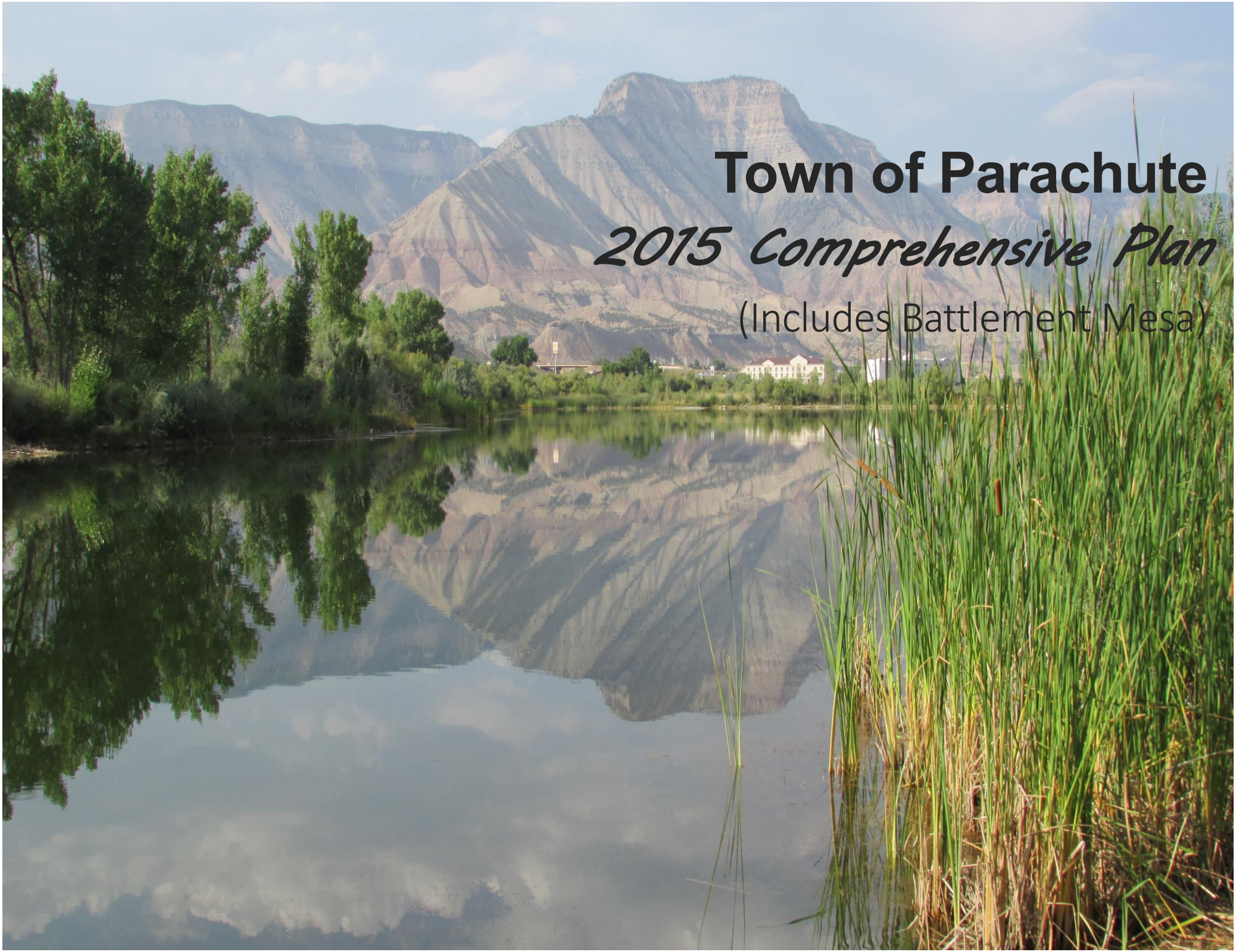

Town of Parachute

2015 Comprehensive Plan

(Includes Battlement Mesa)

Better City

Solving Problems. Creating Opportunity.

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Derek Wingfield ..... Community Development Specialist
Mark King ..... Director of Public Works
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The Purpose of the Comprehensive Plan

The 2015 Comprehensive Plan Update for the Town of Parachute & Battlement Mesa establishes a vision that is livable for its people, now and in the future. The vision described in the 2015 Comprehensive Plan lays the foundation for livability, accessibility, community identity and growth over the next two decades.

The Comprehensive Plan (referred to as "the Plan" through the remainder of this document) establishes a cohesive approach to reach this vision, involving all aspects of physical planning in the Community. The long-range policies of the Plan provide a basis for evaluating specific development opportunities and public projects, with coordination among all city departments.

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Statement of Objectives

The primary objectives of the 2015 Comprehensive plan for the Town of Parachute (the "Town") and the community of Battlement Mesa ("BM", jointly referred to as the "Community") are to identify the assets and resources of the Community, understand the local economy, recognize key issues and opportunities, and set forth a specific action plan that will allow the Community to achieve a higher level of economic prosperity and an improved quality of life.

The Plan is divided into the following six chapters:

Community Assessment;
Economic Vitality;
Land Use;
Retail Analysis;
Community Annexation; and
Recommendations.

These chapters provide an in-depth understanding of the various strengths, weaknesses, opportunities, and threats, in the Community. Other elements, such as environmental protection, educational facilities, housing, transportation, policies & programs are addressed within the individual chapters.

Direct involvement and insight from Town Officials, Community leaders, business owners, and Community residents was an essential element of the planning process. The analysis, strategy, and recommendations contained within the Comprehensive Plan are largely guided by this feedback received from local stakeholders. The Comprehensive Plan has also been developed with reference to local, regional, and national trends.

Executive Summary

Community Assessment

In order to understand the vision, goals, and ideas of the community, dozens of Community stakeholders were interviewed. These stakeholders expressed a desire to see more manufacturing jobs, a re-design of the downtown area of Parachute, additional recreational resources & opportunities, more retail development such as a supermarket, and entertainment-related amenities.

The Community has many assets which can be leveraged for future economic development. For example, the Community's close proximity to two (2) major railroads and its central location along the Western Slope can be leveraged to attract manufacturing jobs and additional location dependent opportunities that would aid the Community in its goal to diversify the local job market.

Other major assets and strengths of the Community include the Colorado River, close proximity to I-70, stunning mountain scenery, and forward-thinking leadership. These assets/strengths are described in greater detail along with corresponding opportunities to leverage them for maximum future economic growth.

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Weaknesses of the Community include the undiversified extraction-based (natural gas) economy, lack of retail and entertainment amenities, and a small local population. These weaknesses present obstacles for future economic development, but they are not insurmountable and the Community has the potential for a bright economic future.

Economic Vitality

The Community is highly dependent upon local natural resources, natural gas in particular, to provide economic growth and stability. Thus, the local economy has been directly exposed and impacted by natural gas-price slumps and economic downturns. However, the current economic and political climate within the region appear to be ready for change and growth into diversified industries that will provide new opportunities for employment and financial stability.

The top five industries within the Community in terms of the number of employees include construction, retail trade, mining and oil/gas, accommodation and food, and public administration (government, including public education and fire district). These five industries account for more than 50% of all the jobs held by Community residents. The industries with the highest total job growth between 2009 & 2015 are agriculture/extraction (includes natural gas) and retail trade.

The natural gas industry provides many high paying jobs directly, and also indirectly through support industries such as construction, transportation/warehousing, and accommodation and food. Drilling activity has been concentrated in the Town of Parachute – Battlement Mesa region, which accounts for more than half of all the wells drilled within Garfield County. Drilling activity in the County increased rapidly starting in 2002 and reached its peak in 2008 with over 1,600 wells being drilled in a single year. Since then, drilling activity has declined precipitously. Population and employment have also declined since 2009, coinciding with the decrease in drilling activity. The Community's reported labor force declined by approximately 600 between 2010 and 2015. There are only three (3) active drilling rigs in Garfield at the time of this writing.

Retail sales make up the majority of total sales from within the Town, and generated more than $132M for local businesses during the peak in 2011. Retail and non-retail sales have declined recently and total sales were just over $119M in 2014.

The housing market is still recovering from the crash of 2008, and is quite different within the Town than within BM in terms of total transaction volume and average price. However, throughout the Community the current housing stock is old, and is dominated by low-valued homes. Various stakeholders stated that the lack of quality affordable housing has caused potential residents to choose to live in other communities. Housing prices are low compared to pre-recession levels, and new and high quality housing development represents a great investment opportunity.

BBC Research and Consulting out of Denver was engaged by

the Town of Parachute to perform an economic and fiscal impact study on the impacts of retail marijuana on the local economy. The results of that study is also included in this report by reference.

Land Use

A land use plan for the planning area is presented and new land use designations are discussed. The following land use zones are utilized, and a thorough description of each is included within the chapter:

- Residential
- Commercial
- Central Business District
- Mixed-Use
- Riverfront Mixed-Use
- Commercial/Light Industrial
- Industrial
- Parks

The Community is lacking a sense of place or an amenity that serves as a unique focal point and gathering place. As a result, businesses in the Town's downtown area have struggled historically due to a lack of traffic and activity. To create a sense of place and bring investment back into the Town, it is proposed that the Community designates and creates a new Central Business District (CBD) located south of I-70, across from the historic downtown area. The newly designated Central Business District will serve as the new center of commercial activity for the Town, and will provide permeable access for vehicles and pedestrians to go from shopping and entertainment venues within the district, to the adjacent recreation opportunities enabled by several small lakes and the Colorado River.

To fully leverage and utilize the local recreational assets, a recreational corridor is discussed that includes newly proposed parks and a Riverfront Mixed-Use zone that will allow development and recreation activities to occur in concert. Biking and walking trails throughout this area will connect commercial and residential neighborhoods to the river.

Traffic counts are expected to increase as new development occurs within downtown Parachute. Thus, additional strain will be created on the Community's roads, and particularly those that will service the CBD and neighboring parks. Improvements will be needed along Battlement Parkway/County Road 215 in order to accommodate the increased traffic. It is also proposed that "Cardinal Way" be extended further to connect to the southwest interchange on I-70. The possibility of adding a third freeway interchange via County Road 300 is also a possibility in the future as the local population increases.

Retail Analysis

The Community is currently underserved in retail offerings. The limited selection of retail offerings in the local market has led to a significant amount of retail leakage with residents travelling long distances for major shopping trips. While the Community captures a significant amount of retail activity from the freeway (34,000 ADT), it is currently not enough to make up for the leakage that is taking place.

A retail recruitment strategy is presented that has the potential to decrease local retail leakage and capture additional highway retail activity by leveraging the assets of the Community and the Comprehensive Plan's vision for future growth and development. Implementation efforts have already begun and several potential retailers have expressed interest in participating.

Annexation Plan

A legal framework exists and the financial estimates provide a compelling reason for the Town of Parachute and the unincorporated development of Battlement Mesa to be joined together into a single municipality. The joint approach may allow the Community to gain operating efficiencies that neither community could experience as separate entities.

The annexation would bring with it multiple sources of new revenue and expenses. There are many other potential benefits from incorporation, such as: (1) improved local political representation and support; (2) faster maintenance and support services (e.g. snow removal); (3) improved access to grants and potential financing sources, and; (4) ability to benefit from commercial and real estate development occurring within BM. These topics and others will be discussed in greater detail throughout the Annexation chapter.

Multiple recommendations and strategy plans are identified throughout the report. Nine specific new development opportunities are recommended in the final chapter. These new developments are:

1. Recreation and tourism-related developments including a central park and recreational corridor;
2. The Central Business District (CBD) and associated commercial development;
3. A Recreational Sports Complex;
4. A Truck Stop;
5. Expansion of Sodium Bicarbonate cluster;
6. Manufacturing-related opportunities;
7. A Liquid Natural Gas (LNG) Export project;
8. A Call Center in Battlement Mesa, and;
9. Neighborhood and commercial development within Battlement Mesa.

Google Earth
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1 | Community Assessment

Geographical History and Recent Trends

The history behind the name of Parachute has been recognized as having dual origins. The more commonly accepted origin can be traced backed to when the Ute Indian Tribe inhabited most of the State of Colorado. Due to the two prominent peaks that lie just North of the Town near Parachute Creek and the separation created by the river between them, the Utes named the area "pahchouc," meaning "twins." The other possible origin for the Town's name dates back to the late 1800's, when it was noted that the watershed patterns of the Roan Plateau (North of Parachute), resembled the lines and canopy of a parachute.

Although the area was initially known as Parachute, the Town was incorporated in 1908 as the Town of Grand Valley. It remained as Grand Valley until the 1980's when the name was changed back to the Town of Parachute.

The first recorded natural gas well in the County was drilled in 1924, but it would take another 30 years before drilling activity picked up. By the end of the 1950's, the first of many future boom and bust cycles was underway. The massive influx of extraction-related businesses and their employees allowed the Parachute area to experience dramatic growth and prosperity. The community of Battlement Mesa was established during the height of one of the natural gas booms as gas companies, specifically Exxon, built the development to provide housing to the gas industry workforce.

The local economy has always relied heavily upon the land and natural resources to provide economic growth and stability. As a result, the region is highly dependent upon global natural gas demand and is susceptible to boom and bust cycles. During one particularly difficult bust during the early 1980's, Exxon pulled out of the area in a single day (Black Sunday), leaving Battlement Mesa to be acquired by private investors that continue to own the development today.

The residents of the Community feel a deep connection to the landscape and have learned to live with the challenges that come with the boom and bust cycles that are common to the extraction industry. However, a growing concern among the residents, particularly business owners, is the immense difficulty of running and growing a private enterprise in the midst of fluctuations of global commodity prices. Change and growth, which have been avoided for years by a vocal subset of the local population, is now being considered and embraced by many.

Unlike other surrounding cities such as Rifle and Grand Junction, the Community does not have a diversified economy, and a major percentage of its labor force is employed by the natural gas industry. As a result, much of the local economy and labor force is directly exposed and impacted by natural gas-price slumps and economic downturns.

The lack of diversity in the Community's economy continues to produce results that lie below the real economic potential of the area. The current economic and political climate within the region appear to be ready for change and growth

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into new diversified industries, which will provide new opportunities for employment, security and stability from future economic downturns.

Goals and Ideas of the Community

Several key themes surfaced through interviews with community stakeholders. Among them was the desire to:

1) Create and attract new skilled primary jobs that are preferably manufacturing-related;

2) Re-design and enhance the overall appearance and function of the Town of Parachute's downtown;

3) Create and promote recreational resources & opportunities;

4) Provide additional resources such as a supermarket, and

5) Introduce entertainment-related amenities to provide quality of life for residents, visitors, and employers.

Manufacturing jobs are typically more stable than gas and oil jobs and are an important aspect in diversifying the local economy. The Community is currently home to very few manufacturing companies, the largest being the Solvay sodium bicarbonate plant. However, the proximity to two major railroads (Union Pacific & Burlington Northern) and an associated rail spur makes Parachute an optimal location to perform light and niche manufacturing.

The Colorado Mountain College (fifteen (15) minutes east of Parachute) currently offers multiple 2- & 4-year degrees, some of these relating to applied-technology. Many of the oil & gas related employees have already received specialized training in subject areas such as instrumentation, solar, and welding. All of these aspects indicate that manufacturing would be feasible and would aid Parachute in its goal to diversify the local job market.

The Town of Parachute's downtown area, centered along 1st Street, includes a mixture of businesses and residential properties, but the businesses have typically struggled due to the lack of foot traffic, or any traffic along the street. Interstate 70 runs parallel, just south of First Street. The freeway is consistently busy, but there is little incentive to draw travelers, or even local residents beyond the rest stop and into the historic downtown core. Many of the interviewees expressed the desire to see a museum, a town center, and/or a cultural event-center along First Street. They also expressed an interest in a new development that would include trees, flowers, and an attractive freeway exit ramp to help attract additional traffic into the downtown area.

The downtown area is lacking a sense of place or an amenity that serves as a unique focal point and gathering place for the Community. Future sections of this report will be centered on developing a new Central Business District that will accomplish the goals of the Community in terms of creating a sense of place and identity, and will still allow the Town to maintain its existing historic downtown.

A grocery/supermarket store is an important component to any community and can play a significant role in creating a

positive (or negative) image and identity. Most rural communities rely on a single grocery store, and the lack of competition can create a negative dynamic in the community. The Community currently has only one grocery store, which is not strategically located near the Interstate or the Community center. The inconvenient location, combined with a lack of competition, has created a dynamic that is unfavorable to Community residents and a fair number of interviewees noted these negative impacts. A larger supermarket located near I-70 would be a tremendous benefit for the Community, both in terms of expanded product offerings, and in terms of a convenient location near transportation thoroughfares. A supermarket strategically located near I-70 would also have the potential to capture additional retail activity from travelers.

The Community is home to beautiful scenery, several small lakes, and the majestic Colorado River. A common sentiment expressed in the interviews is that although the Community is home to so many unique natural resources, few trails and organized recreational activities have been developed to enhance the outdoor experience or to help the local community and tourists utilize such resources. Community members and leaders alike appear to be united in the desire for growth in tourism and outdoor recreation. Specific ideas mentioned during interviews include river rafting, a kayaking park, and a sports complex for baseball, softball, soccer, and other sports and cultural activities.

Additional topics and concepts that were discussed in local interviews are summarized in the word cloud in Figure 1.

Figure 1: Community Word Cloud

Asset Inventory

The Community currently has four (4) major assets that need to be leveraged together in any economic development, or redevelopment plan. These include

- The Colorado River and groundwater lakes;
- Dramatic mountain scenery;
- Transportation infrastructure; and
- Ideal central location within the Western Slope.

According to Protect the Flows, a coalition organized to protect the Colorado River, the Colorado River provides an astounding $1.4 trillion of economic impact on an annual basis. Communities throughout the West use the river for agriculture, business, and recreation opportunities that collectively employ over 16 million people. To date, the Community has not captured its share of this economic impact.

The close proximity to majestic mountains near the Community is an asset that should be leveraged to further expand the outdoor recreation sector of the economy. Trails and maps would need to be created in order to fully leverage this asset. The value of this asset, similar to the water recreation opportunities, would extend beyond tourism, and would have the potential to provide a quality of life asset for employers and their respective workforce.

Traffic counts along I-70 exceed 32,000 cars per day, and nearly 10,000 of those travelers stop at the rest stop in Parachute every month. Most rural communities can only dream of such exposure to outside visitors and potential patrons. However, the Community is not capturing the full potential benefit from these visitors, as there are few attractions or amenities to keep them here. In this regard, the lack of additional attractive amenities is a liability that will continue to prevent growth unless it is addressed.

As described previously, railroad access is a tremendous asset for a rural community and it opens the door to manufacturing and distribution industries.

The lack of sophisticated development in the Community is a liability that will affect that ability to attract new employers to the area. Additionally, Parachute's downtown area feels like any other street in the Community, rather than a central hub with substantial activity. The lack of activity is a symptom of the existing built environment. These liabilities need to be addressed to ensure that the Community stays relevant for the next generation.

Educational Facilities

Parachute & Battlement Mesa are part of Garfield County School District 16. There is one (1) preschool, two (2) elementary schools, a (1) middle school and a (1) high school. Both the Grand Valley Middle School and the Grand Valley High School were built recently in 2005. There are no colleges or universities in the Community. However, there are opportunities in Garfield County and in Mesa County for citizens of Parachute & Battlement Mesa to further their education.

Within 25 miles of the Community exists one (1) college and one (1) university. These are the Colorado Mountain College (CMC) and the Colorado State University (extension), which are both located in Rifle (17 Miles from Parachute). Within 50 miles of the Community lie the Colorado Mesa University (CMU) in Grand Junction and another Colorado Mountain College (CMC) campus in Glenwood Springs.

The Colorado Mountain College is the area's largest two-year college. Each year, an average of 20,000 students enroll in the 11 locations and in online classes offered by the College. It offers many programs for students studying to become accountants, automotive technicians, chemists, teachers, etc. The College primarily offers associate degrees and program certificates. The five (5) bachelor degrees offered focus on sustainability studies, nursing, elementary education, business administration, and applied sciences. This is the closest college resource available to the Community.

The Colorado Mesa University (46 miles from the Community) offers 71 majors that cover a wide array of subjects in business, medicine, science, and the arts. Colorado Mesa University in Grand Junction grants two-year associate degrees, four-year bachelor's degrees, and master's degrees. About 9,000 students enroll in the College each year. The College features three (3) locations, the primary location being in Grand Junction. The two extensions are located in northwestern Grand Junction and in the city of Montrose. This University features the widest array of four-year degrees in the area.

Strengths, Weaknesses, Opportunities, Threats

This strengths, weaknesses, opportunities, and threats (SWOT) analysis for the Community considers only those drivers within the local economy that are considered highly impactful. Although a more extensive and comprehensive SWOT list would highlight additional elements, these have been deemed insufficient to drive economic change within the local economy and as such are excluded for the purposes of this analysis.

Strengths

The Community's greatest strength has been its close proximity to the Piceance Basin (the "Basin"), which contains oil shale, natural gas, and nahcolite deposits. The Community is also located along the I-70 corridor and rail lines operated by Union Pacific and Burlington Northern. These assets have been the primary economic drivers for the Community.

Piceance Basin Kerogen / Oil Shale Deposits

The Piceance Basin contains one of the nations' largest deposits of oil shale and has attracted exploratory interest from major oil companies. Oil shale or kerogen is a mixture of organic chemical compounds that make up a portion of organic matter in sedimentary rocks. When heated to the right temperatures, some types of kerogen release crude oil or natural gas.

Piceance Basin Natural Gas Deposits

WPX Energy is a publicly traded energy company that specializes in producing natural gas, natural gas liquids, and oil from non-conventional resources such as shale formations. The company has operated in the Basin since 1986 and has an office in Parachute. WPX Energy is the largest producer of natural gas in Colorado with over 4,700 natural gas wells in the Basin and 2.5 trillion cubic feet equivalent of proven reserves.

Encana Corporation is the second largest producer of natural gas in the State and produces 456 million cubic feet per day from its approximately 3,000 wells in the basin.

Other companies in the local area within this industry include, but are not limited to: Ursa Operating Company, Caerus Operating, Marathon Oil Company, among others.

The workforce required to support the 11,000+ wells in Garfield County is considerable.

Piceance Basin Nahcolite / Soda Ash Deposits

In November 2000, American Soda LLP, a joint-venture partnership with Williams Soda Products Co., which was a wholly-owned subsidiary of The Williams Companies, Inc. (60%), and American Alkali, Inc. (40%) initiated commercial operations of a nahcolite solution mine in the Piceance Creek Basin in Rio Blanco County that was designed to produce between 800,000 to 1.0 million tons per year of soda ash. The plant leveraged infrastructure that had been developed by Unocal as part of a previous oil & gas project.

The mine was supported by an upper plant located in Rio Blanco County, and a $300 million lower plant located near Parachute in Garfield County capable of producing 896,000 tons per year of soda ash equivalent. Two (2) 44-mile insulated pipelines, one for product and the other for return water, connected the two (2) plants with the final product being shipped from the lower plant via rail. The upper plant encountered production problems early on and had been operating at roughly 50 to 60 percent capacity since it began production.

