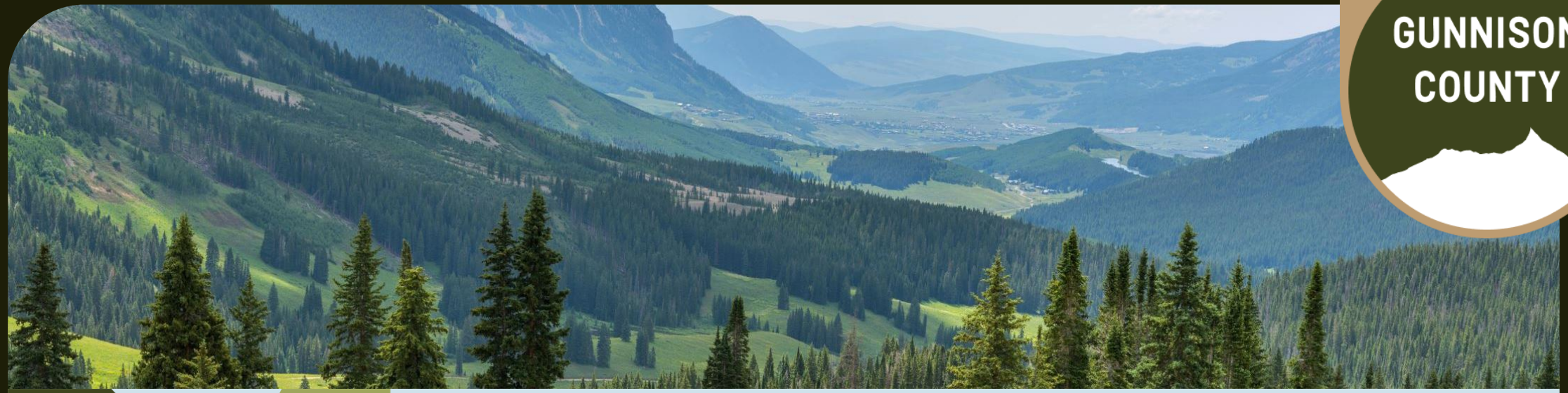


GUNNISON COUNTY

MOVING GUNNISON COUNTY FORWARD

INVESTING IN SAFER ROADS AND BRIDGES

KLJ

What's the problem?

- County funds are restricted differently than municipal funds by statute
- The roads are deteriorating; >$38 million in current needs;
- External funding “solutions” have not provided solutions
  - State level solutions seem to always fall short



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INVESTING IN SAFER ROADS AND BRIDGES

Proposed Solution...

- Potential half-penny sales tax is being considered
- Groceries and utilities excluded
- Sales tax spreads the cost between locals and tourists
- County has not asked for a sales tax increase since 1978
- Will generate an additional $3.3 million per year
- Funds would be solely dedicated to Roads & Bridges – cannot be used for anything else

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INVESTING IN SAFER ROADS AND BRIDGES

Existing Road & Bridge Conditions

- RoadAI assessment of all County roads
  - Independent, unbiased assessment
    - **Only 36% of Gunnison County roads are in good condition**
    - 64% of Gunnison County roads are in fair or poor condition
    - Among the 48 bridges in GC jurisdiction
      - **5 bridges are in poor condition and 21 are in fair condition**

