won't be diverted to other purposes? Under state law, revenue received from a local improvement district must be used for the stated purpose. The revenue will be held in a separate fund that could only be used for repaving of the subdivision roads within the district.
2. Who would oversee the improvement district? The County Commissioners would be the Board of the improvement district. However they generally appoint an advisory committee of improvement district citizen representatives to advise them on key decisions and to oversee the work.
3. Who would be responsible for administration? The county transportation department would oversee and administer the work, prepare engineering design and bid documents, administer contracts, inspect the work of contractors, and in the case Option 2, implement the chip sealing.
4. Are the improvement district payments tax deductible? No
5. What happens if the cost of resurfacing the roads are higher than estimated? We have tried to estimate future costs conservatively, however there are always risks associated with any project.

There are two areas of significant uncertainty when estimate costs. First is the cost of petroleum. Asphalt is an oil-based product so the cost of asphalt is very sensitive to the cost of oil. In addition, a significant portion of the cost of paving roads is the cost of trucking asphalt and other material from their sources to the sites. When fuel costs increase, the cost of transportation also increase. If the economy becomes more vibrant, or the availability of oil becomes more scarce, the cost of oil may increase significantly resulting in increased costs.

In addition, pavement condition is very sensitive to weather conditions. Very bad weather can cause deterioration of pavement to increase. If we were to experience several years of very cold and wet winters with significant freeze and thaw, roads could deteriorate faster than expected.

If costs were to increase beyond those forecast, options include increasing annual payments, extending the time period over which the improvements take place, reducing the mileage of roads repaved, or reducing the type of resurfacing to a less expensive option. These questions would be referred to the local improvement advisory group for consideration and recommendation to the county commissioners.

6. What happens if there is insufficient support for an improvement district?

Current policy would remain in place. As individual property owners decide they would like their roads resurfaced, they would request the commissioners to create a local improvement district for that road. The property owners would have to present a petition to the commissioners with a majority of affected property owners supporting an election. After a public hearing, commissioners would hold an election of the affected properties. If the majority of the property owners support creation of an improvement district, the county would establish the district and administer and manage the improvements and the property owners would pay for the improvements. There would be no systematic or cost effective system for managing the resurfacing of paved subdivision roads in the county.

## Attachment 2

This attachment provides additional information on three common issues on which we have heard significant comment over the past several months.

### **Issue 1: Re-allocate funding from existing uses**

A number of people expressed frustration that the county is not proposing to use existing tax revenue, and that our survey did not explicitly include the option, for the rehabilitation of these roads from existing funds. The Board of County Commissioners understands that many subdivision property owners would strongly support the use of existing county funds to address the problem. While it is clear that significant participation by those who directly benefit from the rehabilitation of subdivision roads is necessary, the commissioners have directed transportation staff to identify ways the county can participate in reducing the costs of rehabilitating these roads.

Nonetheless, relocation of general fund revenue from other uses to address this problem cannot occur without significant impacts to other critical county services. Especially during these difficult and uncertain economic times there are many competing priorities for county resources. Because property taxes are collected from all properties in the county, both incorporated and unincorporated, the County Commissioners are committed to focusing the use of these funds on services that are used county-wide, including those directed to the offices of the Clerk and Recorder, Assessor, Treasurer, the Sheriff and Jail services. In addition, the commissioners have tried to ensure that the social safety net for those in greatest need is preserved to the extent possible in light of the significant state and federal cuts to social programs and increasing demand for services.

Since the county cannot pay for the rehabilitation of subdivision roads from existing sources without major impacts to other critical services, the survey was intended to gauge property owners' interest, feelings and opinions about alternative payment preferences and methods that could be utilized to raise additional funds. It is clear that we did not adequately communicate this intent in the survey, and I hope this explanation clarifies our purpose in the survey design.

### **Issue 2: Historic policy on reconstruction of county roads**

Many people are understandably upset that the county has not communicated in a systematic manner the longstanding policy that it is the responsibility of subdivision residents to pay for the rehabilitation of paved subdivision roads. Some background might be useful.

Since the adoption of the Boulder County Comprehensive Plan in 1978, it has been county policy not to provide urban services and to direct urban development to cities and towns that are better equipped to provide such services more efficiently, and required that residents of unincorporated county subdivisions pay for reconstruction of their roads.

Consistent with this longstanding policy, several subdivisions (most notably the Gunbarrel General Improvement District and Palo Park Local Improvement District) have voted to create an improvement district to resurface their roads. However, most paved subdivisions have not implemented improvement districts and have therefore their roads have not been resurfaced since they were first built 15 to 20 years ago.

As a result, while the county has provided day-to-day maintenance of subdivision roads, it has neither repaved subdivision roads, nor taxed residents for the money required to repave or reconstruct local roads that exist in the more than 100 platted subdivisions in unincorporated Boulder County.

### **Issue 3: How much am I already paying for maintenance and reconstruction of county roads?**

The average household in the county pays \$89 per year for the maintenance, operations and reconstruction of the county road system. That money is used to plow snow, patch potholes, clean culverts and ditches, patch roads, replace signs and guardrail, reconstruct our bridges, grade our gravel roads, and repave our primary roads (such as South Boulder Road, Valmont, Baseline, Jay, Lookout and Niwot roads, 75th and 95th streets, Flagstaff Road and Lefthand, Four Mile and Sunshine canyons).

In addition to the maintenance, operation and reconstruction of the primary county roads used by everyone, the county provides day-to-day maintenance services on the county subdivision roads, including snow removal, pothole patching, sealing cracks, etc. The average cost of providing these services on subdivision roads is \$79 per year per subdivision household.

Since the average county subdivision homeowner pays \$89 per year for maintenance of all county roads and receives \$79 per year in services for subdivision roads alone, an average subdivision household contributes about \$10 per year for the operations, maintenance and reconstruction of the non-subdivision roads in the county road, while the average taxpayer who lives in one our cities pays \$89 per year for the maintenance of the same county roads (since they receive no county funds for maintenance of their local roads).

In 2010, the county expects to receive approximately \$11 million in tax revenue from gas tax, specific ownership tax (an auto registration tax), property taxes, and other minor sources that can legally be used to maintain and repair county roads. This is an average increase of about 2 percent per year since 2000, for a total increase since 2000 of 27%. During this same time period, construction material costs have increased by nearly 50 percent, meaning that our "buying power" has been reduced significantly since 2000.

The county also receives significant transportation funds from two other sources; however, these funds can only be used for specific projects or programs and cannot be used for road maintenance purposes. One of these sources is the .01 percent sales tax for specific transportation projects approved by county voters in 2001 (and extended in 2007). The second source of funding that is the periodic grants we receive from the state or federal government for specific projects. Though projects implemented with these funds often benefit road pavement quality, they cannot be diverted to maintenance and reconstruction of county roads. These two sources of revenue generate between \$3-6 million per year, depending on the year.

If you would like more detailed information on how and where we spend taxpayer funds that are made available to us, I encourage you to go to our website where our Capital Improvement Program presentation to the Board of Commissioners is available for review at:

<http://www.bouldercounty.org/transportation/cip/BOCOCIPPresentation030410.pdf>

We are always looking for ways to make better use of the funds that are entrusted to us. For example, we are looking to improve the fuel efficiency of our vehicles to reduce fuel consumption, we are using our maintenance forces to do work on projects that had previously been contracted out, we are having our maintenance crews work four 10-hour days during the summer to make better use of work time and to reduce the amount of time coming and going to project sites, etc. We will also be starting a systematic program of chip sealing many of our roads to extend their useful life and reduce long term repaving needs.