Solvay Chemicals purchased American Soda from the Williams Companies in 2003. In March 2004, American Soda announced that it was mothballing the upper plant due to high energy costs and continuing losses, and effectively removed 300,000 tons of soda ash per year from the market. Much of the upper plant was torn down and the insulated pipelines were sold to Encana. The lower plant and manufacturing facility in Parachute continues to operate and is supplied by Solvay Chemicals' mine near Green River, Wyoming. The Parachute facility produces food-grade sodium bicarbonate.

Natural Assets

Additional strengths include natural assets such as the Colorado River and several small lakes within a half-mile of the highway. The Community is also situated next to the Battlements, Roan Plateau, and Bookcliffs rock formations. These natural assets provide ample opportunities for fishing, hunting, and outdoor recreation. Local natural gas companies have created a vast network of roads in the wilderness areas surrounding the Community that could be converted and subsequently used as trails in addition to the County road infrastructure.

Location

The Community is ideally located within the Western Slope of Colorado being roughly at the center between Glenwood Springs, Grand Junction, Delta/Montrose, Craig, etc. It also benefits from having freeway and railroad access. The location is a tremendous strength and has been one of the sources of historic economic success.

Battlement Mesa Capacity

Battlement Mesa was designed to accommodate up to 25,000 residents and much of the infrastructure needed for full build-out has been installed. They also have water rights and three (3) square miles of land for development with many shovel ready sites available.

Education

Local education providers, including Garfield District 16 and the Colorado Mountain College ("CMC") are a tremendous strength to the Community. Quality educational opportunities provide a solid base for local residents to gain the education and training that will qualify them for stable and high paying jobs. The State Department of Education reports that academic growth of students within Garfield District 16 exceeds State averages (data not shown).

CMC is a great asset due to its ability to provide workforce training and development for the local residents. CMC strives to offer programs that fit well with local employment needs, and local businesses have reported that the training provided at CMC meets and sometimes exceeds the training provided at other institutions of higher education across the country. The Community may be able to leverage CMC to help recruit industries and employers that require specialized workforce training.

Town Leadership

Town leadership, including the current Town Manager, Mayor, and Board of Trustees have been a tremendous benefit, and are a real strength when it comes to making progress and producing economic development results. The leadership team's keen attitude toward attracting new development is uncommon in rural communities, and will make progress occur more quickly, and in a much more sophisticated manner than what has happened in the past.

Other

Each year the Town hosts an Oktoberfest and last year nearly three thousand people came for the festival. This year the Town is anticipating a larger crowd of people. Other Community events, both current and planned for the future, include a Latino Celebration, Grand Valley Days, and a Ride, Run, and Raft event.

Weaknesses

The Community has an undiversified economy that is heavily concentrated in the shale oil, natural gas, and nahcolite extraction industries. Much of the oil and natural gas workforce is transient and will relocate to other communities where oil well drilling jobs are available. This creates significant stress on local community services, skews workforce and unemployment data, and negatively impacts local businesses.

Furthermore, many of the employees in the oil, gas, and nahcolite industries choose to live in Grand Junction rather than Parachute or Battlement Mesa, because of the lack of amenities. Although the Parachute employment base in these industries may be relatively large, the Community does not maximize its benefit from these jobs, because the vast majority of the worker base is choosing to live elsewhere. Rental property occupancy, retail sales, home ownership, and the community's tax base all suffer from this dynamic. Furthermore, existing housing stock and housing demand in the two (2) communities reflect these economic challenges.

A small population size and narrow workforce skillset limit the opportunities for attracting new businesses that can diversify the economy. There is also a lack of educational opportunities and workforce development assets within the Community that can be leveraged to retrain the existing workforce in other industries.

It is also challenging to attract and retain teachers, police officers, and other supportive positions, because of the population size and limited budgets. Incentives may be needed in the future in order to attract qualified individuals to locate to the Community.

Off-highway amenities such as the existing hospitality and retail establishments may have been overbuilt to accommodate the transient workforce during the last oil and gas boom cycle. Current occupancy rates in existing hospitality product are very low and unsustainable.

Although I-70 serves to support the highway retail, this retail corridor has not been developed in the most productive manner. Vacant lots and distressed properties comprise most of the existing commercial uses.

Opportunities

Soda Ash – Solvay / Enirgi Joint Venture (JV)

In comparison to the fluctuations in oil and gas commodity prices, soda ash is a relatively stable commodity with very few producers. Expansion in this commodity industry would greatly benefit the local economy due to its relative stability.

Natural Soda, Inc. is an extraction company that operates a natural sodium bicarbonate resources and production facility in the Piceance Creek Basin in Rio Blanco County that is capable of reliably producing 125,000 tons of sodium bicarbonate per year.

Natural Soda, Inc. is a wholly owned subsidiary of Natural Resources USA Corporation, formerly AmerAlia, Inc. Natural Resources is in turn wholly owned by Enirgi Group Corporation, a private Canadian company that is wholly owned by a private equity group, The Sentient Group.

Solvay and Enirgi have recently announced a 50-50 joint venture called SOLVair Natural Solutions, which could have positive implications for the soda ash operations and processing facilities in Parachute.

Solvay is not within the Parachute Town limits and an opportunity may be present to annex the property into the Town.

Sodium Bicarbonate End Users

Consideration should be given to recruiting in intermediate processors and end users of sodium bicarbonate in the food and baking, personal care & pharmaceutical, animal nutrition, pool & water treatment, and air quality industries.

Particular focus should be given to Solvay and Natural Soda clients that use sodium bicarbonate as a primary raw material for intermediate product and end users with distribution needs throughout the Intermountain West.

Shale Oil

Despite Exxon's failed attempt in the early 1980's, research and development efforts in oil shale extraction technologies continue. There is great speculation as to when or if oil shale extraction technology will align with global oil prices to warrant significant additional investment in the Basin. Should additional investment occur, the Community will have the opportunity to capture significant job growth.

Liquefied Natural Gas Exports

LNG, or liquefied natural gas, is a clear, odorless, noncorrosive, nontoxic liquid that is formed when natural gas is cooled to around -260 F. The cooling process shrinks the volume by about 600 times, making the resource easier to store and transport through marine shipments.

LNG exports present a significant opportunity for the natural gas industry, if commodity prices increase. In addition to Gulf of Mexico and Atlantic Coast ports that have been approved for LNG exporting by the Department of Energy, there are two (2) port facilities in Oregon (Oregon LNG and Jordan Cove LNG) that are in the planning stages. Pipelines could transport the natural gas from the Basin to these port facilities. The Basin is approximately 1,000 miles from the Gulf Coast and 900 miles from the Oregon Coast. Most of the infrastructure necessary to transport natural gas from the Basin to one of the ports is already in place.

Business District Development

Cardinal Way, between Battlement Parkway and Looney Drive represents a prime opportunity for the development of a Central Business District. As previously mentioned, the lakes and river along this corridor should be developed into recreational assets and integrated with the business district by permeable pedestrian and bike corridors. The entire business district area should be master planned in concert with existing landowners and the private development community.

Recreation and Tourism

The newly proposed Central Business District is located in close proximity to the Colorado River and several small lakes that could be leveraged for recreational opportunities. Riverfront amenities should be developed to create quality of life assets that are interconnected by pedestrian and bike paths to the business district. These assets will provide a quality of life asset for employers and their workforce.

Grand Valley High School has been approached by various sports teams that have requested access to facilities to host sporting competitions. A sports complex visible from the highway would be able to provide a quality of life asset for residents, and would act as a destination attraction for visitors. Another potential recreational asset is a multi-use community event center to the north of Town that has received some support from local residents.

One of the tourism-related events in the area is the annual "Oktoberfest," held at Cottonwood Park in Parachute on the first weekend of October. This family-friendly event features

live music, a climbing wall, trampolines, fireworks, concessions and other games. The event usually attracts an average of 2,000 people each year.

Another popular event is "The Grand Valley Days," held annually in the Town of Parachute on the last weekend of July. This two-day event consistently features a rodeo, parade, 5-kilometer foot race, breakfast, bake sale and a car show. With activities for those of all ages, this event attracts many families within Garfield County & surrounding counties.

These events make up some of the major tourist-events of the year. Effective and continued advertising of these events, along with the addition and development of new events, will help increase the awareness of, and interest in the Community.

Neighborhood Commercial Development

Battlement Mesa has additional land allocated for commercial development that is not currently utilized. The potential exists for additional "neighborhood commercial" development such as dental, medical, and professional offices. Employers that are interested in part-time work from the senior population, such as a call center, may also be a potential opportunity.

New Housing Stock

As will be described in greater detail later in this report, the Community has a high percentage of housing stock that is relatively low valued, along with a low number of quality homes in an affordable range. The opportunity exists to develop additional high quality, yet affordable housing to allow those who would like to live within the Community, but have located elsewhere due to issues in the housing market, the opportunity to do so.

Re-approach Prior Opportunities

A truck stop operator as well as a retail outlet developer had approached the Town years ago, but the developments ultimately did not occur. These developments should be reconsidered and the Town should pursue re-establishing a dialogue with the parties.

Marijuana

The medical and recreational use of marijuana in the State of Colorado was legalized through a vote of the electorate in November 2012. However, approval for opening and operating dispensaries and grow houses must be obtained at the local level by subdivisions of the State government. The Town of Parachute Board of Trustees approved an ordinance in June 2015 that would allow for marijuana businesses to be located within the Town.

These businesses include, but are not limited to: operation of retail marijuana cultivation facilities, testing facilities, product manufacturing facilities, and stores. Support businesses for the marijuana industry are also a potential, including kitchens, transportation hubs, supply stores, etc.

The Town has already issued four (4) retail store licenses, one (1) manufacturing licenses, with other applicants due to come before the Board of Trustees in February.

Threats

Commodity Prices / Extraction Technology

The Community is heavily dependent on the natural gas extraction industry, which is subject to fluctuations in global commodity prices. This results in boom and bust cycles that greatly impact the local economy.

To further exacerbate the local economy's sensitivity to these fluctuations, oil shale presents a high risk for oil companies. Due to the additional heat and pressure required in the extraction process, oil shale fields are more expensive to develop than traditional crude oil, as it requires additional energy and pressurized water. As such, these extraction efforts are typically pursued aggressively only when oil prices increase to a point that oil shale extraction becomes economically feasible.

In the early 1980's, Exxon and The Oil Shale Company (Tosco) planned to develop the 22-square mile Colony Oil Shale Project north of Parachute. The project was projected to cost $5 billion. Citing cost concerns and immature extraction technology, Exxon closed the plant on May 2nd, 1982, and laid off over 2,000 employees. Exxon had just acquired the Colony project from the Atlantic Richfield Company (ARCO) in May 1980 for $400 million.

In addition, declines in commodity prices have resulted in a dramatic decrease in new natural gas well development. In 2014, Encana Corporation announced that it would not drill any new wells in the Basin due to low commodity prices. WPX Energy followed suit and halted completion on newly drilled wells, cut the number of drilling rigs it operates, and downsized much of its workforce within the Community. As mentioned earlier in this report, only three (3) drilling rigs are active in Garfield County at the present time.

Competing Formations

Other formations compete with the Piceance Basin for exploration dollars. For example, Weld County, Colorado, has continued to see oil well drilling activity despite falling commodity prices.

2015 Infrastructure Master Plan

The 2015 Infrastructure Master Plan for the Town of Parachute produced by the Farnsworth Group was reviewed and is incorporated herein by reference. The plan outlines major projects that are necessary for the Town to meet current and future demand requirements. The 2015 Master Plan sufficiently addresses the existing needs, and the framework and future projects described will adequately service and provide support for the recommendations that will be outlined throughout the Comprehensive Plan.

Town of Parachute – Economic and Fiscal Impact of Retail Marijuana Report

The report prepared by BBC Research and Consulting is also incorporated herein by reference. The report identifies the potential for the marijuana industry for the Town of Parachute.

Additional Stakeholders

In addition to the stakeholders mentioned within the specific recommendations, there are additional stakeholders that have unique assets that need to be more fully leveraged to bring the projects and recommendations to fruition.

For example, the Puckett Land Company, which owns a large amount of land near the southwest interchange, has expressed interest in participating with a major development and will be a key player for the truck stop project, the sports complex, a trail system, and additional commercial development.

In addition to the Town, the Parachute Battlement Mesa Parks and Recreation District will be a key player for the river recreation projects, as well as the sports complex. The recreation district may be able to participate financially to help launch the recreation projects. The Garfield County 16 School District is also a natural partner for the sports complex project as well, because it will benefit from having access to new state-of-the-art facilities.

Visionary Planning and Community Feedback

A community visioning and planning meeting was held in Parachute, Colorado on May 13th, 2015. In attendance were representatives and stakeholders from various organizations within the Community. During the meeting, topics and concepts contained in this report, as well as some preliminary land-use concepts, were presented to the group for feedback and discussion. The purpose of the meeting was to ensure that the Community is involved in the planning process, and to create channels of communication to allow the Community to provide the vision for their future.

Feedback from the Community regarding the economic diversification concepts was very positive. Many attendees expressed excitement about the idea of bringing in additional manufacturing jobs, and offered suggestions of specific industries that may thrive in the area. A lot of the discussion with attendees surrounded the need to appropriately size buildings and operations to fit the culture and character of the Community.

The preliminary land-use concepts presented during the meeting were met with great excitement. Specifics of the land-use plan fall within Chapter 3 of the Plan and will be discussed further. However, in summary the Community grasped the need to do a large and significant development to catalyze future investment, rather than a small project that would only have a marginal impact.

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2 | Economic Vitality

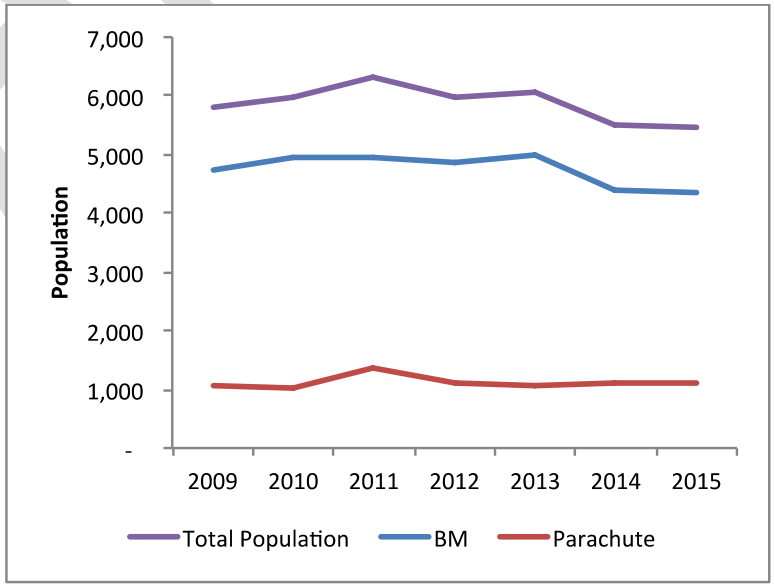
Gathering baseline economic information and conducting an economic assessment provides a framework from which industry and cluster expansion opportunities can be explored. The most reputable sources for economic baseline data, namely the Bureau of Labor Statistics (BLS), and the Bureau of Economic Analysis (BEA) do not provide detail down to the individual community level. These data sources aggregate data at the County level, which typically masks and may not correlate with the performance of the County's smaller communities, such as the Town of Parachute and Battlement Mesa.

The next most comprehensive data set can be found through a combination of Census data and ESRI, a private company, which specializes in geographical and community research. The ESRI data utilizes Census data as a baseline, then performs additional analysis to produce estimates for intercensal years. The Census and ESRI methodology is sometimes slow to capture changes in real-time, such as population changes due to employment losses between survey periods. As a result, the analysis contained in this section is accurate insofar as the estimates provided by third parties are accurate. Additional footnotes will be contained throughout this section to highlight potential discrepancies and issues that may be an artifact of the dataset, rather than an actual trend.

Community Residents

The size and makeup of the Community's population is an important indicator of the potential productive capacity of the local economy. Overall population trends can signal positive or negative momentum in the Community, and specific demographic data can provide additional insights into the types of industries that would be best positioned to succeed based on the available labor pool.

Population for the Community in 2015 is estimated at 5,446 with 1,109 living within the Town of Parachute and the remaining 4,337 living in Battlement Mesa (see Figure 2). Reported population in the Community reached its peak in 2011 and has declined through 2015.

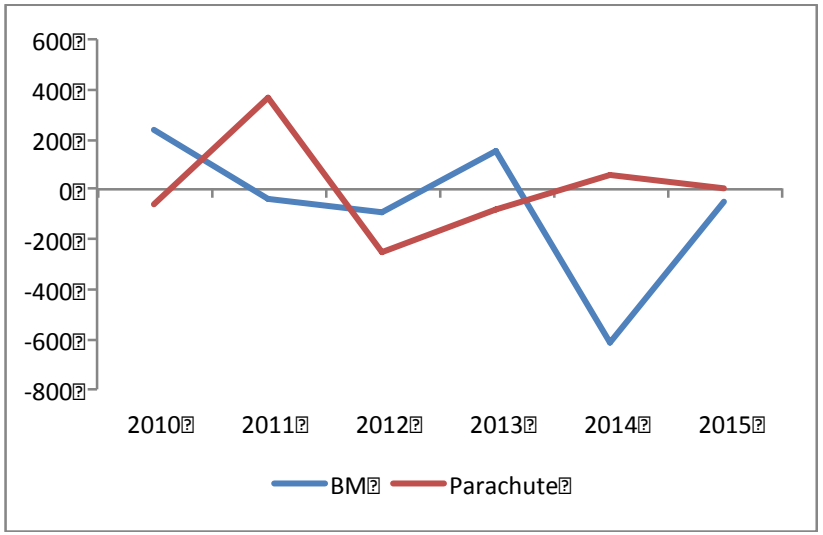


Source: ESRI, ACS 5-year Estimates

Figure 2: Parachute – Battlement Mesa Population Overview 2009-2015

DRAFT

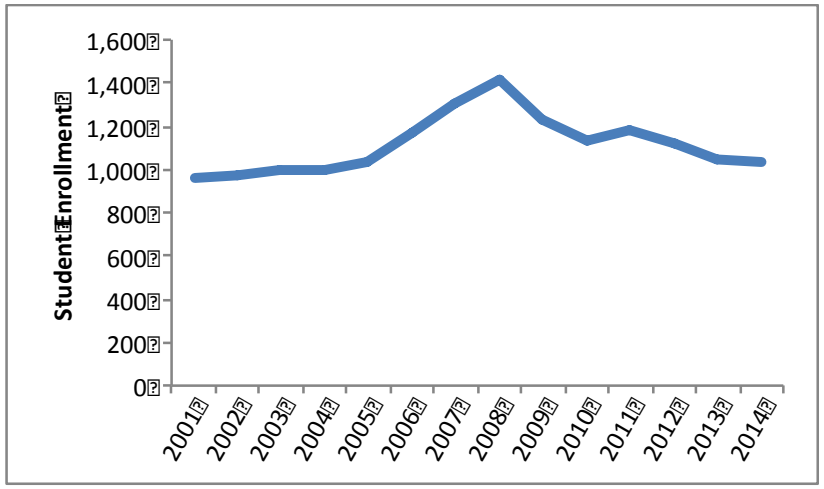
The population in the Town has been slightly less volatile than the population of BM (see Figure 3). Anecdotal evidence from stakeholder interviews supports this observation in the data, as most of the transient work force has historically chosen to live in BM where housing is available in greater abundance.



Source: ESRI, ACS 5-year Estimates

Figure 3: Population Change by Location 2010-2015

School district enrollment can serve as a proxy for longer-term population trends. One advantage of enrollment data vs. Census data is that the student population is typically less sensitive to fluctuations in the transient workforce. For example, transient gas workers will often leave their families behind in another city as the wage earner travels to where the work is. These workers can sometimes show up in population data and it skews the total population upwards. Figure 4 shows that school district enrollment increased slightly through the mid 2000's and peaked in 2008 during the height of the area's natural gas boom. In this regard, enrollment data demonstrates that unlike other oil and gas communities, changes in natural gas activity are also reflected in student population growth. Additional analysis on this topic will be addressed later in this report.

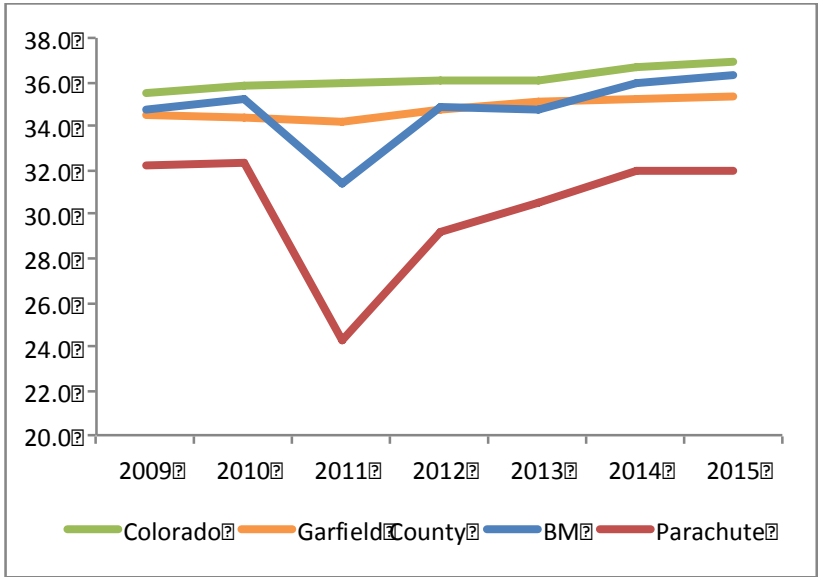


Source: Colorado Department of Education

Figure 4: Garfield District 16 Enrollment 2001-2014

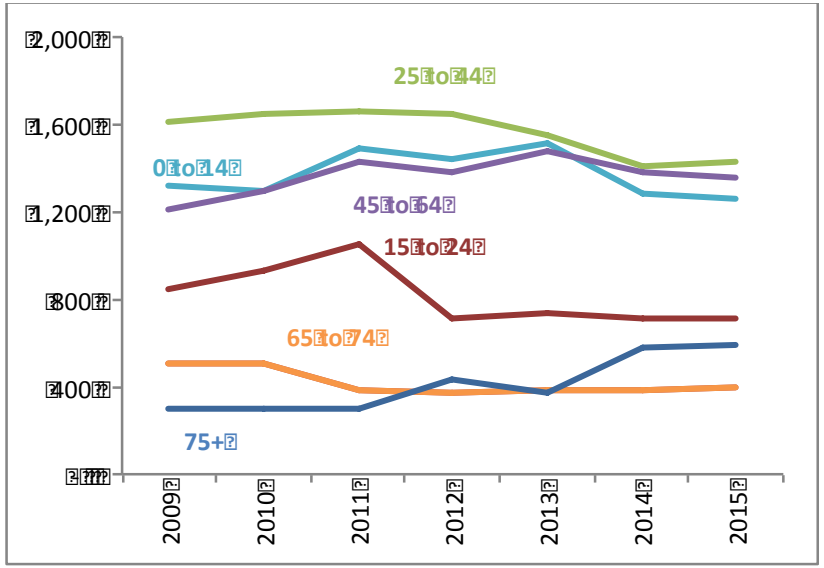
Median Age

The median age in the Community increased from 34.3 in 2009 to 35.4 in 2015. Figure 5 shows that while the median age in BM is similar to Garfield County and the State of Colorado, the median age in Parachute is significantly less.