Infrastructure Cost Analysis

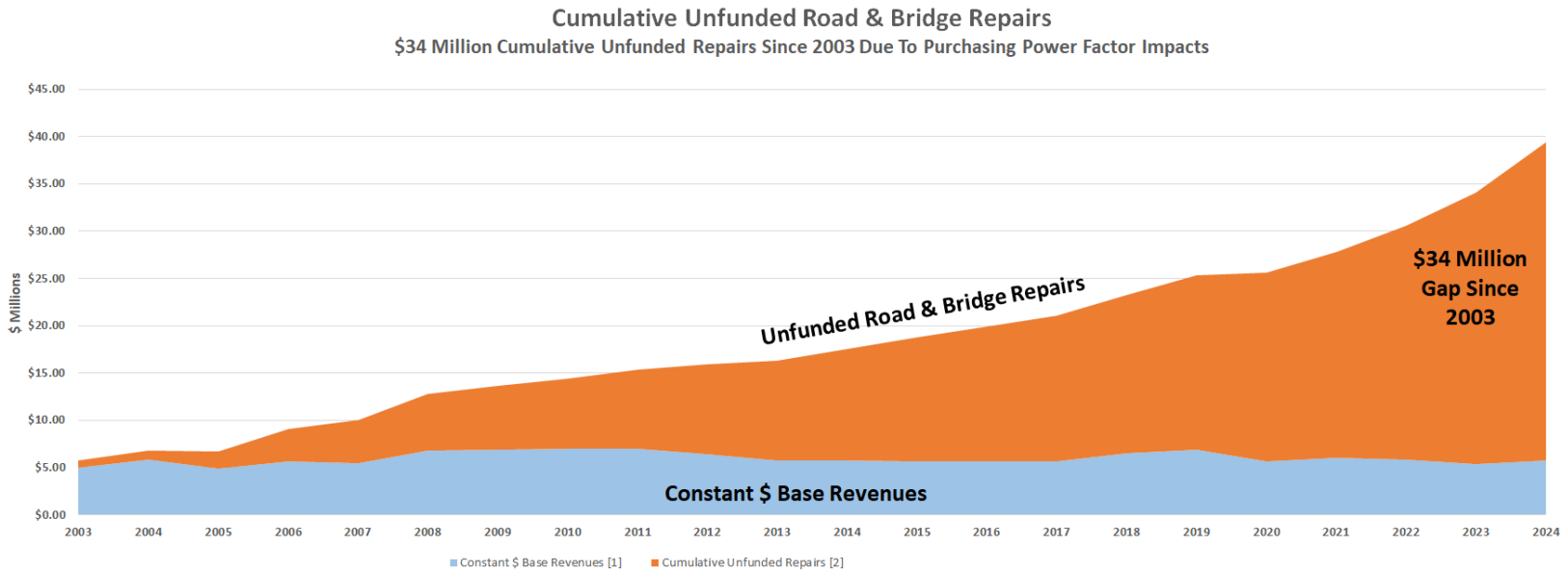
Pavement Condition	Improvement Type	Formula*	Alias	Cost per mile
Very Poor (*or High ADT Gravel Road)	Complete Reconstruction – Full Depth Reclamation (and Gravel to Pavement Conversion)	(5280ft x 22ft x $22.45/sf x 15% (1.15))	Complete Reconstruction	$3,000,000
Poor	Minor Reconstruction – Mill and Overlay	(5280ft x 22ft x $14.97/sf x 15% (1.15))	Minor Reconstruction	$2,000,000
Fair	Major Rehab – Chip Seal	(5280ft x 20ft x $6.59sf x 15% (1.15))	Major Rehab	$800,000
Good	Minor Rehab – Crack Sealing / Fog Coating	(5280ft x 20ft x $1.64/sf x 15% (1.15))	Minor Rehab	$200,000
Very Good	No Improvement Needed (NIP)	NA	NIP	NA
Gravel Condition	**Improvement Type**	**Formula***	**Alias**	**Cost per mile**
*Gravel - Fair to Very Poor	Gravel Rehab (GR) [6-inches of base]	(5280ft x 20ft x $0.41/sf x 15% (1.15))	GR	$50,000
*Gravel – Very Good to Good	Gravel Minor Rehab (GMR) [3-inches of base]	(5280ft x 20ft x $0.20/sf x 15% (1.15))	GMR	$25,000

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INVESTING IN SAFER ROADS AND BRIDGES

Unfunded Maintenance Need: $38 Million



Road & Bridge Summary ($m)

Graph Data Table	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Constant $ Base Revenues [1]	$5.02	$5.81	$4.89	$5.62	$5.42	$6.82	$6.91	$7.02	$7.03	$6.44	$5.77	$5.76	$5.69	$5.62	$5.67	$6.48	$6.91	$5.63	$6.03	$5.89	$5.33	$5.76
Cumulative Unfunded Repairs [2]	$0.72	$0.95	$1.80	$3.42	$4.58	$5.94	$6.72	$7.43	$8.29	$9.43	$10.53	$11.83	$13.07	$14.27	$15.40	$16.73	$18.39	$20.03	$21.81	$24.67	$28.81	$33.69

Notes:

[1] Base Revenue includes Highway Users Trust Fund (HUFT), Payment in Lieu of Taxes (PILT), Mineral Leasing, and Specific Ownership Taxes; Constant $ calculated using Consumer Price Index (CPI)

[2] Cumulative Unfunded Repairs Based In Expenses To Revenue Gap Created By Deteriorating Purchasing Power Factor

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INVESTING IN SAFER ROADS AND BRIDGES

Where Do Road/Bridge Funds Come From

- Highway User Tax Fund (HUTF) – gas taxes
  - Primary source of funding: $3.5M per year
- Payment in Lieu of Taxes (PILT) – federal program
  - Helps to offset losses in property taxes due to nontaxable federal lands within the County: $2.5M per year
- Severance Tax on oil and gas extraction $65k to $1M - variable
- Specific Ownership Tax – FASTER funds and SB 270
  - Vehicle registration fees amount to $250k and $250k

- Road & Bridge is **NOT** funded by property taxes
  - Counties are not legally allowed to fund road maintenance through property tax
- Any available County Sales tax can only be used for capital improvement projects, and is mostly pre-allocated



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INVESTING IN SAFER ROADS AND BRIDGES

What Is the Impact of Poor Roads?