Source: ESRI, ACS 5-year Estimates

Figure 5: Median Age Comparison

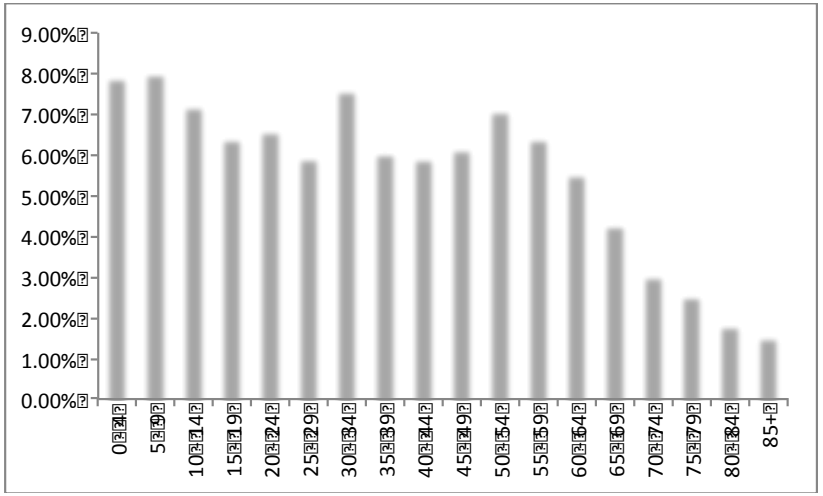


Source: ESRI, ACS 5-year Estimates

Figure 6: Community Population by Age Group 2009-2015

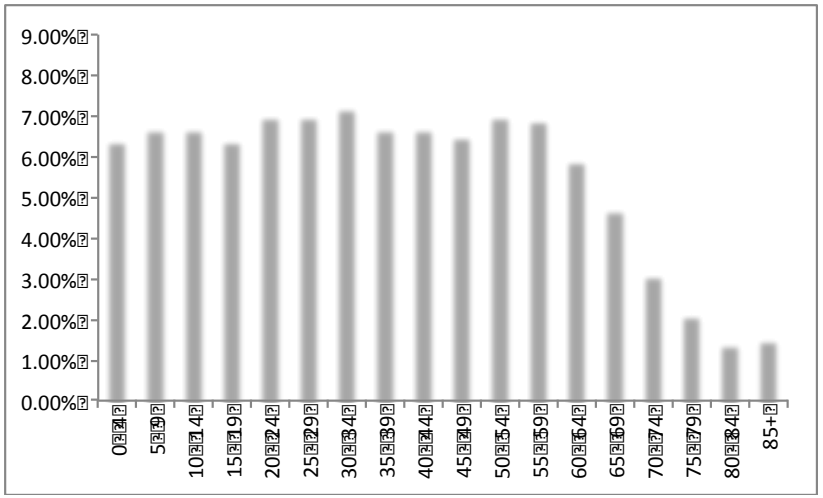
The decrease in median age during the year 2011 is attributed to an increase in the population of individuals under the age of 20, and a decrease in the number of individuals between the ages of 65 and 74 (see Figure 6). However, it is very uncommon for the makeup of a community to change so dramatically in one year. It is likely that the actual change was less than reported. The subsequent increase in median age during 2012 supports the likelihood of the 2011 data point being an anomaly.

A breakdown of age groups within the Community adds additional detail in the makeup of the population. Figure 7 and Figure 8 show the relative contribution of each age group within the Community and the State, respectively. The Community has a slightly higher percentage of retirees than the State with 13.2% rather than 12.8%. However, the Community still has a lower median age than the State due to a greater presence of individuals under the age of 20. It is important to note that while some stakeholders have expressed the opinion that BM by is made up of mostly retirees, the data suggest that BM is on track with County and State averages.



Source: ESRI

Figure 7: 2015 Community Population Breakdown

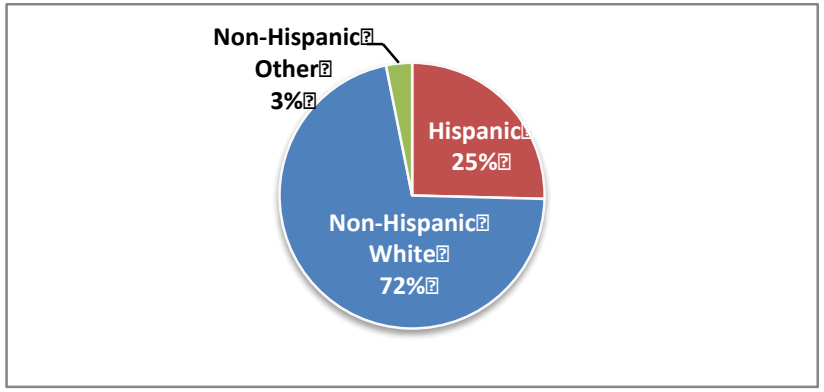


Source: ESRI

Figure 8: Colorado Population Breakdown

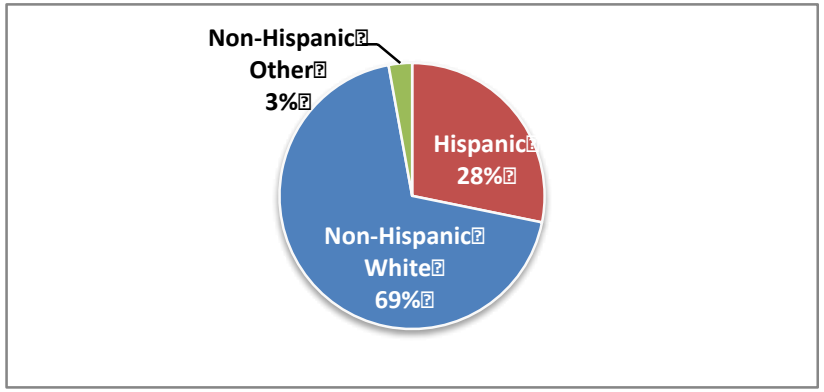
Ethnic Diversity

The Community is slightly less ethnically diverse than the County and the State (see Figure 9, Figure 10, and Figure 11). Both the County and the Community have a higher Hispanic population than the State, but a lower percentage of individuals from other ethnic backgrounds.



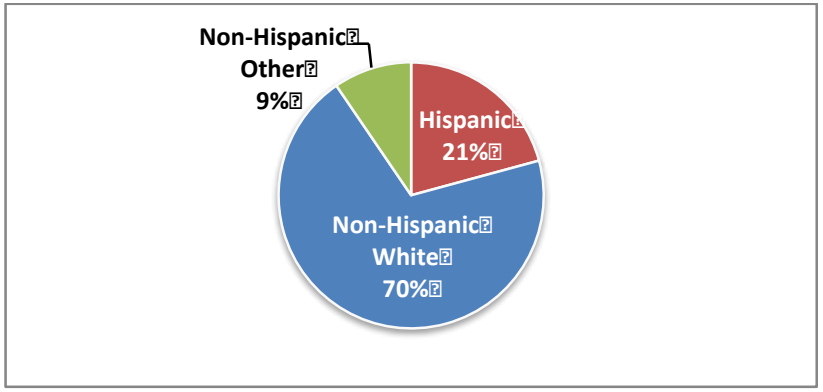
Source: ACS 5-year Estimates

Figure 9: Community Ethnic Diversity 2013



Source: ACS 5-year Estimates

Figure 10: Garfield County Ethnic Diversity 2013



Source: ACS 5-year Estimates

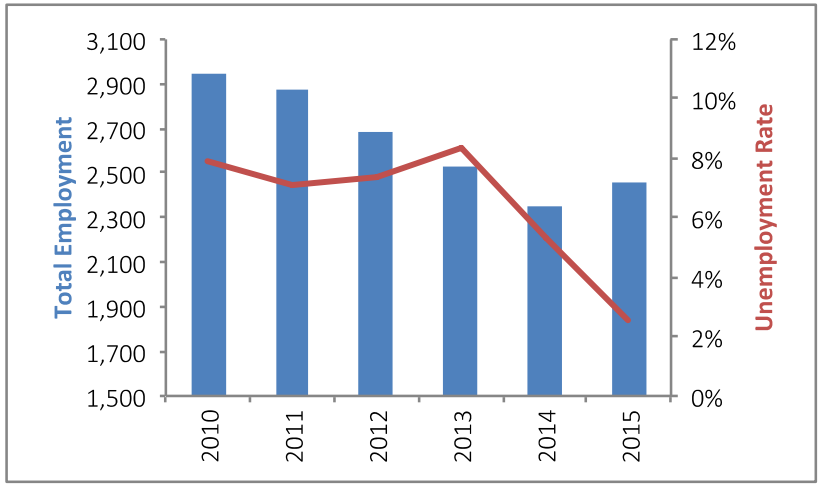
Figure 11: Colorado Ethnic Diversity 2013

Non-Farm Employment

As described previously, the most reliable sources for employment and unemployment data do not provide information at the municipal level. The alternative economic data provided by ESRI and the ACS only go back to 2010, do not include farm related employment, and may contain sampling errors.

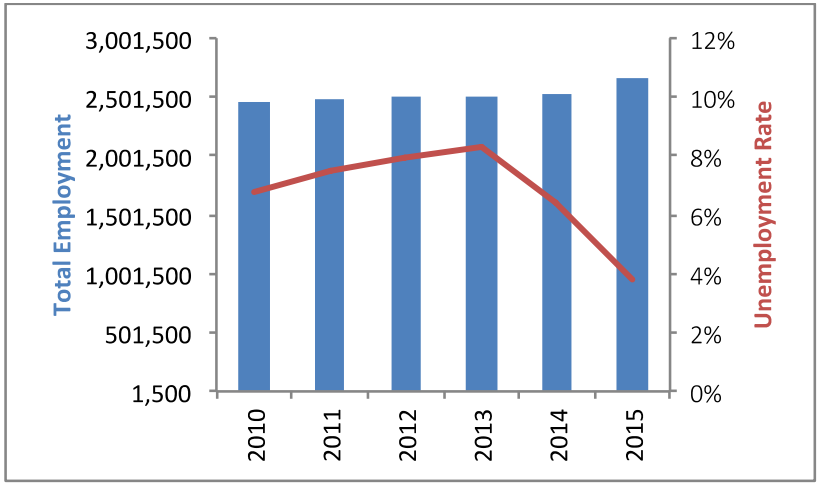
The number of employed individuals in the Community decreased from 2,940 in 2010 to 2,461 in 2015 (see Figure 12). The corresponding unemployment rate increased slightly from 7.9% in 2010 to 8.4% in 2013 before falling again to an estimated rate of 3.8% in 2015. Even though the Community experienced significant job losses in 2015, the reported unemployment rate declined due to individuals and families moving away from the Community rather than seeking a new job locally. Thus, the job losses are not captured in the unemployment rate alone. More detail regarding this trend will be described below.

During the same time period, the number of employed individuals in the State increased while the unemployment rate fell from 6.8% to 3.8% (see Figure 13). County unemployment trends align very closely with the Community between 2013 and 2015 (see Figure 14). While some correlation is expected, the close alignment may indicate that sampling methods are masking the true employment trends within the Community. Anecdotal evidence from stakeholder interviews suggests that the 2014-2015 unemployment rate in the Community is higher than reported due to job losses from several major employers in the natural gas industry.



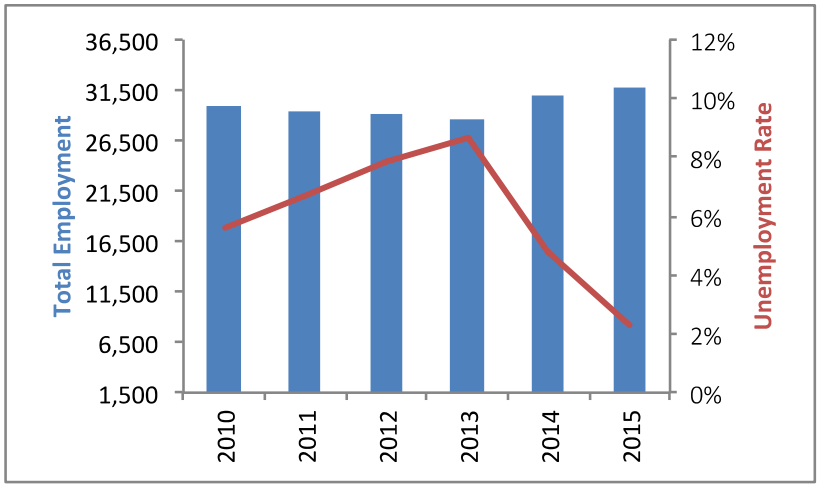
Source: ESRI, ACS 5-year Estimates

Figure 12: Community Employment and Unemployment 2010-2015



Source: ESRI, ACS 5-year Estimates

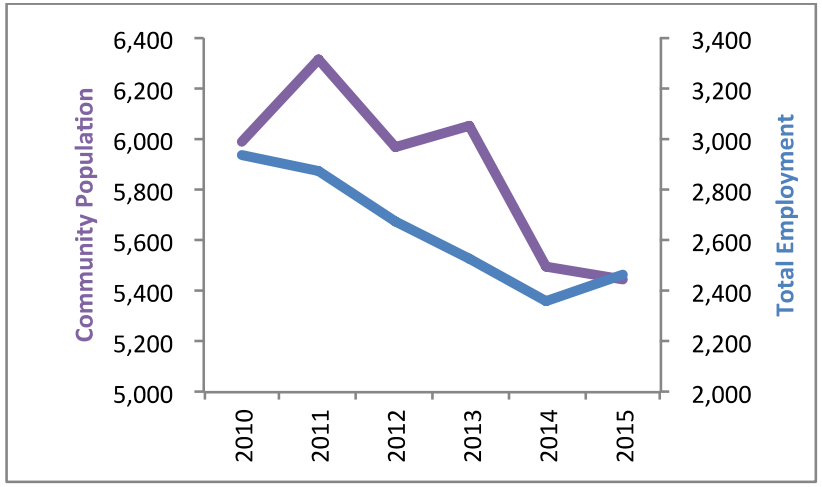
Figure 13: Colorado Employment and Unemployment 2010-2015



Source: ESRI, ACS 5-year Estimates

Figure 14: Garfield County Employment and Unemployment 2010-2015

Total employment data correlate with population trends for the Community and suggest that the employment figure is likely an accurate representation (see Figure 15). For ease of comparison, the axis scales in Figure 15 are equivalent and show that both total population and employed individuals decreased by approximately 600 from 2010-2015. The correlation combined with anecdotal stakeholder information confirms that job losses in the Community results in an almost immediate out-migration as oil & gas industry workers seek employment opportunities in other locations.

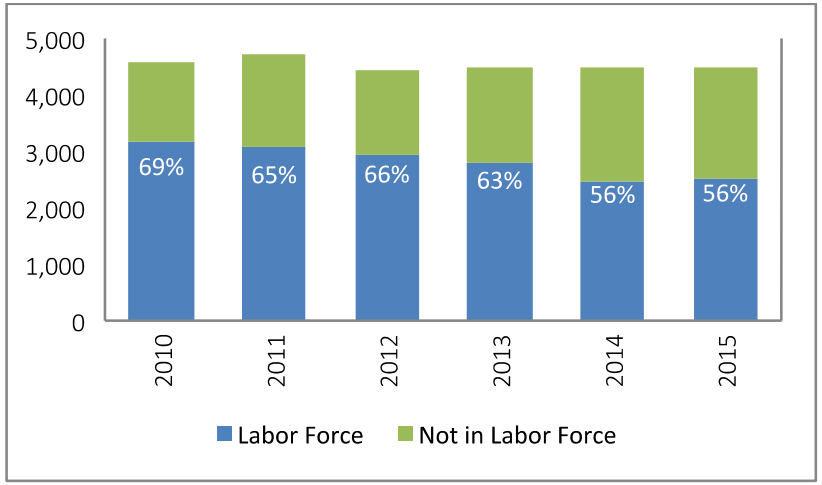


Source: ESRI, ACS 5-year Estimates

Figure 15: Community Population vs. Employed Individuals 2010-2015

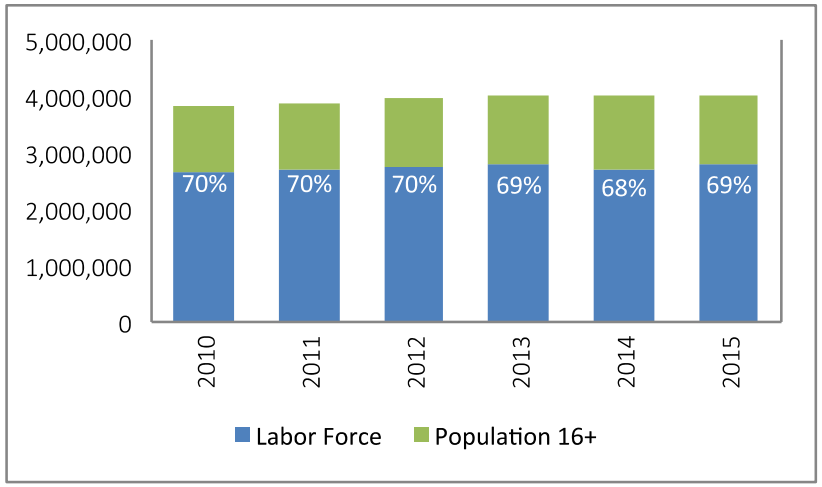
Labor Force

Labor force is defined as the population of individuals over the age of 16 that are either employed, or are actively seeking employment. The Community's reported labor force declined by approximately 600 between 2010 and 2015. The decrease can be explained by the approximately 600 individuals shown in Figure 15 who lost a job, subsequently dropped out of the local labor force, and likely sought work elsewhere (see Figure 16). The labor force participation rate of 69% in 2010 was slightly less than the State average, but the Community has lost significant ground in recent years (see Figure 17). However, it is likely that the participation rate is understated, because the population declines described above are not reflected in the ACS and ESRI data for eligible working population, as the available data show that it has held relatively constant.



Source: ESRI, ACS 5-year Estimates

Figure 16: Community Labor Force Participation 2010-2015

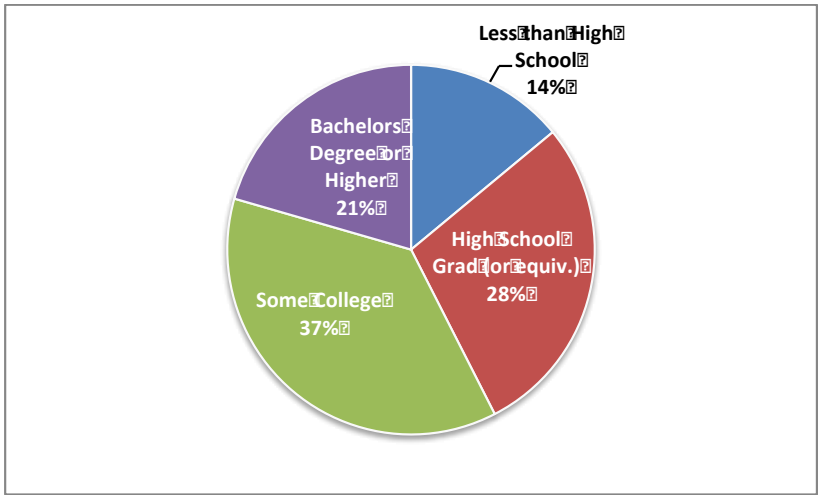


Source: ESRI, ACS 5-year Estimates

Figure 17: Colorado Labor Force Participation 2010-2015

Educational Attainment

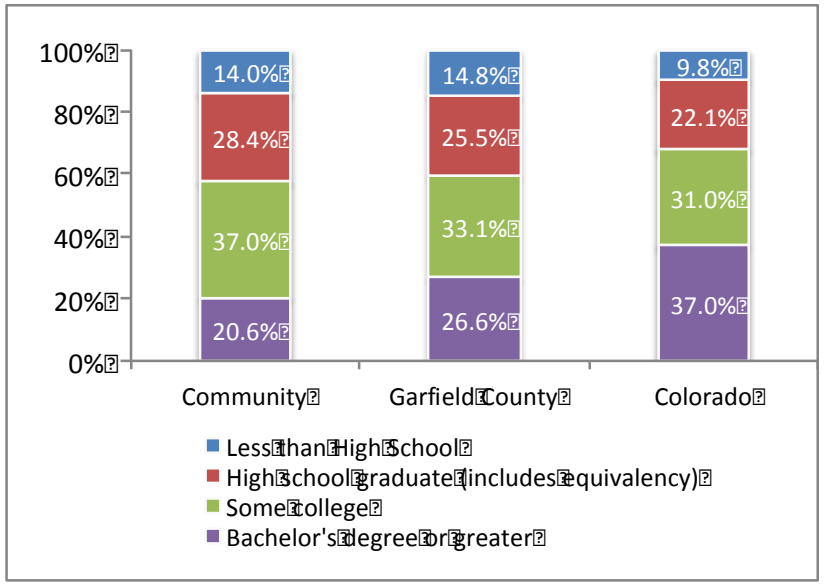
As shown in Figure 18, approximately 37% of the Community residents over the age of 25 have attended some college and nearly 21% have received a bachelor's degree or higher.



Source: ACS 5-year Estimates

Figure 18: Community Educational Attainment, 2013

The educational attainment levels for the Community are on par with County averages, but both the Community and the County are lagging behind State levels (see Figure 19). In particular, approximately 42% of the Community's residents have a high school education or less, compared to 32% for the State. To date, the lower levels of educational attainment has not been much of an issue because many of the jobs within the Community, including high paying natural gas jobs, do not require advanced degrees. It is important to note however, that while many of these individuals may not have a college degree, they do have specialized training and certificates from the natural gas industry that may be applicable in other industries such as manufacturing. These skills can be leveraged as part of the Community's economic diversification efforts.



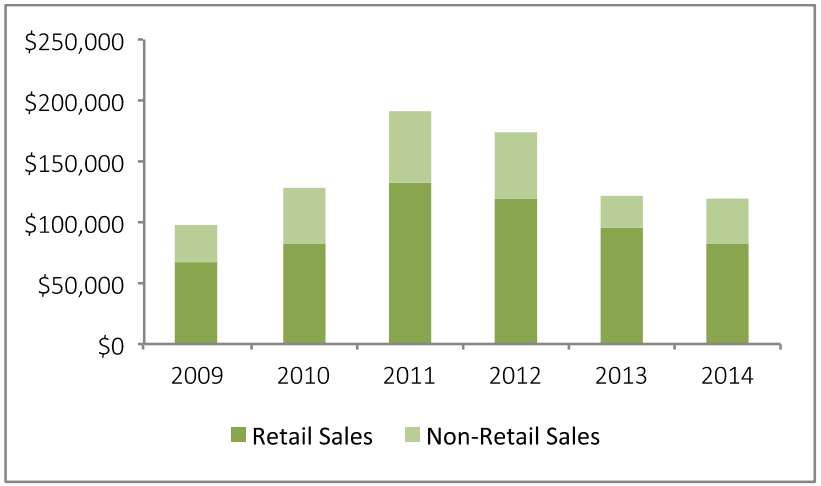
Source: ACS 5-year Estimates

Figure 19: Educational Attainment Comparison, 2013

Business Revenue and Tax Collections

Figure 20 shows the total gross revenue generated for all businesses located within the Town of Parachute as reported by the Colorado Department of Revenue (CDOR). CDOR only provides details of revenue by municipality;

therefore, BM is not represented specifically and is aggregated together with the other unincorporated areas of Garfield County. It is not possible to extrapolate the data to obtain information for BM, but as will be described later in this report, BM represents a small portion of the total Community business activity.



Source: Colorado Department of Revenue

Figure 20: Parachute Gross Sales 2009-2013 (000s)

Retail sales make up the majority of total sales from within the Town, and generated more than $132M for local businesses during the peak in 2011. Retail and non-retail sales have declined recently and total sales were just over $119M in 2014.[1] The declines are consistent with decreases in employment and population described previously.

There are several major employers in the Community, such as Williams and Solvay that are not represented in Figure 20, because they are located outside Town limits.

Sales and Use Tax

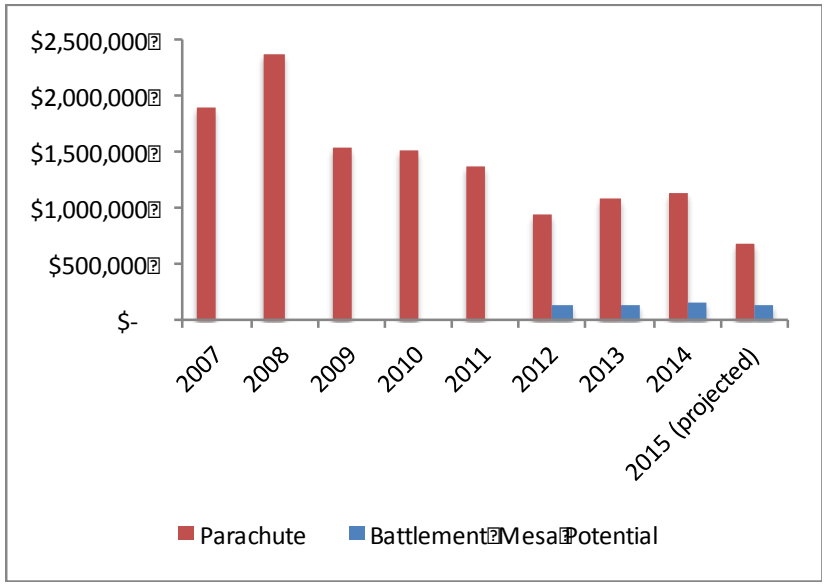
Sales and use tax collections for the Community have taken a significant hit from the 2008 peak. As would be expected, drilling activity increases retail sales, which results in greater sales tax revenue for the Community. Currently, only the Town receives a portion of collected sales tax back. BM collects the County and State portions of sales tax, but does not have the ability to collect a local sales tax. However, based on information obtained from the County Treasurer, if BM were to have collected a local sales tax, it would only have contributed a minor amount compared to what is currently being collected in the Town (see Figure 21)[2]. Potential BM revenue was only available for years 2012-2015 as reflected in the figure.

Performance for the first half of 2015 is up slightly for BM when compared to the previous three years, but is down approximately 40% in the Town. 2015 estimates are based on the assumption that the trends observed in the first six

[1] The Colorado Department of Revenue has not yet released 4th quarter data for 2014. 4th quarter sales were estimated based on Q1-Q3 performance.

[2] Potential sales tax collections for BM assumes that BM would collect taxes at the same rate as what is currently collected in the Town.

months of the year will continue for the next six months.

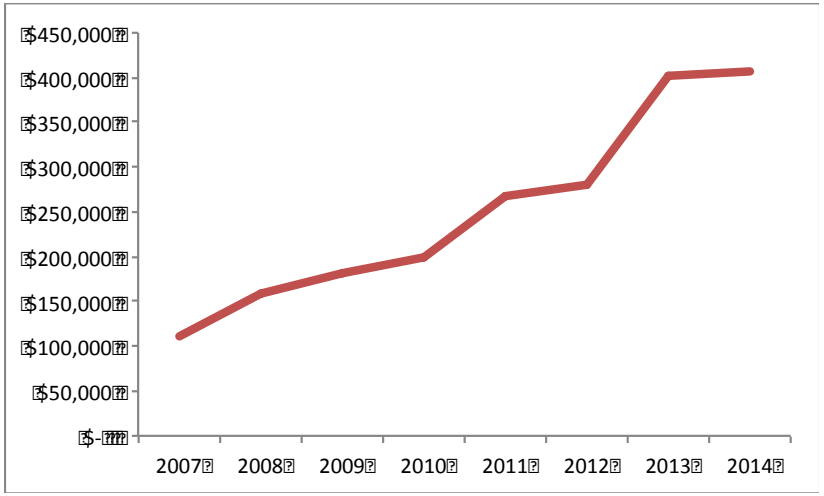


Source: Town of Parachute Finance Department, Garfield County Treasurer, Colorado Department of Revenue

Figure 21: Sales Tax Collections, 2007-2015

Property Tax

Property tax collections for the Town have fared better than sales tax collections and were at their highest level in 2014 (see Figure 22). The County as a whole collects over 70% of its property tax from the oil/gas industry.



Source: Town of Parachute Finance Department, Garfield County Assessor

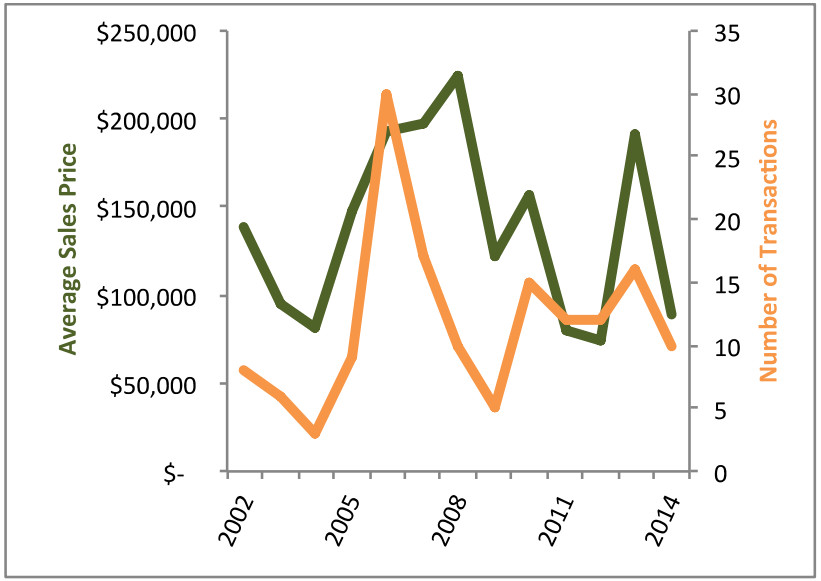
Figure 22: Property Tax Collections, 2007-2014

The State of Colorado uses a complex method of collecting property taxes from the oil and gas industry. In summary, companies are allowed to use local property taxes paid as a deduction against state severance taxes. However, it often takes at least two years for the value of property taxes paid to catch up to increases in drilling and gas production. For most gas wells, production and therefore value is greatest for the first few years of operation and then it tapers dramatically. As a result, severance tax and property tax are highest when new wells are being explored and during the first few years of operation. When new drilling ceases, local governments can expect a dramatic drop in severance tax revenues, as well as gas property tax revenues.

BM does not currently receive property tax revenues. Potential amounts of property tax will be analyzed as part of Chapter 5 of the Comprehensive Plan.

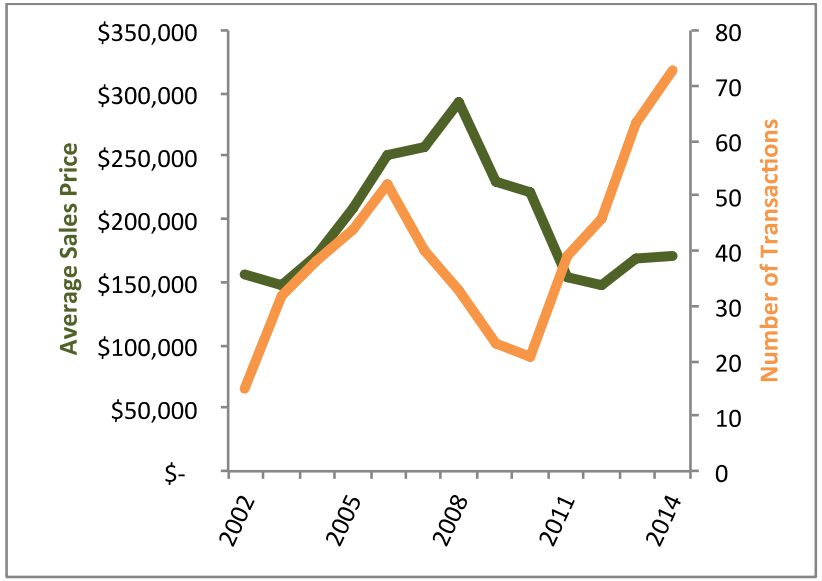
HOUSING

The real estate market is an important indicator of the overall health of the local economy. Due to the differences in the availability and type of housing available in the Town vs. BM, the two (2) areas were analyzed separately. Figure 23 and Figure 24 show that the number of single-family home transactions peaked in 2006 for both the Town and BM, while the average sales price peaked two (2) years later in 2008.



Source: Garfield County Assessor

Figure 23: Parachute Single Family Home Transactions, 2002-2014

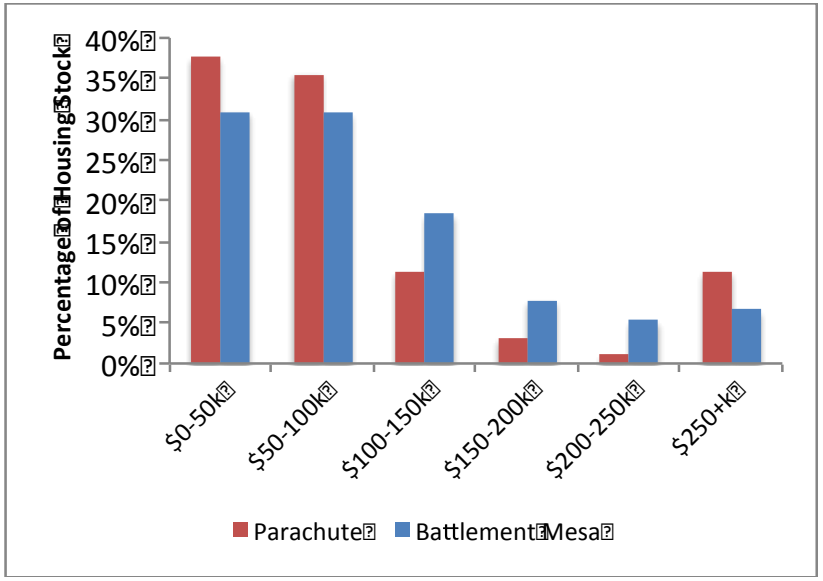


Source: Garfield County Assessor

Figure 24: Battlement Mesa Single Family Home Transactions, 2002-2014

Average sales prices peaked in 2008 at $292,000 in BM and $225,000 in the Town. The average sales price in BM during 2014 was less than 60% of the peak price, and was less than 40% for the Town. Average sales prices in the Town have been very volatile, partially due to the small number of transactions. The number of transactions in BM has recovered and surpassed pre-2008 levels in 2014. The current housing stock is old, and is dominated by low-valued homes (see Figure 25). Relatively few homes are valued in the $100-150k range, which is the sweet spot based on the reported Community median income of $36,016.[3]

[3] Median income based on 2013 ACS data.



Source: Garfield County Assessor

Figure 25: Community Housing Estimated Market Values, 2014

Employees in the natural gas industry and other high paying industries in the Community would be able to afford homes in the $150-250k range, which are scarce in number. Various stakeholders stated that the lack of quality affordable housing has led potential residents choosing to live in other communities. Specifically, one natural gas employer stated that approximately 70% of their gas employees live in Grand Junction because of housing issues. The company would like more of the employees to live in the Community, and expressed great interest in the development of new and good quality housing.

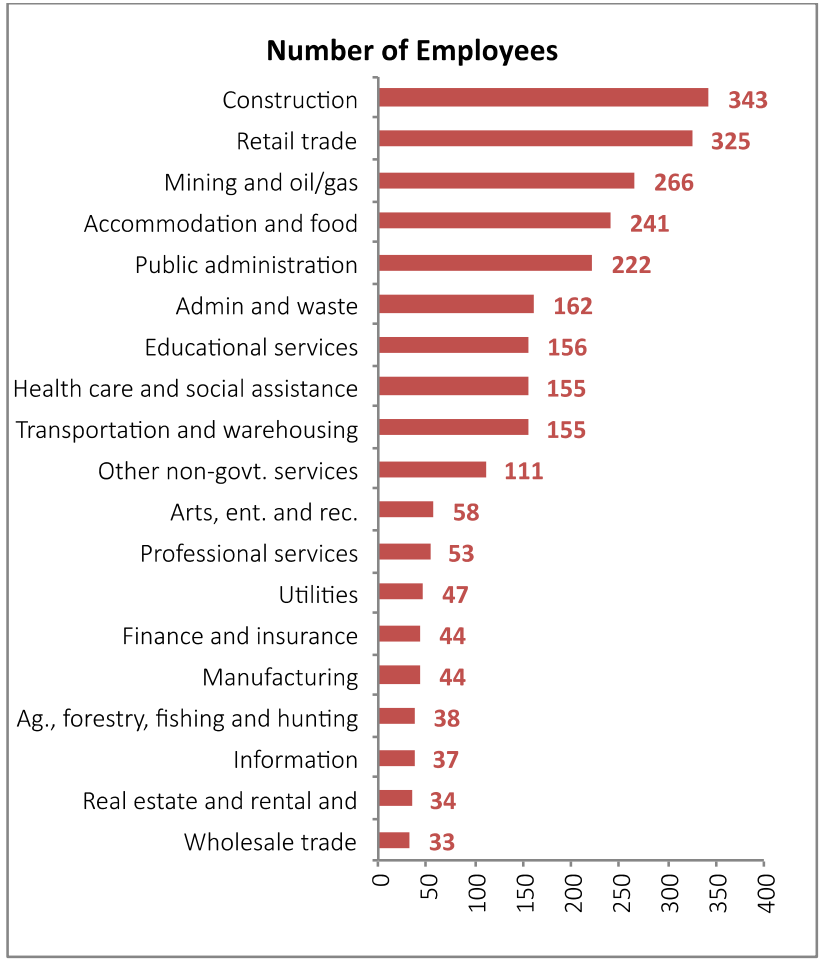
As stated previously, housing prices are still low compared to pre-recession levels, and represent a great investment opportunity. The Community should consider investing now in new housing, because it will be a key component of economic diversification. Specifically, the investment and development process will create economic churn that will be beneficial to the local economy, and the new housing stock will allow the Community to attract more residents to live where they work. Retail sales and local establishments will benefit as the result.

Business and Industry

Industry and Employment Concentration

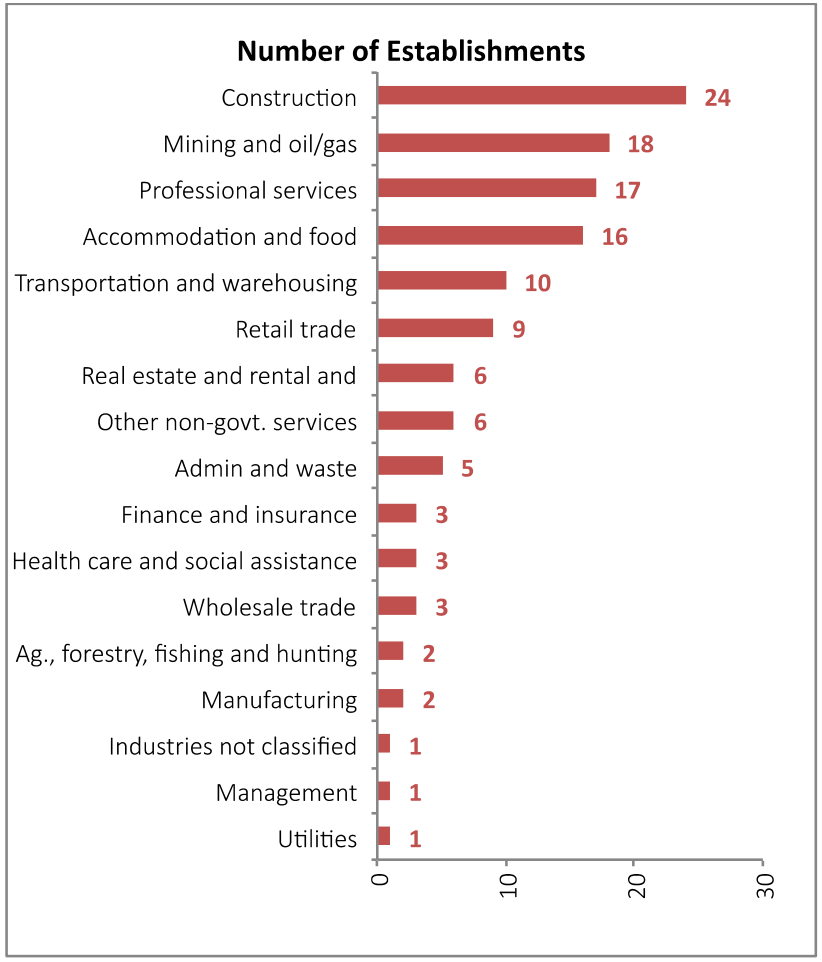
The top five (5) industries within the Community in terms of the number of employees include construction, retail trade, mining and oil/gas, accommodation and food, and public administration (government, including public education and fire district). These five (5) industries account for more than 50% of all the jobs held by Community residents (see Figure 26).

Several of the major industries also have a significant share of the total number of business entities (see Figure 27). Industries that are concentrated in number and in employment, such as construction, demonstrate that there may be a regional advantage for that particular industry. Additional industry and cluster analysis will be explored later in this report.



Source: ACS 5-year Estimates

Figure 26: Employment Numbers by Industry, 2013



Source: ACS 5-year Estimates

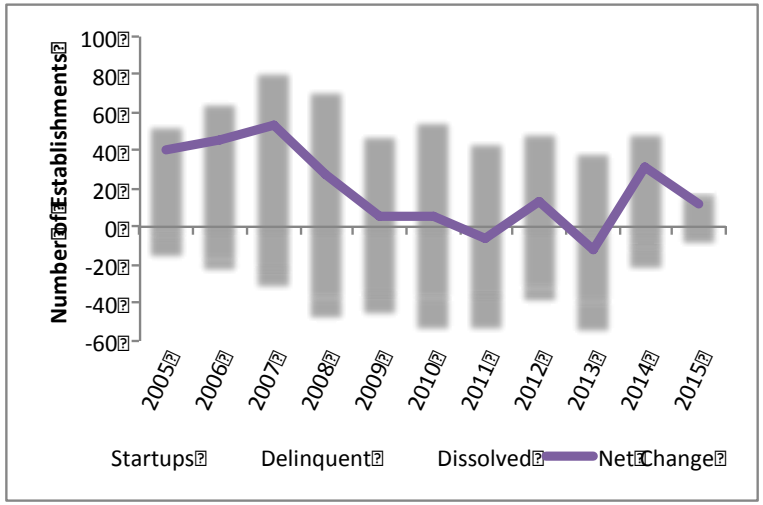
Figure 27: Business Establishments by Industry, 2013

Business Startups

In addition to the presence of existing companies, the entrepreneurial activity and the net increase in new business entities is an important indicator of confidence in the local economy. Figure 28 and Figure 29 depict entrepreneurial activity by contrasting the number of new business startups to those that have ceased to operate. As defined by the Colorado Secretary of State, a "Delinquent" business is one that is six (6) months or more behind on annual report filings. The entity will eventually be "Dissolved" if the late reports are not taken care of. Businesses can also be voluntarily "Dissolved" when owners report that they are no longer running the business.

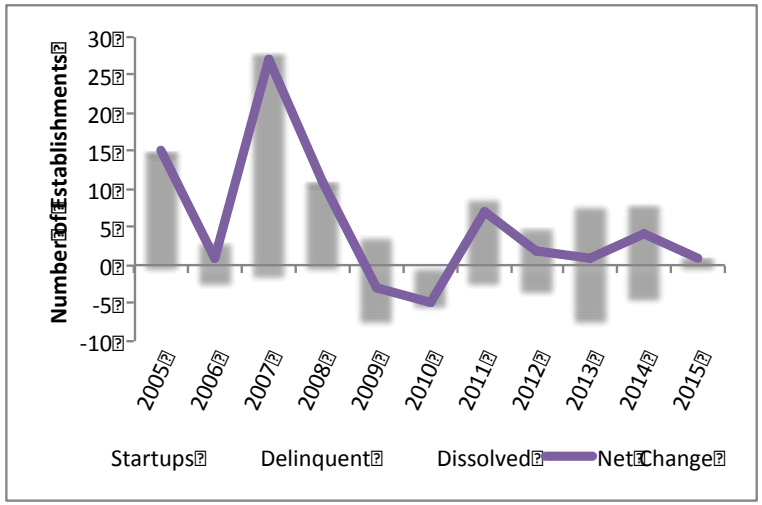
The Town had a very robust startup ecosystem leading up to the 2008 recession and added between 40 and 50 net new entities each year from 2005-2007. The 2008 recession had a big impact as the number of new startups declined, but more significantly the number of failed entities increased. 2014 brought a net increase, and 2015 has the potential to repeat the growth as long as delinquent businesses, which are updated once each year, doesn't jump back to 2008 levels.[4]

BM has had limited entrepreneurial activity since the peak in 2007. On a per capita basis, the number of new startups in BM is significantly less than in the Town and could be an area for future growth and improvement (see Table 1).