- Approximately 1.1 million full-time jobs in Colorado in key industries like tourism, retail sales, agriculture and manufacturing are completely dependent on the transportation network.
- 48% of Colorado's major roads are in poor or mediocre condition. Driving on deteriorated roads costs Colorado motorists $3.7 billion a year – or $831 per driver per year.
- Poor roads are a contributing factor in 1/3 of crashes in Colorado
- The County cannot consider additional responsibilities or services with current funding

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“We get the roads we pay for”

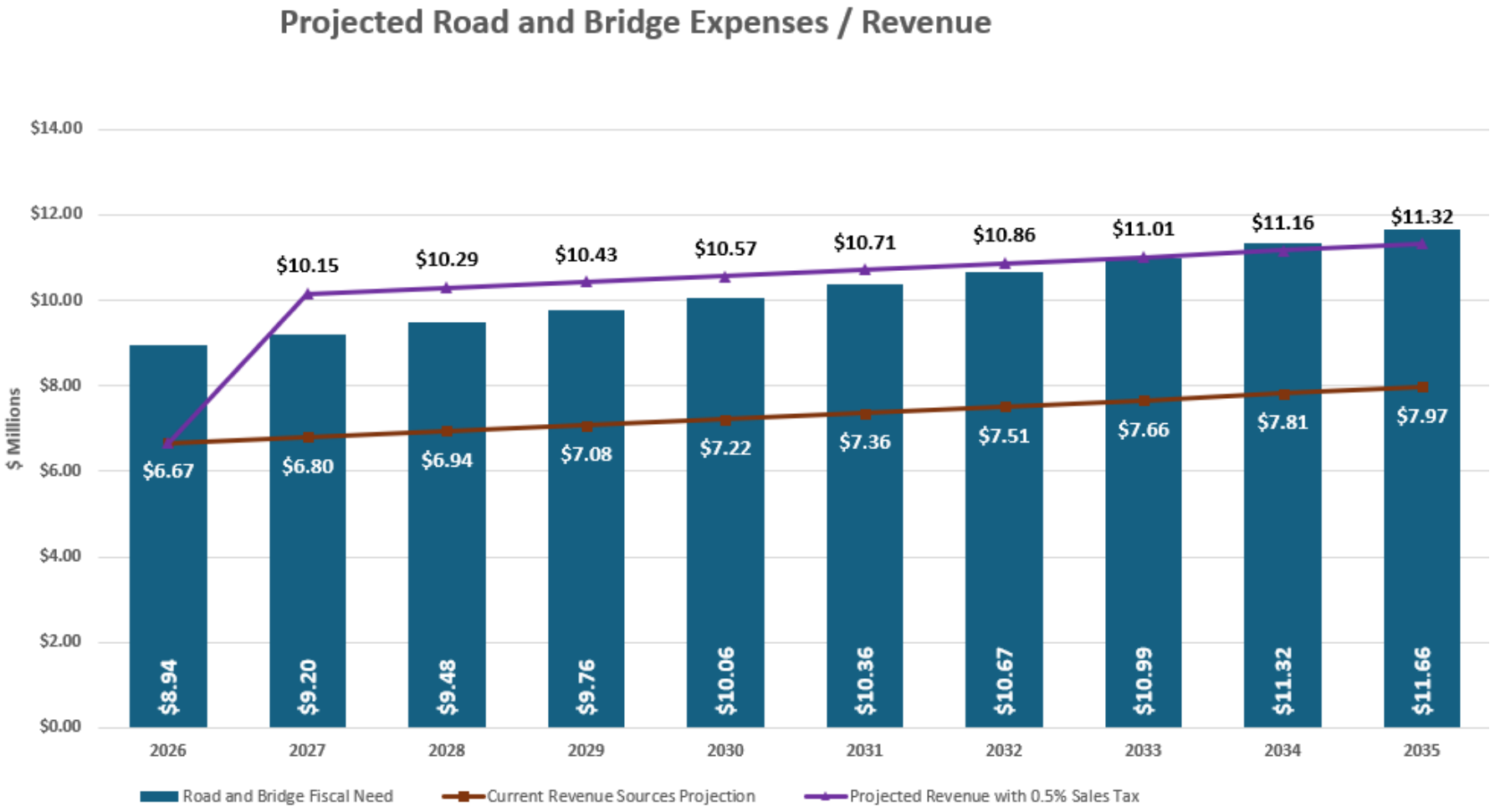
- Road maintenance is intrinsically **tied to the market cost of construction**; costs continue to rise
- On the western slope, full reconstruction of a road costs **$3 million dollars per mile**; current revenues cannot fund this work
- With current funds, the average quality of roads **will continue to decrease** in the County, as we continue to put off routine maintenance due to lack of funds
- Current poor condition is due to reduced funding over time

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INVESTING IN SAFER ROADS AND BRIDGES

Road & Bridge Budget



GUNNISON COUNTY

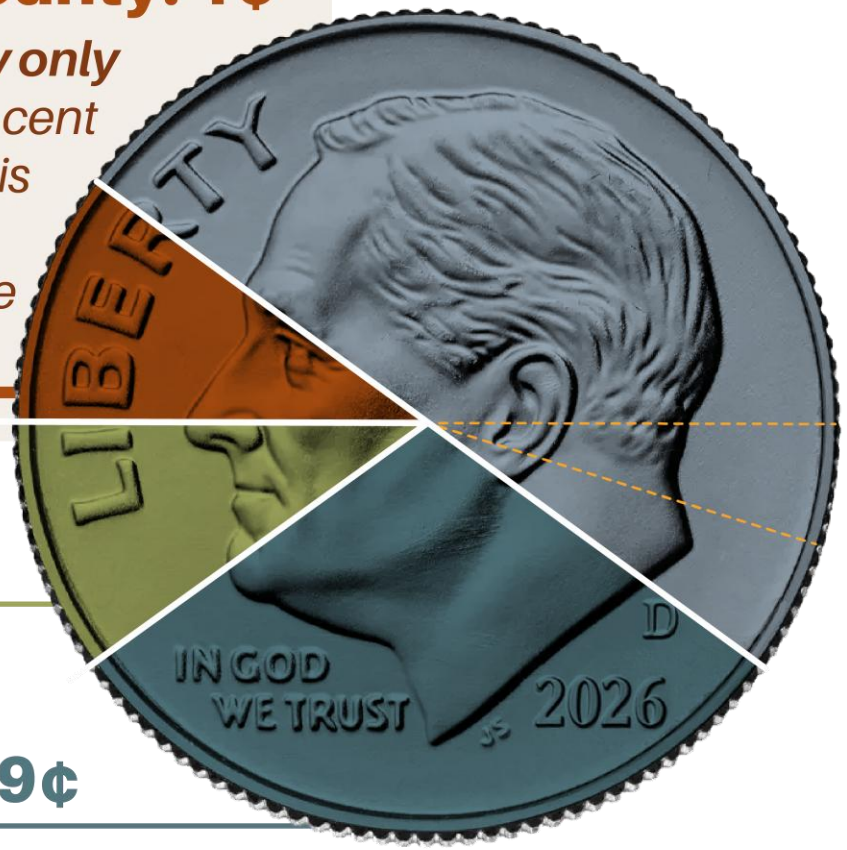
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GUNNISON COUNTY

Gunnison County: 1¢

Gunnison County only keeps .7¢ *of each cent collected; the rest is returned to the municipality where it was collected.*



RTA: 1¢

State of Colorado: 2.9¢

Municipality Tax

Town of Mt. Crested Butte: ***5¢***
Town of Crested Butte: ***4.5¢***
City of Gunnison: ***4¢***

Municipal portion dependent on where purchase is made

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INVESTING IN SAFER ROADS AND BRIDGES

How Would We Use the Money?

- Focus on quick deliverables in the first year
  - Latent safety issues
  - Gravel
  - Chloride
  - Lithification
  - Paint
- Produce major projects – as identified by professional assessment
  - Larger safety projects
  - Comfort improvements
  - Major rebuilding
  - Maintain what we have currently



MOVING GUNNISON COUNTY FORWARD

INVESTING IN SAFER ROADS AND BRIDGES

Why Does This Matter to Municipalities?

- Everyone uses county roads – Kebler, Ohio Creek, Quartz Creek, etc.
- County roads are connectors known as “Farm to market” roads for commerce and community, and here they are “urban to rural” for recreation.
- Recreation one of the #1 reasons people live here or visit here. County roads are the final access to outdoor recreation and popular trailheads.
- Won’t impact other sales tax revenue
- Proposed half-cent sales tax would be paid for by tourists as well as locals



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Thank you

Questions?

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970-641-0248

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