Source: Colorado Secretary of State

Figure 28: Parachute Net Change in Business Establishments



Source: Colorado Secretary of State

Figure 29: Battlement Mesa Net Change in Business Establishments

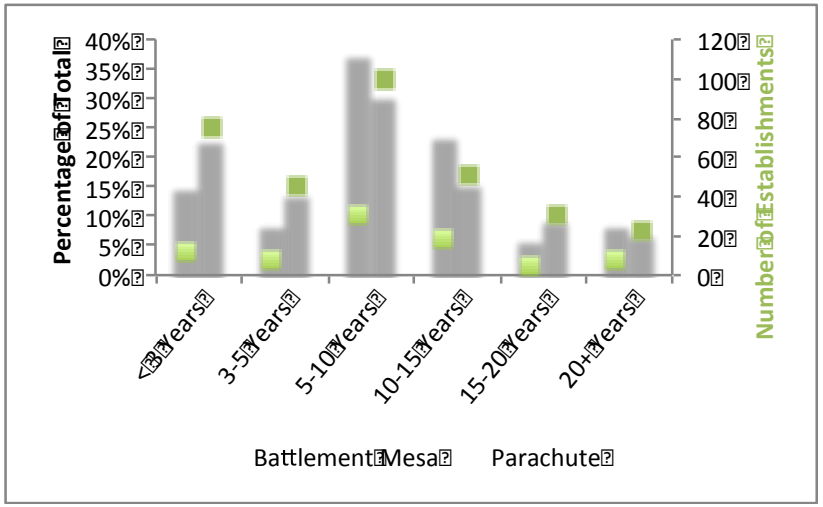
[4] 2015 data includes January through June 2015.

Business Starts per Capita	2010-2015 Average
Parachute	0.0386
Battlement Mesa	0.0011

Source: Colorado Secretary of State

Table 1: Business Startups per Capita, 2010-2015

Business that are less than five (5) years old are at highest risk of default, so in addition to a robust startup community, it is important to ensure that new businesses are maturing into established enterprises. Figure 30 shows that the largest percentage of active businesses in the Community are 5-10 years old. The overall distribution is typical and is not an area of concern.



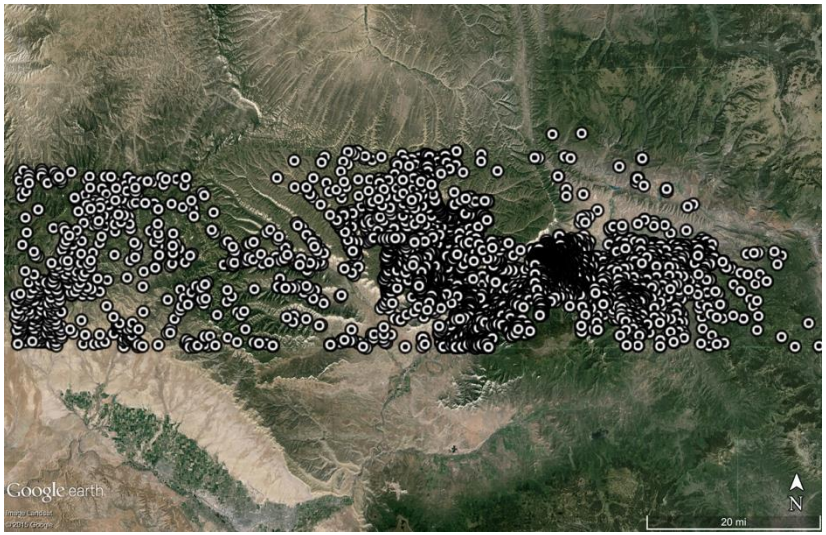
Source: Colorado Secretary of State

Figure 30: Age of Business Establishments, 2015

Energy & Environment

Natural Gas Industry

The natural gas industry has been the dominant force in the Community. The industry provides many high paying jobs directly, and also indirectly through support industries such as construction, accommodation and food, and transportation/warehousing. Historically, employment spikes in all of these industries during periods of heavy drilling activity. To date, more than 15,000 wells have been drilled in Garfield County. Map 1 shows the locations for every well that has been drilled in Garfield County. Drilling activity has been concentrated in the Parachute – Battlement Mesa region, which accounts for more than half of all the wells drilled.

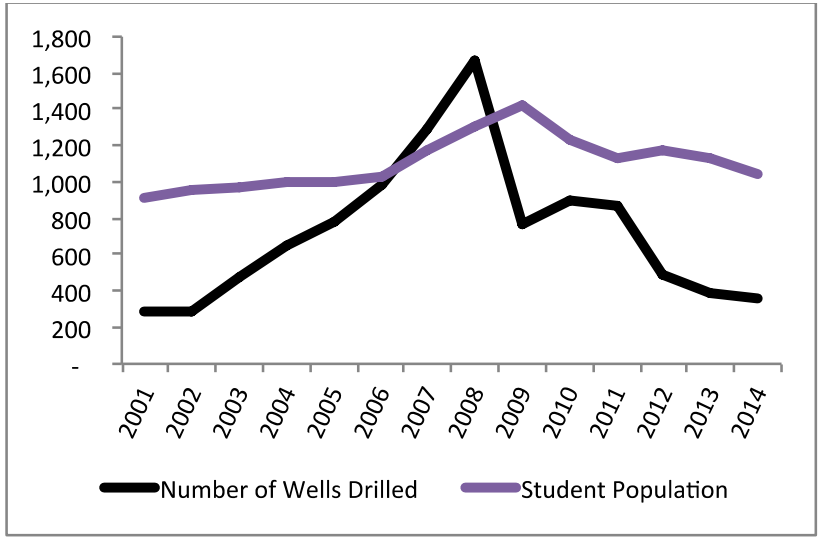


Source: COGCC

Map 1: Drilling Map for Garfield County

Drilling activity in the County increased rapidly starting in 2002 and reached its peak in 2008 with over 1,600 wells being drilled in a single year (see Figure 31). Student enrollment, serving as a proxy for total population, grew over the same time period and peaked a year later in 2009. Population and employment trends described previously have all declined from 2009, coinciding with the decrease in drilling activity. Only three (3) rigs are actively drilling in Garfield County at this time.

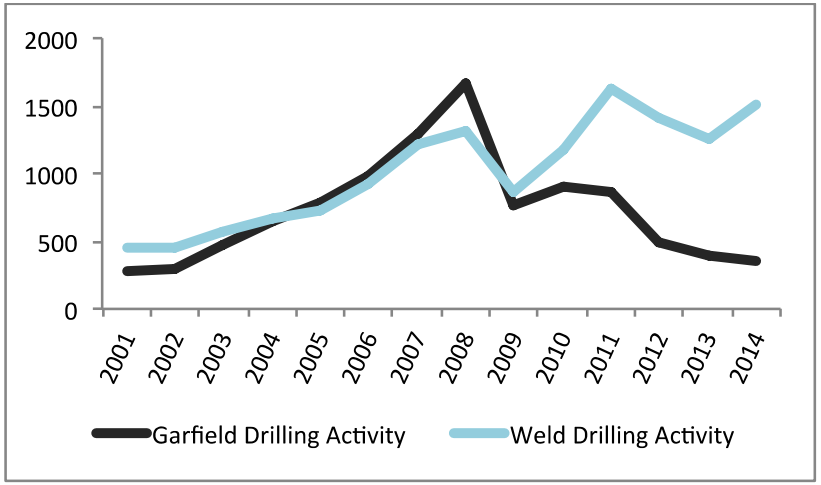
As described previously, other oil and gas communities in the region do not see the same tight correlation between enrolled student population, which is used as a proxy for community population, and drilling activity. For example, in the Towns of Rangely and Meeker in neighboring Rio Blanco County, there is no statistically significant correlation between drilling activity and student population (data not shown). The presence of this correlation in the Community may indicate that quality of life assets are sufficient to entice a greater portion of natural gas workers to bring their families with them than what occurs in neighboring regions. Adding additional quality of life assets and permanent employment opportunities may be sufficient to convince those that have brought their families to stay and continue living in the Community.



Source: COGCC

Figure 31: Drilling Activity vs. School Enrollment

In addition to the world market, the biggest threat to natural gas activity in Garfield County is the success of the oil and natural gas industry in Weld County, Colorado. Similar to Garfield County, Weld County experienced a run-up in drilling activity to 2008 followed by a sharp decline in 2009. However, unlike Garfield County where drilling activity has declined since 2010, drilling in Weld County has increased and surpassed 2008 levels every year since 2011 (see Figure 32).

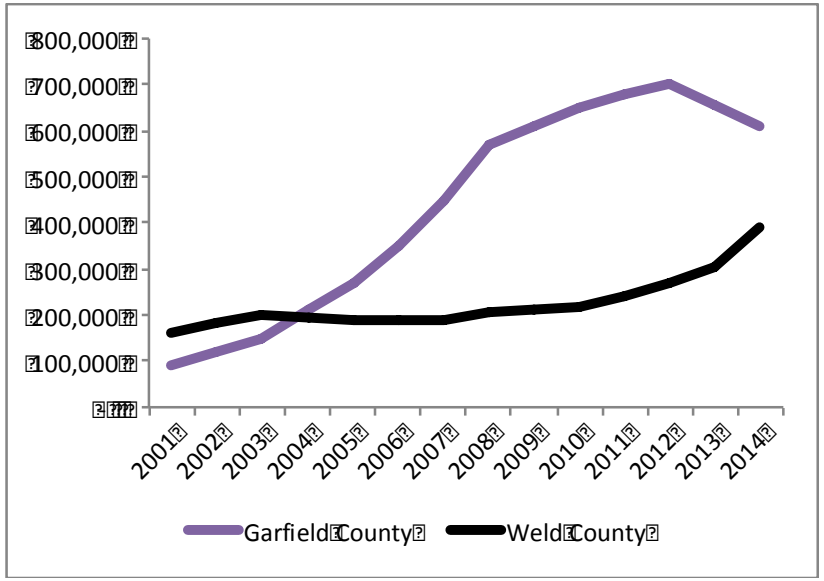


Source: COGCC

Figure 32: Drilling Activity Garfield County vs. Weld County

Representatives from the Colorado Oil and Gas Conservation Commission (COGCC) confirmed the trend of drilling activity shifting to Weld County from other areas in the State and added some additional insight. Specifically, the Western Slope, and Garfield County in particular, have very dry gas, meaning that only small quantities of liquids can be obtained from the wells. This is a problem when the price of natural gas slumps, because operators rely on multiple revenue streams to justify continued investment in drilling. Weld County, and other regions of the Country that have wet gas or oil, have continued to see drilling activity, because operators can obtain multiple revenue streams from a single well.

In essence, operators in these areas drill for oil, and get natural gas as a bonus (see Figure 33). As a result, natural gas production in Garfield County is much more sensitive to global commodity prices than other regions, which explains the decrease regionally, while the State as a whole has not felt the effects.



Source: COGCC

Figure 33: Natural Gas Production Garfield County vs. Weld County (000s MCFs)

Renewable Energy

Although the oil industry has been the primary energy-related industry in the area, Parachute has deployed new renewable methods of generating electricity.

One such installation is the "solar electric flowers" located at the I-70 Rest Stop Area in Parachute (see Figure 34). The solar flowers are one of three (3) solar energy projects installed for the Town of Parachute through the Garfield New

Energy Communities Initiative/Garfield Clean Energy Collaborative, using energy impact funds provided by the Colorado Department of Local Affairs and contributions from local governments.

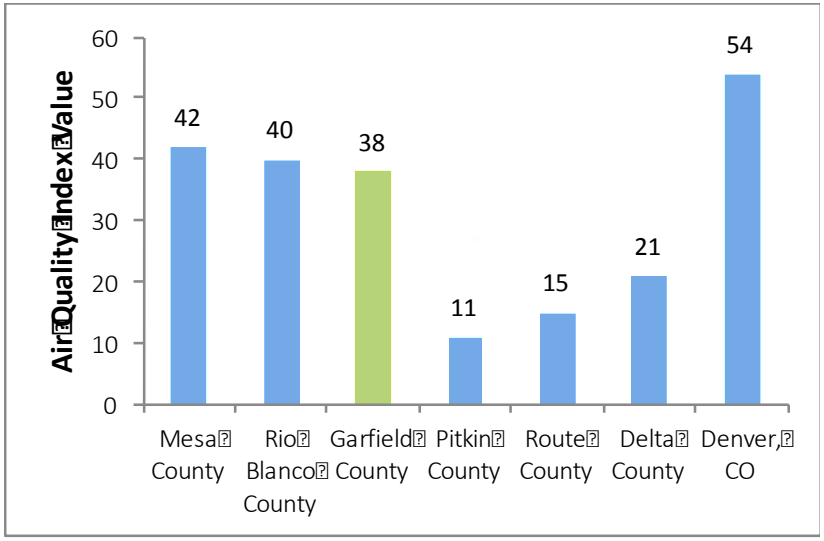
Source: David Sanabria

Figure 34: The Solar Electric Flowers at the Rest Stop

The other two (2) solar energy arrays are located on the Town Hall and on the Town's water treatment plant. Together, these solar energy arrays generate 23 kilowatts of clean, renewable electricity. These solar energy panels are one indication of the Town's ability to embrace new industries and advance into new energy opportunities. The Battlement Mesa Metropolitan District (BMMA) has recently installed a large solar array at their wastewater treatment plant.

Air Quality

The Environmental Protection Agency (EPA) has established the Air Quality Index (AQI) as a method of establishing a daily measure of air quality at a given location. Air quality ranges from low values to high, or "Good" to "Very Unhealthy" depending on the level of air pollution. Air quality in Garfield County is good with a median AQI of 38. The average AQI in the County is within the range of neighboring counties, but is higher than agrarian counties such as Delta (see Figure 35). Overall, the County's AQI falls within the "Good" category more than 95% of the time.



Source: EPA 2014

Figure 35: Median Air Quality Index Value

Industry Cluster Analysis

The local economy was analyzed using shift share and location quotient methodologies to identify industry clusters as shown in the following sections.

Shift Share Analysis

Methodology

Shift share analysis is a method of dissecting job growth into its component parts to better detect the factors contributing to growth. The following three (3) components are identified through this analysis:

State Share

This is the portion of job growth that can be attributed to overall economic growth in the larger reference area (statewide). It is calculated by multiplying the number of jobs in the local area at the beginning of the time period by the reference area growth rate.

Industry Mix

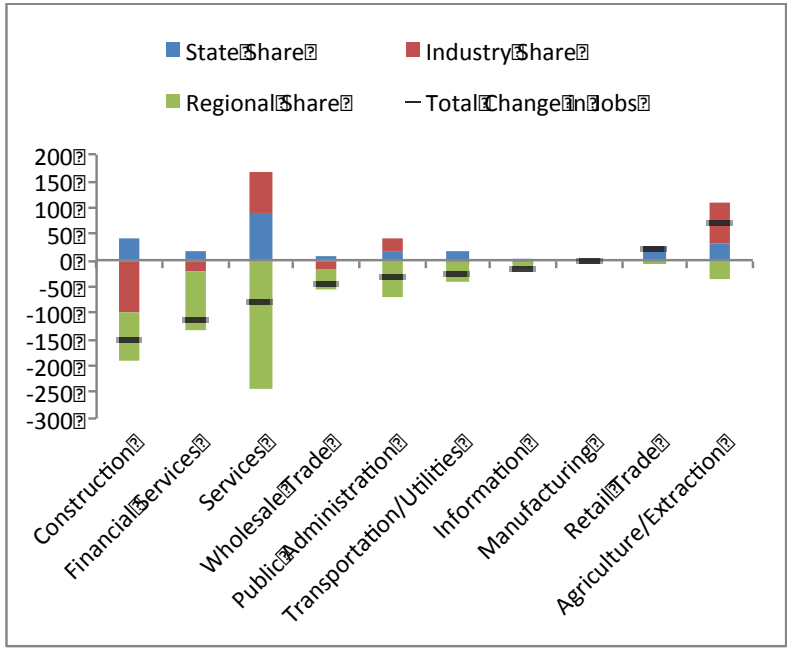
Industry mix represents the portion of an industry's job growth in an area due to that industry's nation or statewide expansion or contraction. It is calculated by multiplying the number of jobs in the local area at the beginning of the time period by the reference area growth rate for the specific industry and subtracting state share.

Regional Shift

This is the most important component of job growth for local economic development. It highlights the change in employment that is due to an area's competitive advantages in a particular industry. It is calculated by subtracting industry mix and state share from the total number of jobs gained or lost in the selected local industry.

Analysis

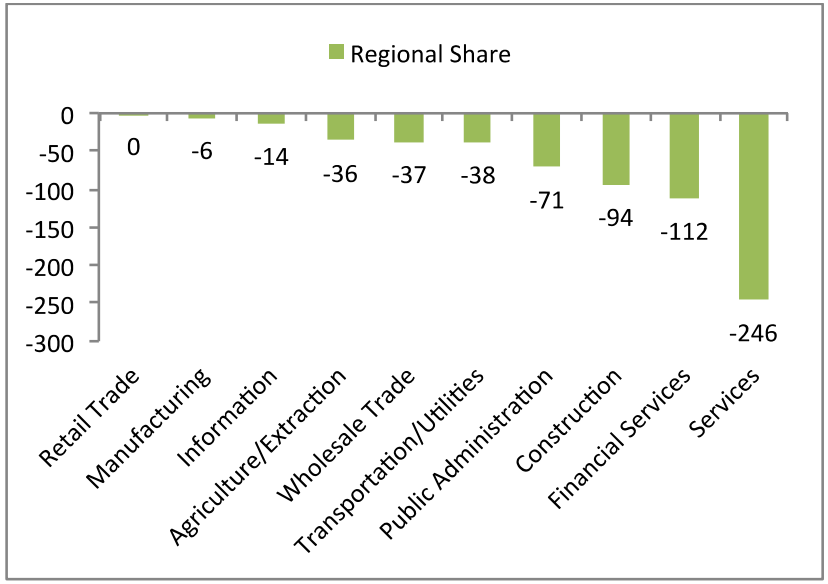
Figure 36 depicts the shift share analysis for the Community from 2009 to 2015. The industries with the highest total job growth over this period as seen by the black lines are agriculture/extraction (includes natural gas) and retail trade. In the case of agriculture and extraction, the growth mirrored growth across the State and industry as seen by the blue and red sections. Retail trade growth was driven primarily by statewide economic growth as illustrated by the blue portion of the bar. Over this period, the industries that suffered the greatest job losses in the County include construction and financial and other services.



Source: ESRI, US Census

Figure 36: Parachute/Battlement Mesa Shift Share 2009-2015

Figure 37, which illustrates the regional shift component for each industry from 2009 to 2010, highlights a lack of growth in all industries due to local factors. Job growth in retail trade and manufacturing has remained close to State and industry averages, but other industries have lagged behind these averages. This reinforces the need to alter the dynamics of the local economy to capture, at a minimum, the area's fair share of statewide and industry growth that is occurring.



Source: ESRI, US Census

Figure 37: Parachute/Battlement Mesa Regional Share 2009-2015

The "Services" category in the cluster analysis is very broad and includes business and professional services, health and education services, accommodation and food services, entertainment and recreation, and other non-governmental services. The category cannot be broken down further due to the lack of available data.

Employment Location Quotient Analysis

Methodology

Employment location quotient (LQ) is a method of quantifying the concentration of an industry cluster in an area when compared to a national or state average.

LQ's are calculated as shown below.

$$\textit{Location Quotient (LQ)} = \frac{\textit{Local Proportion}}{\textit{State Proportion}}$$

$$\textit{Local Proportion} = \frac{\textit{\# of Employees in Industry X in Community}}{\textit{Total \# of Employees in Community}}$$

$$\textit{State Proportion} = \frac{\textit{\# of Employees in Industry X in State}}{\textit{Total \# of Employees in State}}$$

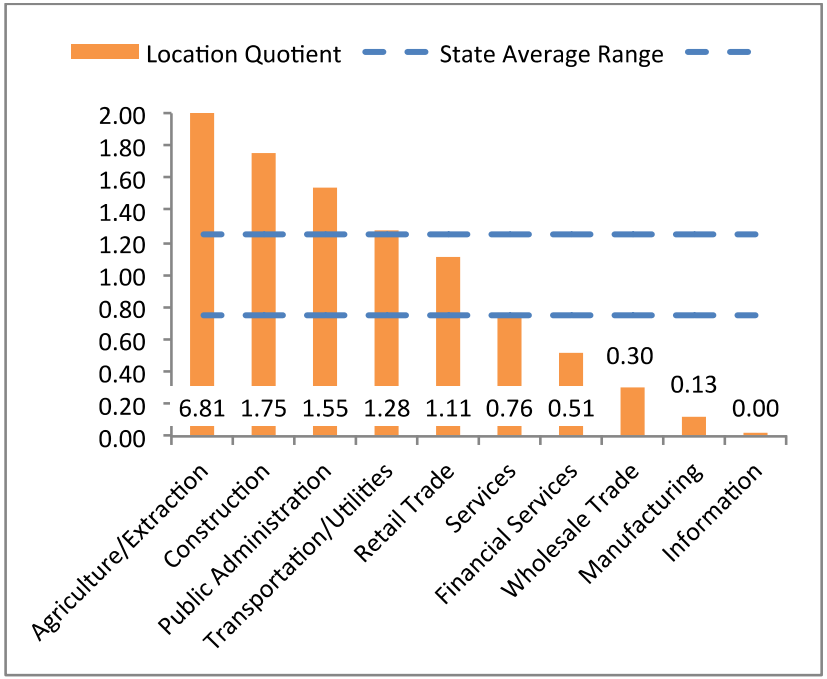
For example, in 2015 Parachute and Battlement Mesa had 2,461 estimated jobs and 436 jobs in the agriculture and extraction industry resulting in a local proportion of 17.7%. For the same period, Colorado had 2,666,309 total jobs and 69,324 jobs in the mining industry for a state proportion of 2.6%. The LQ is derived by dividing the 17.7% local proportion by the 2.6% state proportion resulting in an LQ of 6.81 for the mining industry. This indicates that the concentration of mining jobs in the local area is almost seven (7) times greater than the State as a whole. An LQ of 1.0 would mean that the local concentration of an industry was the same as the statewide concentration.

Industries with high LQ's (above 1.25) are typically export-oriented industries that are beneficial to a local economy because they bring money into the region. High LQ industries may also indicate a higher than average demand in an area. Industries that have both high LQ's and high job numbers typically form a region's economic base. Such industries not only provide jobs directly, but also have a multiplier effect, creating jobs in other dependent industries like retail trade and food services. Industries that are unable to support local demand typically have an LQ below 0.75.

Analysis

Figure 38 shows the LQ calculations for the Community. The most concentrated industries in the Community are agriculture/extraction, construction, and public administration. The agriculture and extraction industry is a key source of outside revenue and its concentration is due to the abundant natural gas available in the area. Construction and public administration may or may not provide outside revenue depending upon the types of jobs found in the Community in those sectors. Road construction and other jobs catering to customers outside of the local area as well as federal and state administration jobs do bring money into the region. However, home building and local government jobs simply recirculate money inside the local economy.

Industries that are less concentrated in the Community than across the State include information (including media, telecommunications, and information technology) manufacturing, wholesale trade, financial services, and other professional and technical services. These industries may be less concentrated because of a strategic disadvantage, or this may be a sign of industries with potential to grow. Combining shift share analysis with location quotient can help determine which of these cases is occurring.



Source: ESRI

Figure 38: Parachute/Battlement Mesa Location Quotient 2015

Industry Cluster Matrix Analysis

Methodology

Shift share and location quotient measures can be combined into a matrix analysis to provide a more comprehensive view of the economy. This analysis plots industries in a two-by-two matrix with the natural logarithm of location quotient on the x-axis and job growth as represented by regional shift on the y-axis. The size of each industry bubble in the matrix represents total number of jobs in the industry. Similar analysis can be performed using other measures for job growth and industry size; however, regional shift and total payroll provide advantages over other variables. These advantages are shown in Figure 39.

Other Variables	Better City Variant
Y-Axis: Industry Job Growth Rate	Y-Axis: Regional Shift as calculated using Shift Share Analysis. Advantage: This method shows the growth that is due to inherent strengths in the region, excluding growth due to statewide and industry trends.
X-Axis: Location Quotient	X-Axis: Natural Logarithm of Location Quotient Advantage: Large outliers can cause apparent clustering of other industries. This variable depicts the differences between LQs, but on a comparable scale. With this measure, an industry with a concentration equal to the state average would have a value of 0 rather than 1.

Figure 39: Better City Industry Cluster Matrix Variables

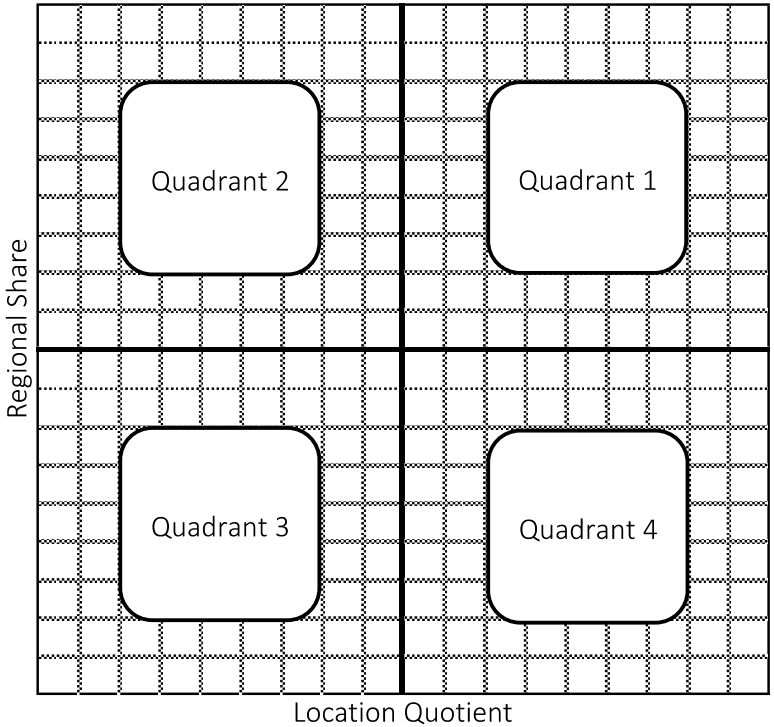


Figure 40: Industry Matrix Quadrants

In this analysis, industries will fall into one of four (4) quadrants, as shown in Figure 40.

Quadrant One: Industries in this quadrant are concentrated in the region and growing due to local advantages. Large industries in this quadrant distinguish the regional economy as they increase workforce demand. Small industries in this quadrant are possibly emerging exporters that should be developed.

Quadrant Two: Industries in this quadrant are growing over time, but are still less concentrated than the state average. Depending on the industry, they may settle at the state average or continue to grow and move into Quadrant One.

Quadrant Three: Industries in this region are less concentrated than state averages and are losing ground. Such industries may face significant competitive disadvantages in the area.

Quadrant Four: Industries in this quadrant are declining, but are still more concentrated than the national average. If a large industry is in this quadrant, the region is often losing its export base. The region should plan and invest accordingly.

It is important to also note the size of an industry to identify short-term economic impacts. Growth or contraction in industries with high numbers of jobs will have a large impact on the local economy. Small industries may be important for an economy's future but will take time to have a significant impact.

Analysis

Figure 41 shows the results of the Better City Industry Cluster Matrix analysis for the period from 2009-2015.

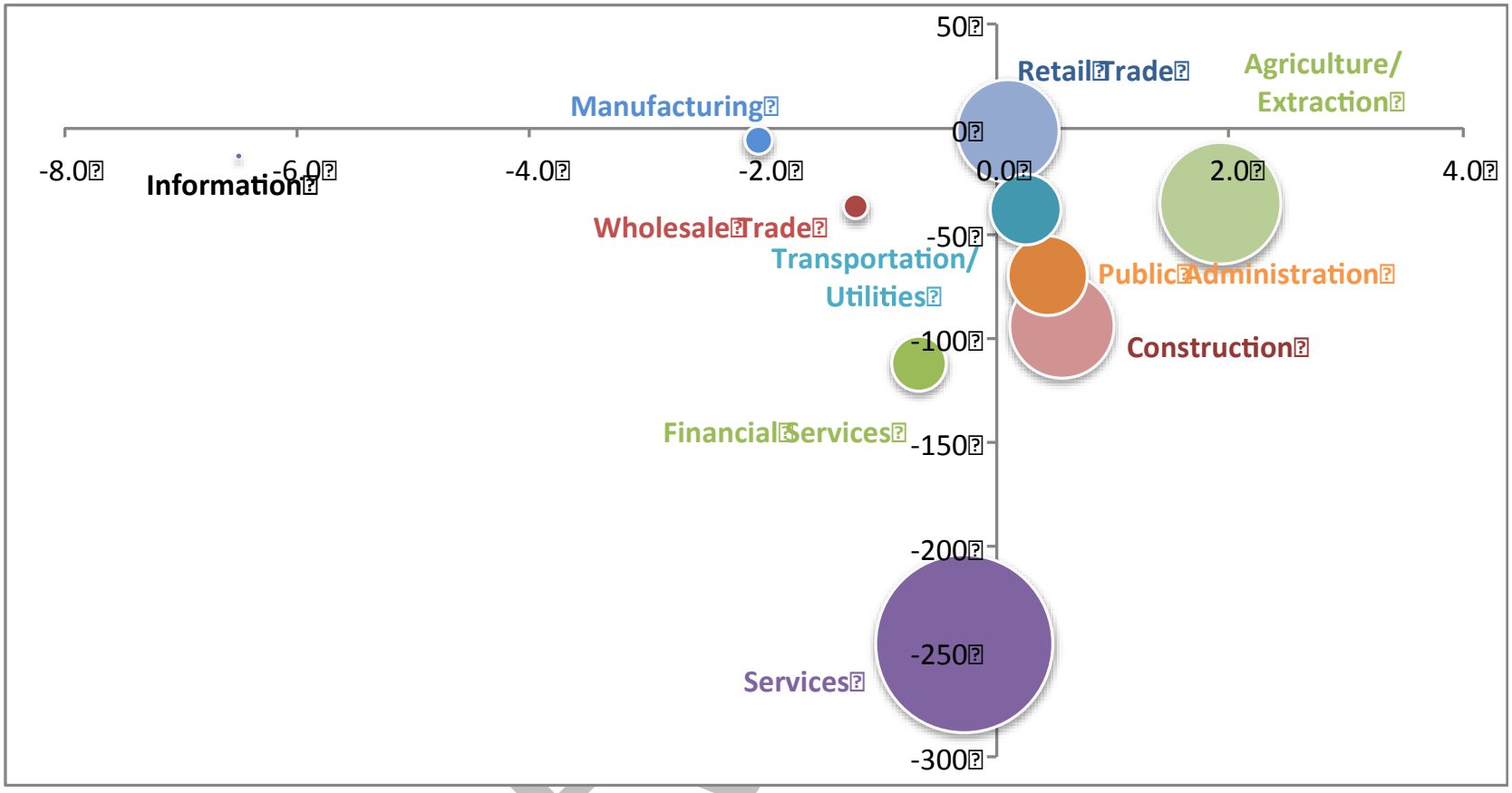


Figure 41: Parachute/Battlement Mesa Cluster Matrix 2009-2015

Quadrant One: There are no industries that fall in quadrant one, because regional share of job growth is negative in all sectors. Retail trade is the closest to this quadrant, but in order for it to move up, the area will need to identify ways to help local retail sales outpace state averages. The Town's location along I-70 provides one (1) avenue to attract a higher than average level of retail activity through the development of a travel plaza or similar facility. Other venues that bring people into the Town and give them a chance to spend time and money locally will also help to increase the potential of the retail industry.

Quadrant Two: Similar to quadrant one, negative regional share numbers keep quadrant two empty; however, manufacturing is on the border of the quadrant. Manufacturing likely has room to grow as it has maintained growth rates on par with state and industry averages, but remains less concentrated in the area than statewide. Likely contributors to growth in this industry would include Solvay and potentially smaller manufacturers taking advantage of the Town's excellent freeway access.

Quadrant Three: Wholesale trade, financial services, and other services fall into this quadrant indicating low concentration and low growth. One key competitive disadvantage these industries face is a small local population.

Quadrant Four: The industries in this quadrant are potential areas of concern because of their concentration and declining growth. Extraction falling into this quadrant is especially concerning due to its size; however, the external factors driving that industry leave few options for local intervention to address the situation. Construction, public administration, and transportation also fall into this quadrant. Of these sectors, transportation (including trucking and warehousing), likely has the greatest potential to become a strength to the area given the excellent freeway access.

DRAFT

Google Earth
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3 | Land Use Plan

Land use planning is an important aspect to community development as it sets the framework for future growth in the community. The adage that "early decisions cast long shadows" is especially applicable to community development because the useful life of buildings usually extends forty years or more. Many communities don't realize that indecision in terms of land use planning is in fact a decision to allow sprawl to enter a community, which can take a generation or more to remedy.

Land Use Designations

The land use zones designated herein are done in accordance with the economic diversification strategy outlined in Chapter 1 of the Comprehensive Plan and is designed to generate the greatest amount of future economic development opportunities. Where possible, the proposed land use designations follow existing property lines so as to avoid the conflict of having a single parcel with dual designations. In some instances, land use designations cross current parcels, and in such cases it is recommended that the Town begin working with landowners to contemplate lot-line adjustments to prevent dual designation. The proposed designations also take into consideration current land use, and in some cases discusses a transition from the current use into the most appropriate use for future generations. The following land use designations are utilized and anticipated permitted uses for each zone are briefly described.

Residential – The residential category is anticipated to include uses for housing including both single family residential and multi-family residential developments. Although some conditional commercial uses could be contemplated as conditional uses, it is anticipated that little commercial activity will be allowed within the residential category.

Commercial – The commercial designation is anticipated to include retail, convenience stores, office space, hospitality, restaurants, and transit oriented uses such as truck stops or rest stops. It is anticipated that industrial uses will be prohibited from the commercial area.

Commercial/Light Industrial – The Commercial/Light Industrial is anticipated to allow the same uses permitted within the Commercial category, along with the addition of light industrial uses such as light manufacturing, production, assembly, indoor farms, etc. The Town may consider adding language to the zoning code that permits and further defines light industrial uses based on the anticipated noise and pollution that may be created by a business or entity within the area.

Industrial – The Industrial designation is anticipated to allow both light and heavy manufacturing, natural resource collection and refining, and other similarly focused entities. The industrial designation may also be overlaid with an agricultural designation to allow current agricultural activities to continue within the zone.

Historic Downtown – The Historic Downtown is anticipated to continue to be the historical anchor of the Town. It

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is anticipated that the Historic Downtown will allow for residential housing, retail, and commercial uses. More than a particular use, this zone will be more broadly defined by the character and design of architecture.

Central Business District – The Central Business District is anticipated to ultimately be a type of a mixed-use development that allows for multi-family housing, commercial office space, and retail development.

The Central Business District is anticipated to include architectural design standards that will maintain the feel and quality of construction within the zone. Rather than being viewed as restrictive, the design standards should be viewed as a way for the Community to reassure developers that their investment in the Community is valued and will be protected by preventing lower quality construction from dragging down values. Due to its prime location between the freeway and outdoor assets such as the Colorado River and two (2) small lakes, the Central Business District has the potential to become the focal point of the Community.

Mixed-Use – The Mixed-Use designation is anticipated to allow many, if not all, of the uses allowed within the Central Business District with the addition of municipal uses such as municipal offices and public works facilities. The Mixed-Use designation is intended to allow flexibility in attracting developers that are interested in creating a product type that caters to individuals that want to live, work, and play within the same neighborhood.

Riverfront Mixed-Use – The Riverfront Mixed-Use designation is intended to allow for flexible development along one of the Community's most valuable assets, namely the Colorado River. It is anticipated that this zone will allow residential, retail, and commercial activities. Uses might include riverfront housing, recreation focused businesses and retail, and riverfront commercial office space. Uses will be restricted based on their ecological and environmental compatibility with the river along with ensuring the general public will still have access to the river.

Parks – The Parks designation is anticipated to comprise public and potentially privately owned land that has open access for the purpose of creating opportunities for residents and visitors to enjoy the variety of outdoor activities that are possible within the Community. Not all of the land currently designated as Parks is publicly owned, and a transition period is expected to allow current uses to conform to the proposed designation.

Maps and Descriptions

Map 2 shows the planning area which includes both Parachute and Battlement Mesa, and extends 3.3 miles to the southwest along I-70, and nearly four (4) miles to the northeast along County Road 215. The light blue lines designate the current Town boundaries, and the neon green lines represent potential pedestrian and biking trails that will be discussed in greater detail in subsequent sections. The orange circle represents the 3-mile boundary, or the maximum area that can be annexed in a given direction in a single year.

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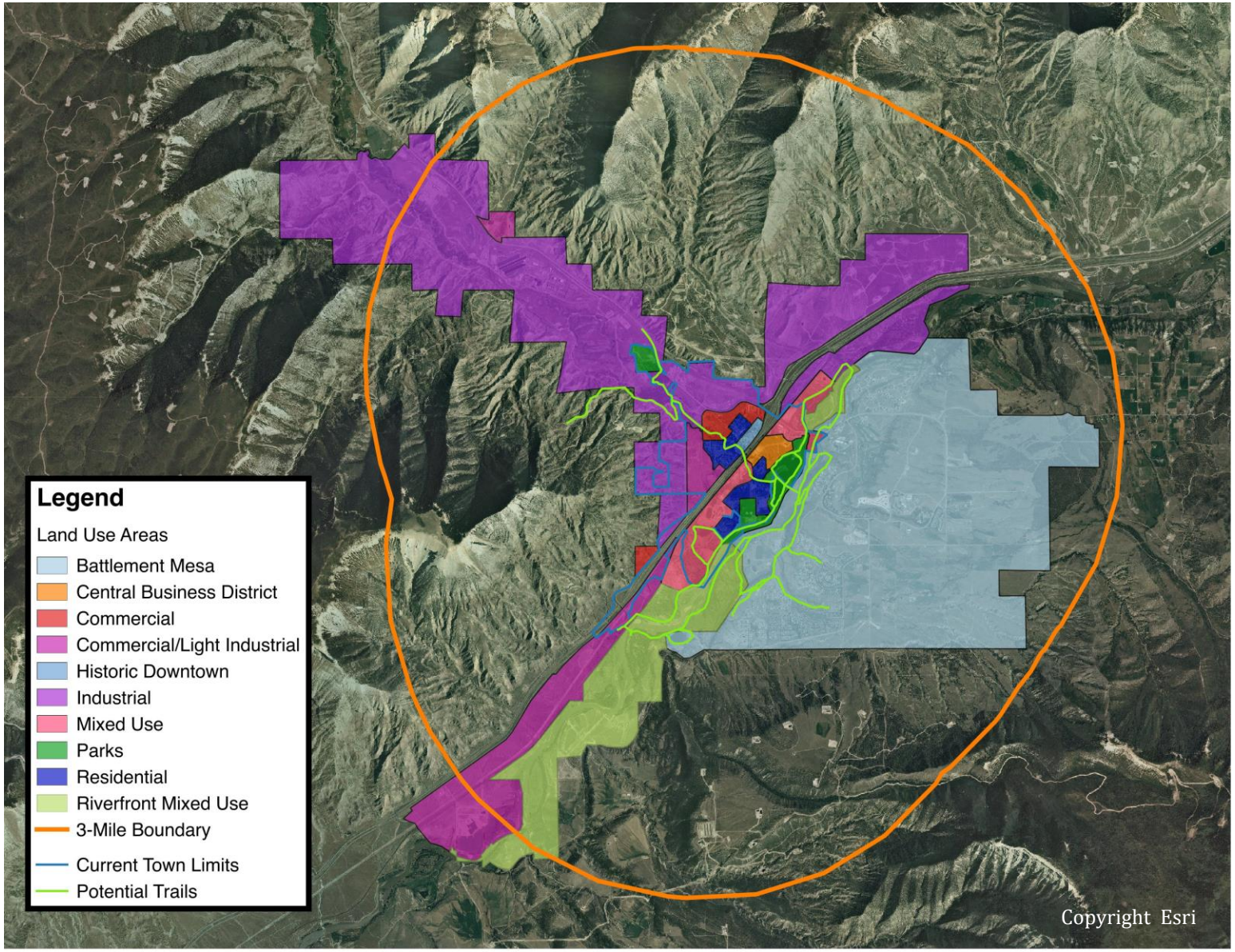

Map 2: Planning Area and Land Use Overview

NORTHEAST

The northeast section of Town begins with an Industrial zone on the north, and transitions to Mixed-Use moving south toward the northeast I-70 interchange and the downtown section of the Town (see Map 3). The Industrial zone is compatible with current uses for the land, and would make an excellent location for industrial manufacturing due to its prime location near I-70.

The Mixed-Use zone is anticipated to include retail and other development that will play a role in enticing travelers on I-70 to stop and shop within the Community.

As discussed in Chapter 1, the Colorado River is a tremendous asset for the Community and the Riverfront Mixed-Use zone facilitates public access to enjoy and utilize the River. The section of the river shown within Map 3 lies mostly within a flood plain, so development opportunities may be limited, but this would be a prime location for walking and bike trails, and amenities that allow visitors to get in and out of the water for recreation.

The Riverfront Mixed-Use zone will be the start of the proposed river recreation corridor (mentioned within Chapter 1) which extends through the Community along the Colorado River. The green lines represent potential future biking and walking trails that will connect the Mixed-Use zone to the river and the rest of the recreation corridor. The Industrial, Riverfront Mixed-Use, and part of the Mixed-Use zones shown in Map 3 lie outside current Town boundaries, and should be considered for future annexation.

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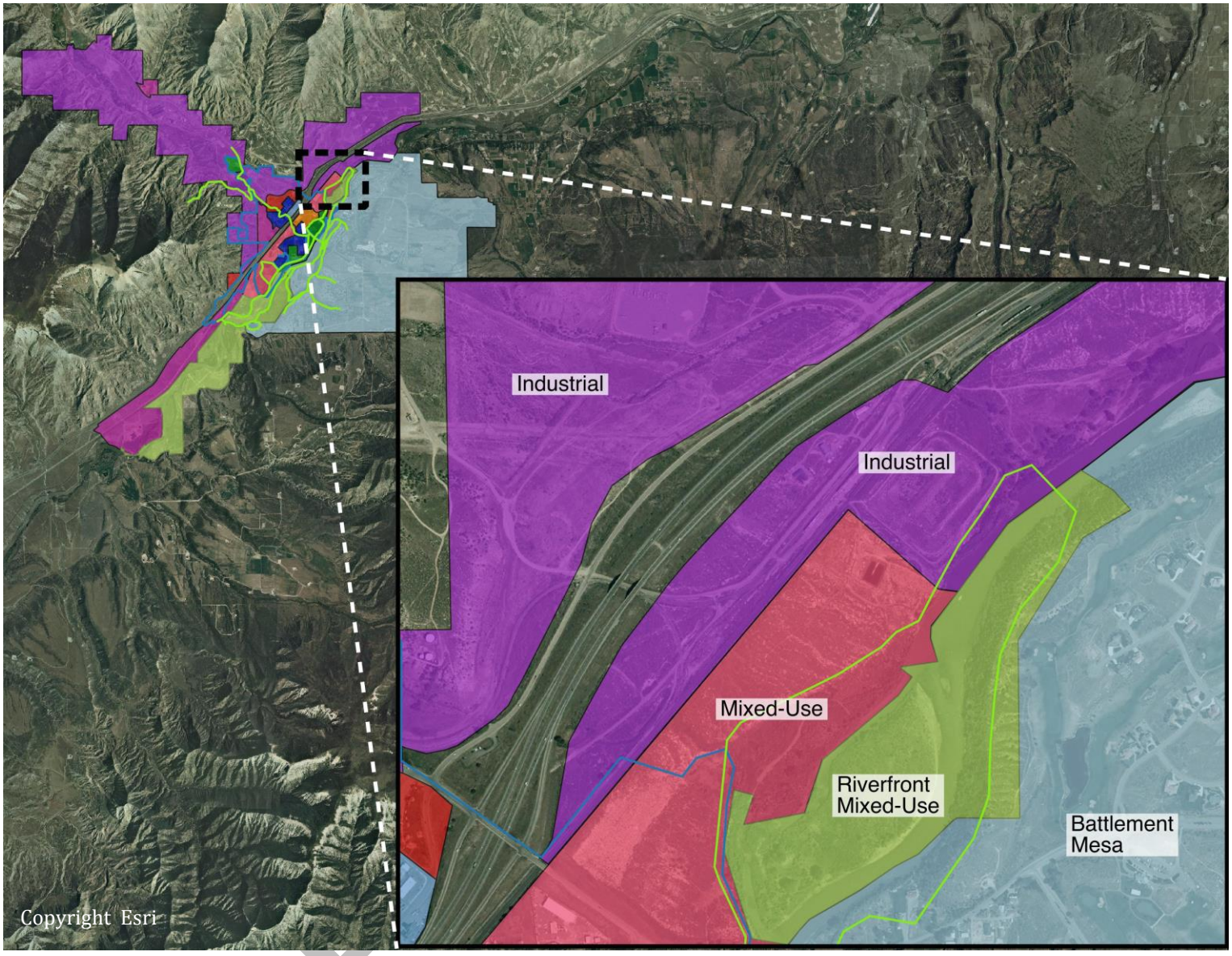

Map 3: Northeast Parachute

Downtown

A downtown is the defining symbol of a community and can be a source of pride and activity for residents and memorable vacations for visitors. To accomplish this, the Downtown needs to be inviting and clearly demonstrate sophisticated and deliberate development. The Historic Downtown is an important component of the Town's history, but the best opportunity to build a unique and unforgettable center of activity lies on the other side of I-70.

The newly designated Central Business District (CBD) will serve as the new center of commercial activity for the Town, and will provide permeable access for vehicles and pedestrians to go from shopping and entertainment venues within the district, to the adjacent Parks and recreation corridor that includes several small lakes and the Colorado River (see Map 4).

The Historic Downtown and adjacent rest stop, located in the Commercial zone, will continue to play a role in the Community even if future commercial development moves to the CBD. For example, the rest stop will continue to attract travelers. The Historic Downtown can be an area with cultural, historical, and retail uses.

The Residential zone that borders the Historic Downtown is anticipated to continue to serve as the location for the Town's core population.

The CBD is adjacent to the Mixed-Use zone mentioned in Map 3 on the north, and Residential and Mixed-Use zones to the south. The residential section should allow multi-family residential housing near the CBD that transitions into single-family attached and single-family detached homes near the river and recreation corridor.

Map 5 shows additional detail of the Southern portion of downtown Parachute, including the Parks, Residential, and Mixed Use Zones.

The Mixed-Use zone to the Southwest of the CBD is anticipated to include commercial, retail, and residential developments, as well as the local high school. Signage and façade requirements will be important within this zone, because it is highly visible to travelers on the Interstate and will play a large role in shaping the visual appeal of the community.

Massing considerations should be provided to the downtown zones, whether through signage or vertical construction limitations, that allow recreation developments to be highly visible from the freeway to attract and entice travelers to the recreational amenities. Attracting traffic into the parks and recreation corridor is central to the success of the strategy and visibility from the freeway will be key.

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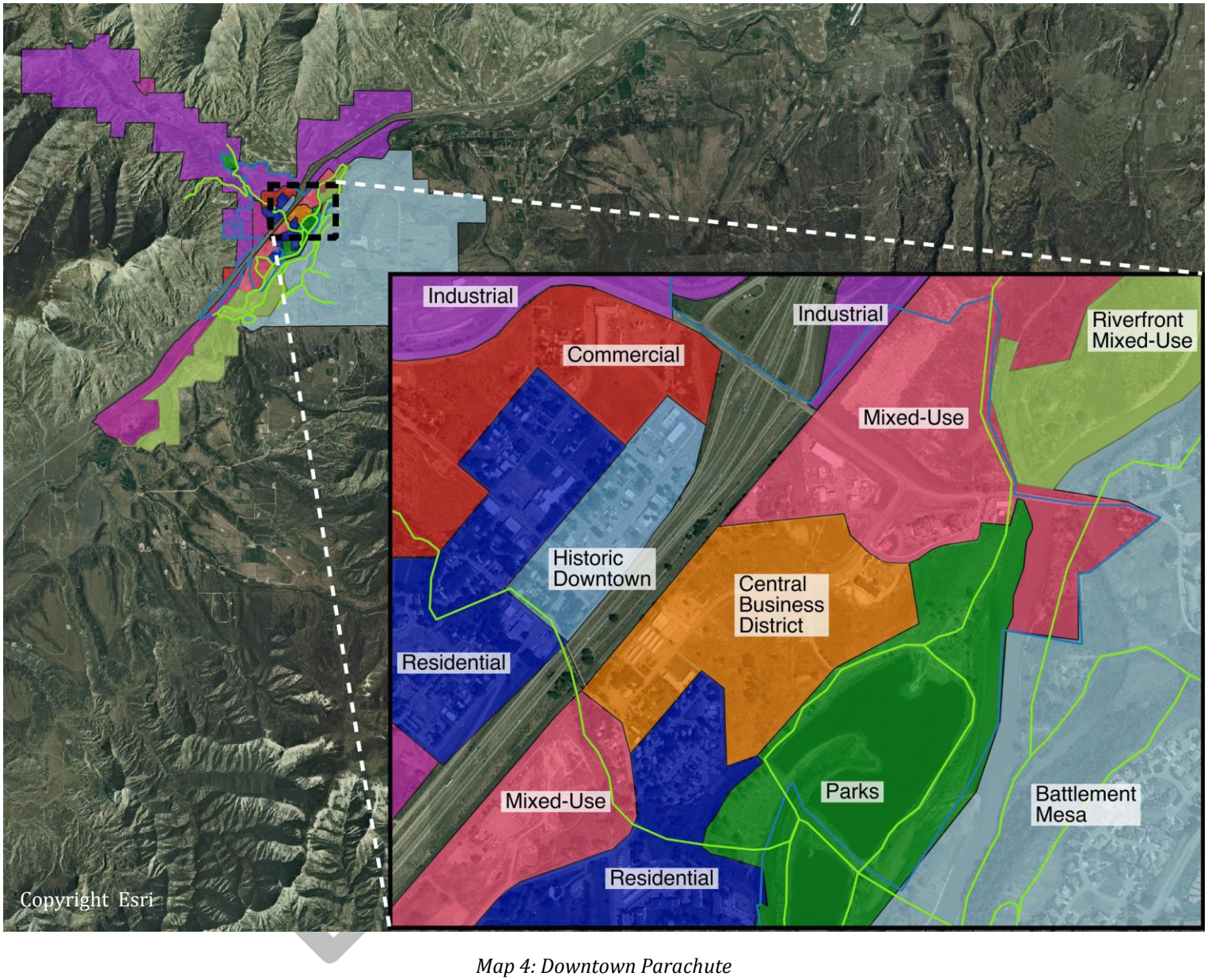
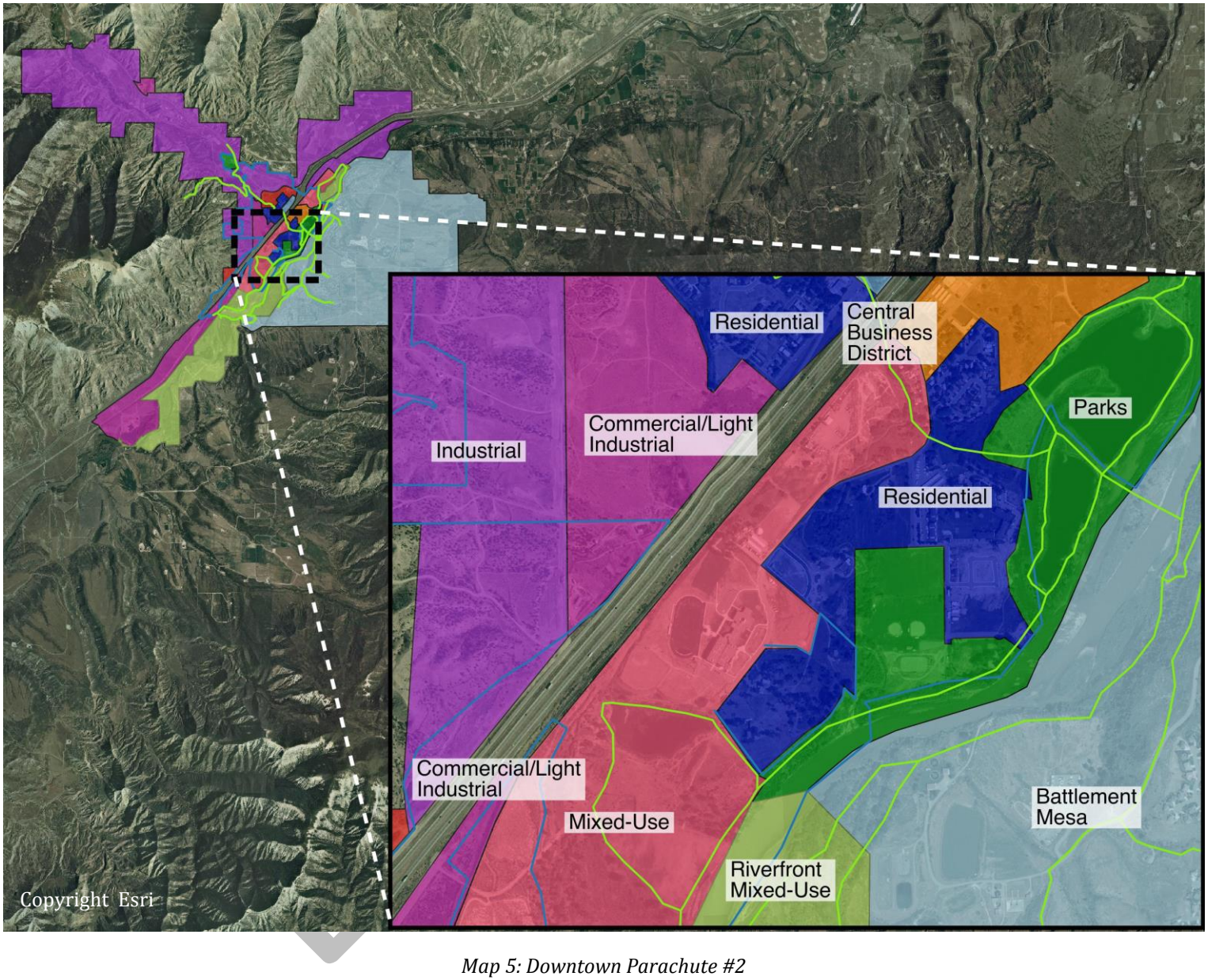


Map 4: Downtown Parachute



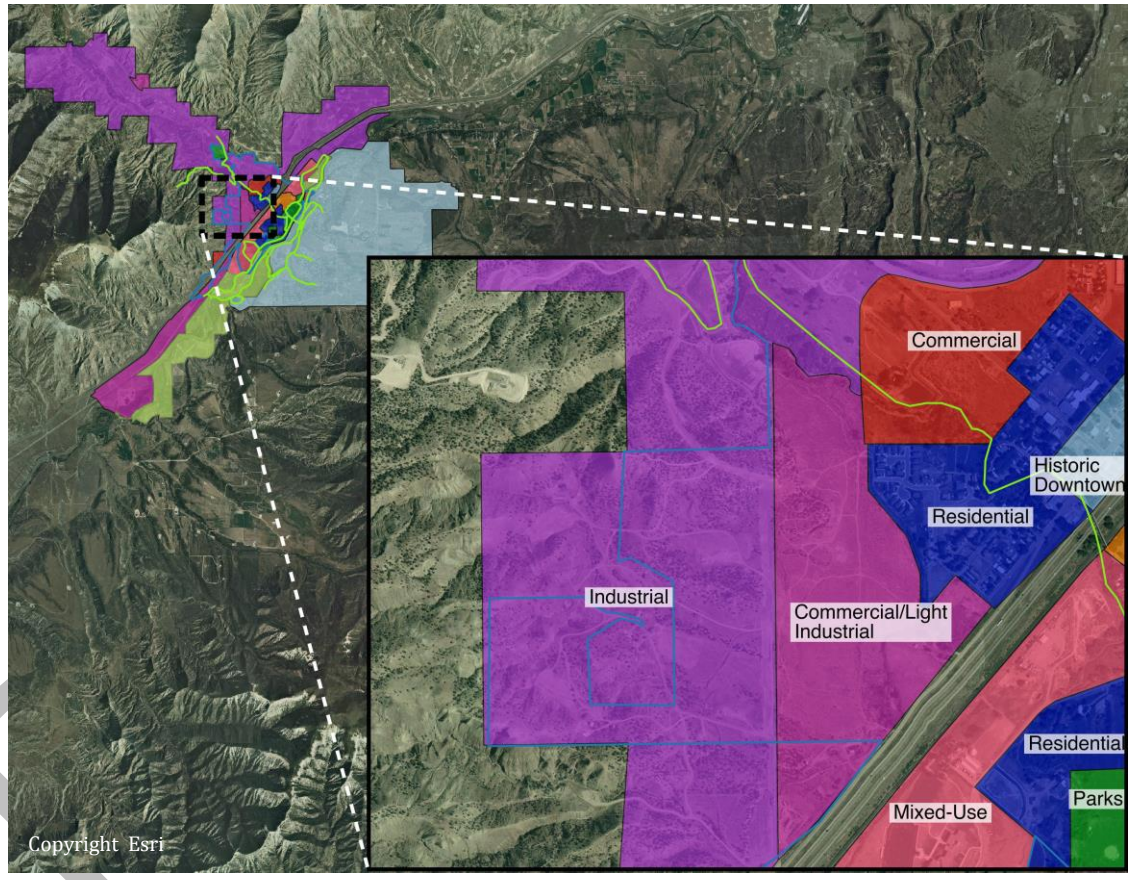
Map 5: Downtown Parachute #2

West Central

The west central section of Town will serve as the site for future Industrial, Light Industrial, and Commercial development. Convenient access along Parachute Park Blvd. will be a major benefit to new businesses in this region of Town. The Commercial/Light Industrial zone will be most appropriate for light manufacturing, business parks, light industrial parks, and agribusiness related industries. Development of new businesses in the Industrial zone to the west will be difficult due to unfavorable slope.

The Commercial zone located to the north of the Residential zone may take some time before it is fully utilized, but it is anticipated to become a commercial corridor that connects the Historic Downtown with the major businesses up the canyon toward the north.

Part of the land within the proposed Industrial and Commercial/Light Industrial zones are currently located outside Town limits. These sections should be considered for future annexation.



Map 6: West Central Parachute

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NORTHWEST

The Town boundary on the northwest end of Town currently extends just over one (1) mile beyond the Historic Downtown. As was mentioned in Chapter 1, there are several major employers located up the canyon just beyond the Town boundary such as Solvay, Williams, and Encana Natural Gas, Inc. Extending the Town boundaries an additional three (3) miles to the northwest to encompass these employers will provide property tax benefits to the Town, and the businesses will benefit from the Town's infrastructure connections.

Part of the land within the proposed Industrial zone is currently being used for Agriculture and Residential purposes. These uses should be maintained after annexation into the Town. To accomplish this, an Agricultural-Residential overlay could be added to sections of the proposed Industrial zone.

Toward the northern end of the proposed Industrial zone is a small section that is designated as Commercial/Light Industrial. This would allow for the addition of some commercial activity within the large and expansive industrial zone.

At the edge of the existing Town boundary is a small area that has been considered for the future development of a multi-use public entertainment venue such as rodeo grounds, an arena, and/or community event center. To facilitate this future development, the proposed land use is designated as Parks. The proposed venue could be beneficial to the Community, but priority should be placed on development near the CBD first to create vibrancy within the downtown.

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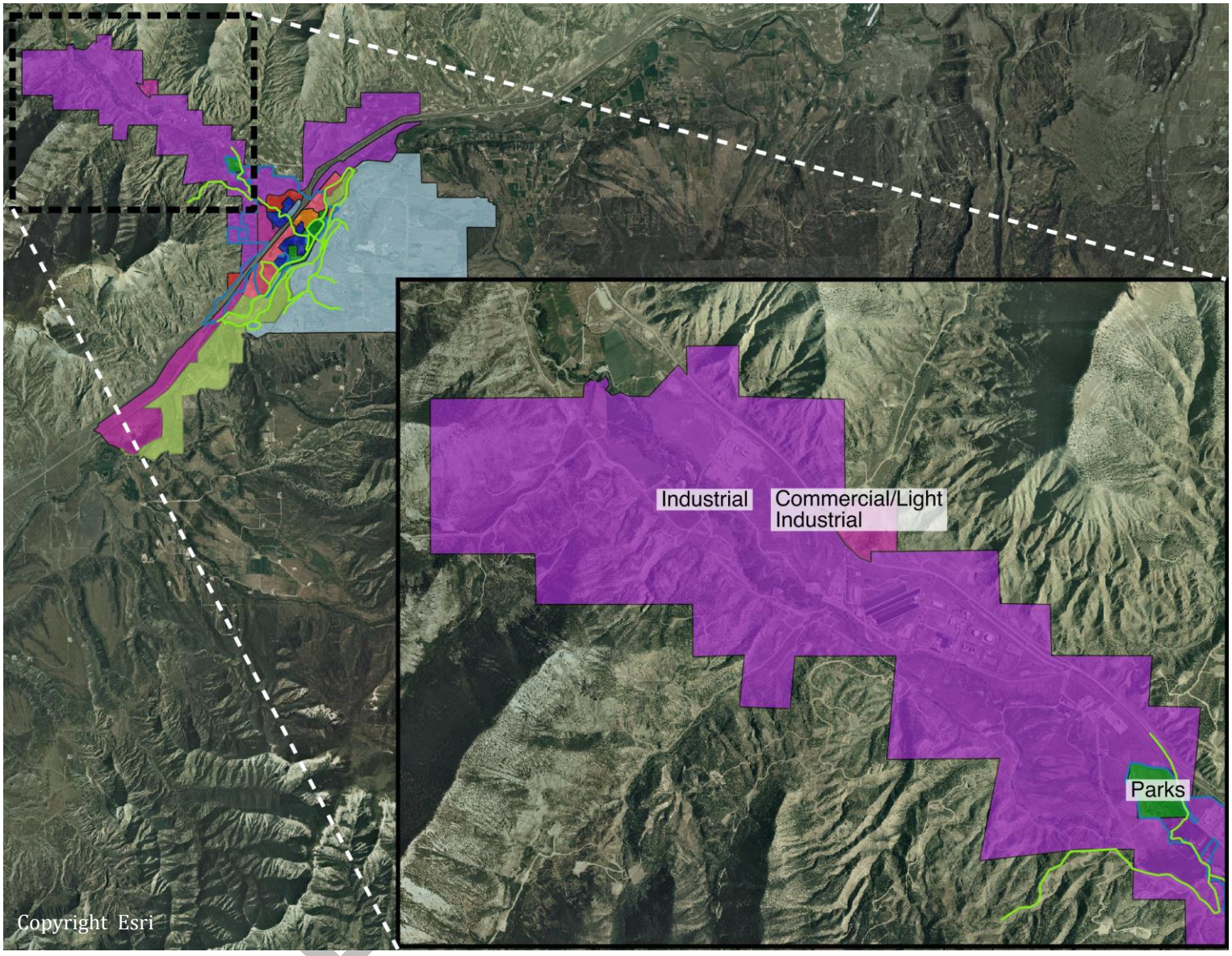
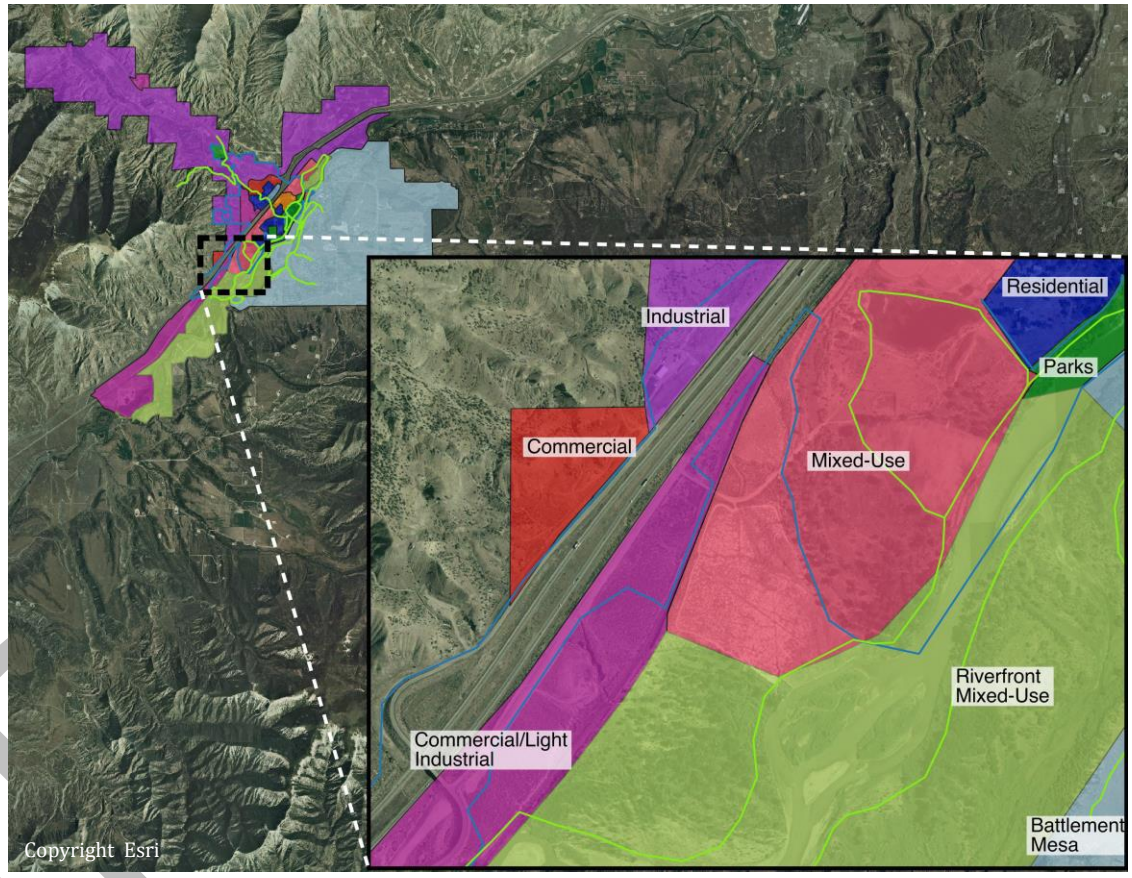


Map 7: Northwest Parachute

South Central

The south central section of Town has the potential for commercial, residential, and recreational development. Mixed-Use zones (both standard Mixed-Use and Riverfront Mixed-Use) will make up the majority of this section of town and could include commercial and retail development along with multi-family housing and single-family homes. It is anticipated that the retail and commercial development will occur along the transportation corridor through the Mixed-Use zone (which will be discussed in a later section) with housing filling in on either side of the retail and commercial uses. This arrangement will provide the most value and utilization of available land. Entertainment venues, such as a sports complex, is another potential use within the Mixed-Use zone

The land adjacent to the southwest interchange has been designated as Commercial and Commercial/Light Industrial, and is a prime location for a truck stop, and other transit oriented commercial development. The Commercial zones on either side of the freeway will serve as the gateway to the Community from the south, and as a reminder to stop and shop for travelers coming from the North.



Map 8: South Central Parachute

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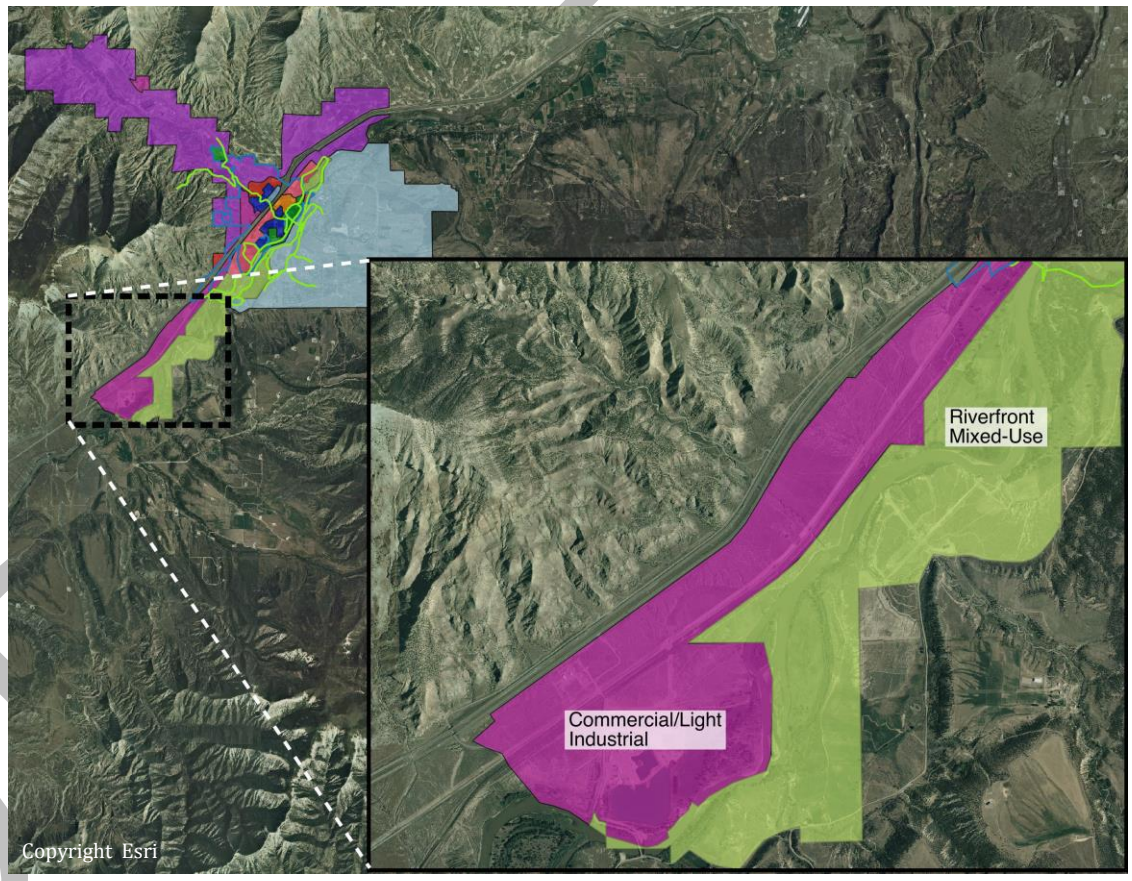
SOUTHWEST

The Town's boundary currently only extends approximately a quarter-mile past the southwest interchange. Several employers and gas wells are located slightly further to the south and should be considered for inclusion in the Town's annexation plans. The land's topography and current uses will limit what can currently be considered in this area, but different uses are possible in the future.

Specifically, the Riverfront Mixed-Use zone should extend along the Colorado River to provide additional outdoor recreation opportunities. The remaining land should be initially designated for Industrial use. The narrow section of land between I-70 and Old Highway 6 has several gas wells, which will provide property tax benefits to the Town in the short run. In the long run, this land would be ideal for additional commercial development due to its visibility and potential access from the freeway. The southernmost tip of the planning area has potential to transition from its current use to riverfront residential uses. Care must be taken to delicately approach possible transition plans. The current landowners and facility operators should be allowed to continue their operations until the end of their economic life, at which point transition plans can be explored in greater detail.



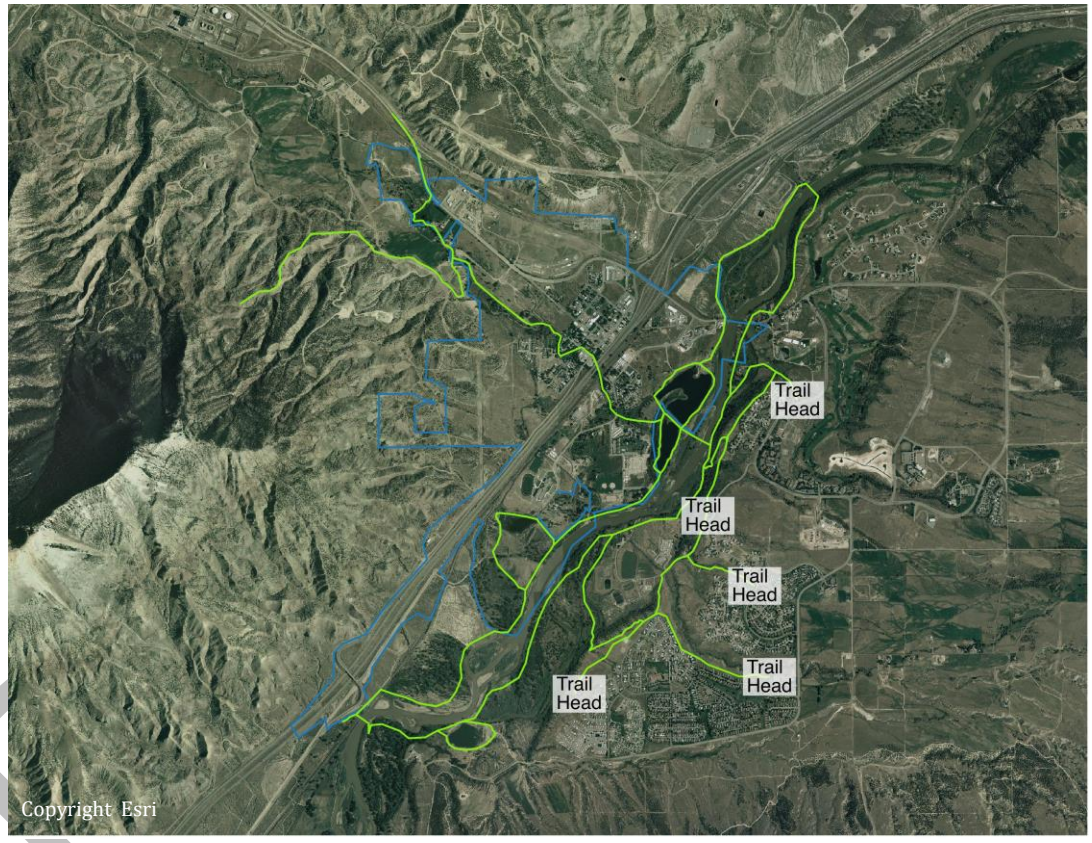
Map 9: Southwestern Parachute

Trails and Transportation

Trails

As described in Chapter 1, outdoor recreation is important not only for attracting outside visitors, but also important in order to provide quality of life assets for residents. Biking trails are an excellent way of accomplishing both goals, and are becoming increasingly valuable in attracting members of the "Millennial" generation. As has been described previously, the green lines through the planning area represent possible pedestrian and bicycle paths that have the potential of connecting Community residents with entertainment and recreation activities.

The pathways also have the potential of better connecting the Town of Parachute to the community of Battlement Mesa. The development of trails and trailheads should be explored in collaboration with the ownership/leadership of Battlement Mesa to identify the best possible routes and trailhead sites. Potential sites have been identified and are shown in Map 10.



Map 10: Potential Trailhead Sites

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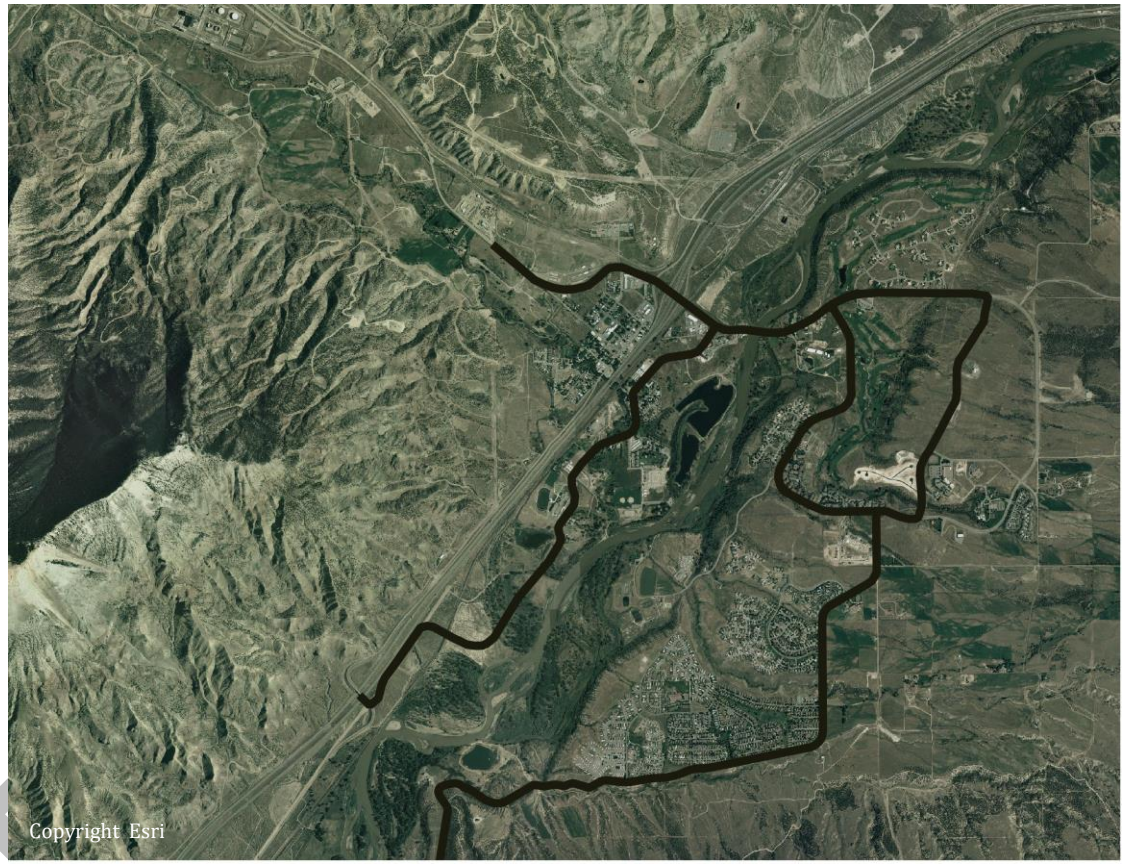
Transportation

The new developments that will be recommended and discussed in Chapter 6 will create additional strain on the Town's roads, and particularly those that will service the CBD and neighboring parks. Also, Cardinal Way will need to be extended further to the south to allow it to connect to the southwest interchange. Map 11 shows the major arterial roads throughout the Community, including the proposed extension to Cardinal way. It is anticipated that these sections of road will receive the most additional traffic due to new development.



Map 11: Transportation Corridors

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In particular, the section of road that is likely to experience the most additional traffic is the section of Highway 300 between I-70 and Battlement Parkway, and Cardinal Way where it connects to Highway 300. Current traffic within this section of the Community was obtained from the Colorado Department of Transportation (CDOT) and was analyzed to determine the potential need for future infrastructure improvements or possible roadway expansions. Peak traffic flow rates were determined and are reported in Table 2.

Road	Current Peak Flow Rate	Maximum Stable Flow Rate
Southbound 300	444	900
Northbound 300	417	900
300 Combined (both directions)	665	1,800
Eastbound Cardinal Way	59	900
Westbound Cardinal Way	206	900
Cardinal Way Combined (both directions)	254	1,800

Source: CDOT

Table 2: Traffic Corridor Analysis, 2015

Peak flow rates in each lane don't necessarily add up to the peak flow rate for the road as a whole. For example, both Northbound and Southbound 300 reach peak flow rates in excess of 400 cars per hour, but they don't peak at the same time. Northbound 300 peaks in the morning when residents from Battlement Mesa are leaving for work, and Southbound 300 peaks at the end of the day when they are returning home. At any given time, the total traffic on the road does not exceed 665 cars per hour.

1,800 cars per hour is the generally accepted stable flow rate for a two-lane road. Flow rates above 1,800 are considered unstable and communities should invest in infrastructure improvements to widen the road or provide alternative routes. As shown in Table 2, current traffic on the major transportation corridors has a lot of room for growth before congestion becomes an issue from a traffic-engineering standpoint.

However, there is currently a need to improve road conditions and design further East along Battlement Parkway. The two-lane section of Battlement Parkway is rather narrow, and future improvements should include widening the road and improving the shoulder. Many residents would like a controlled intersection where East Battlement Parkway connects with North Battlement Parkway due to the sometimes lengthy waits required to turn left. However, current traffic counts do not justify adding a light at that intersection. A light should be considered in the future, but traffic will have to increase substantially before one is warranted.

In the future as Battlement Parkway and Highway 215 begin to reach their capacity limits, another route of connecting the population of Battlement Mesa to I-70 will likely be needed. The most logical and economically viable solution will be to improve and utilize County Road 300/Stone Quarry Road. County Road 300 already connects Battlement Mesa Old US Highway 6 by crossing the Colorado River near

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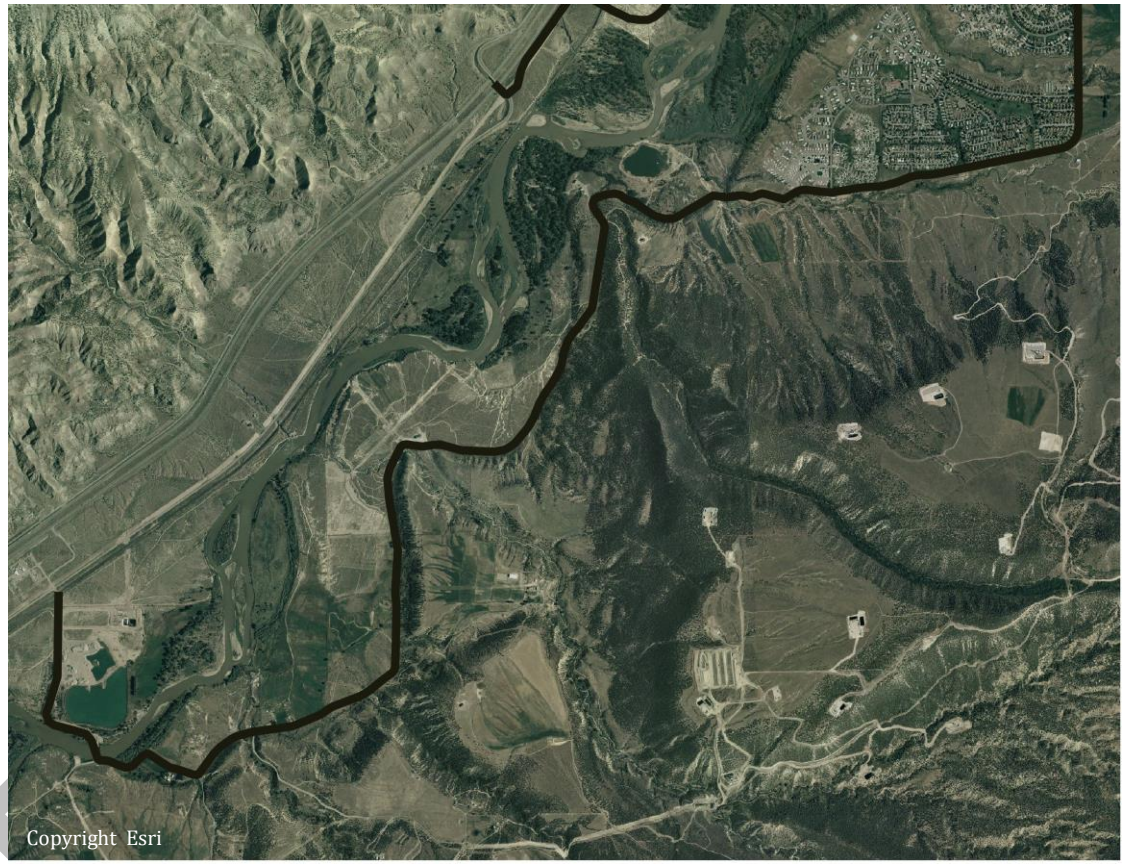
the southern end of the planning area (see Map 12). Rather than re-engineer a completely new road and river crossing, the Community will be able to save a considerable amount of money by utilizing existing assets.

Additionally, by utilizing County Road 300, the Community will have additional leverage of adding a third freeway interchange near the southernmost end of the planning area. US Interstate Highway standards dictate that the minimum distance between interchanges in rural communities is three miles. County Road 300 approaches I-70 approximately 2.5 miles from the existing southwest interchange. If an alternative route were used to connect Battlement Mesa to I-70, the Community would likely not be able to justify the addition of a new interchange, because the distance from existing interchanges would be too close. By utilizing County Road 300, the Community will have the greatest chance of adding a third interchange which will provide substantial economic benefit.



Map 12: County Road 300

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Photo Credit: David Sanabria

4 | Retail analysis

Summary

The Community is currently underserved in retail offerings. Existing retailers and businesses have struggled to make ends meet, particularly during downturns in the natural gas industry. The limited selection of retail offerings in the local market has led to a significant amount of retail leakage with residents travelling long distances for major shopping trips. Even when local goods are available, residents often choose to forego purchasing local goods in favor of purchasing the goods in conjunction with a major shopping trip to one of the neighboring retail nodes such as Grand Junction or Rifle. While the Community captures a significant amount of retail activity from the freeway, it is currently not enough to make up for the leakage that is taking place with local residents. The following analysis and discussion identifies opportunities to reverse the retail leakage that is taking place, and to capture an increased portion of retail activity from visitors and travelers utilizing I-70.

Current Retail Landscape

In comparison to surrounding communities, the Town of Parachute captures an impressive amount of retail activity per capita, and is second only to Glenwood Springs. However, when combined with Battlement Mesa, the Community as a whole is capturing just under $10,000 per capita, whereas the State average is over $15,000. The difference between the Community's per capita retail spend and State average is the amount of leakage, or missed local economic activity, that is taking place. Further analysis suggests that while the Community currently has the expected mix of some retail establishments, others, such as clothing, electronics, and appliances stores are lacking. Attracting the right mix of retailers that are able to capitalize on existing needs may represent an area of low-hanging fruit.

Recruitment Strategy

Three (3) basic categories of retail opportunities exist:

- Those that may be interested today based on an unmet local or regional need;
- Those that may be interested today based on an unmet need of travelers and visitors; and
- Those that would be interested contingent upon future growth and community momentum.

Each of these categories is explored and opportunities within each are identified below.

An effective recruiting strategy will leverage the assets of the Community and will cast a vision of the growth and the development that are planned. It is important that the vision be based in reality; yet is capable of capturing the imagination of potential retail operators. All three (3) categories of companies will be more likely to come to the area if the Community can clearly demonstrate and communicate how beneficial future development can be.

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Implementation

Implementation strategies and specific action steps are described. Action steps include identifying potential retailers, demographics analysis and marketing materials preparation, casting the vision to potential retailers, developer recruitment, and more.

Closing the Gap

A large catalytic project in the Community will likely require a substantial level of public participation. Without public participation, private developers will not be able to achieve market-rate returns and will continue to choose to invest in other locations with a larger population base. Public incentives such as Tax Increment Financing (TIF), Public Improvement Fees (PIF), and sales tax sharing are described in detail. The public-private partnership enabled through these tax incentives represents the most cost effective manner in which a community can correct market shortfalls and gain access to amenities that would otherwise be impossible.

Retail Interest

The first steps of implementation have been carried out and the results are detailed. Several retailers in multiple categories have expressed a preliminary interest in participating in a new development project within the Community and include national brands such as Shopko, Ross, Arby's, and Jimmy John's.

Recruiting Primary Employers

The overall strategy of recruiting additional primary employers to the Community will follow the same basic steps outlined in the retailer recruitment section. Focus should be placed on identifying potential employers that would gain a competitive advantage by locating to the Community, such as manufacturing operations that use sodium bicarbonate as a major ingredient. In conversations with potential companies, it will be important to cast the vision for the future, then identify and rectify any infrastructure or financing gaps that may exist.

Current Retail Landscape

Generally speaking, there are two (2) sources of retail demand within a given geographic location. The first and often primary source of retail demand is driven by the consumption needs of the local population. The larger the local population, the greater the demand for local retail offerings. The second demand driver is from non-local sources that can include spillover from surrounding communities, or tourists and travelers that are passing through or visiting. The combination of these demand drivers constitute the total local retail demand, and in turn, influence which types and the total number of retail establishments that can be reasonably supported within a community.

A baseline analysis of the current retail offerings in comparison to surrounding communities and/or the State, provides

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a point of reference regarding initial opportunities and establishments that may be interested in opening a new store within the local market. Table 3 shows the total amount of taxable sales that occur within the local market in comparison to neighboring communities and the State average. Due to the difference in reporting cycles for the State vs. individual municipalities, the State average is for the year 2013 and all of the municipal data are for 2014.

Although Parachute is not typically thought of as a retail node, it captures an amount of retail activity per capita that far exceeds the State average, and is second highest among comparison communities within Garfield County or along the I-70 corridor. However, when retail activity for the Town of Parachute is added to the retail activity in Battlement Mesa, the combined Community has a level of retail activity that is below the State average, and is at the lower end of the comparison communities.

Location	Taxable Sales	Population	Taxable Sales per Capita
Colorado (2013)	$79,025,674,000	5,264,890	$15,010
Glenwood Springs	$496,076,171	9,849	$50,368
Parachute (alone)	**$50,379,023**	**1,109**	**$45,427**
Grand Junction	$1,898,904,188	61,212	$31,022
Rifle	$229,296,540	9,279	$24,711
De Beque	$11,357,804	492	$23,085
Carbondale	$94,676,058	6,514	$14,534
Parachute w/ Battlement Mesa	**$54,043,565**	**5,446**	**$9,924**
Silt	$21,717,936	2,988	$7,268
New Castle	$25,964,502	4,563	$5,690
Battlement Mesa (alone)	**$3,664,542**	**4,337**	**$845**

Source: Colorado Department of Revenue

Table 3: Taxable Sales Comparison

Overall, many of the communities listed capture much more retail activity than would be expected based on population alone. The difference can be explained by a combination of high median incomes, retail surplus (opposite of retail leakage) from other markets, and tourist activity.

To gain greater insight into the types of retail activity that are leaking to surrounding markets, the number and types of retail establishments within the Community were compared to State averages. Table 4 shows a list of major retail and accommodation and food service categories, the average number of establishments within each category per 1,000 Colorado residents, and the number of establishments and

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gross sales that would be expected within each category for the Community based on population. Subcategories are shown with indentations. The number of establishments and the expected sales from those establishments for the Community represents a scenario based on the local market being able to capture 100% of the anticipated local demand.

The number of current retail establishments were determined based on self-reported NAICS codes by local businesses. The reported codes typically only cover the primary business activity of an establishment, and therefore may not capture all of the retail offerings that are available within the Community.

Retail Category	Number of Establishments in Colorado	Sales per Capita (Colorado)	Establishments per 1,000 Residents (Colorado)	Expected Total Sales for Parachute/Battlement Mesa	Expected number of Establishments for Parachute/Battlement Mesa	Current Number
Retail Trade	18,474	$13,448	3.7	$73,236,634	20.0	40.0
Motor vehicle and parts dealers	1,856	$2,888	0.4	$15,730,531	2.0	5.0
Automobile dealers	644	$2,363	0.1	$12,867,737	0.7	1.0
Automotive parts, accessories, and tire stores	989	$324	0.2	$1,762,752	1.1	3.0
Furniture and home furnishings stores	860	$368	0.2	$2,001,982	0.9	0.0
Electronics and appliance stores	836	$333	0.2	$1,812,367	0.9	4.0
Building material and garden equipment and supplies dealers	1,429	$1,019	0.3	$5,549,170	1.5	0.0
Grocery stores	1,003	$2,158	0.2	$11,752,433	1.1	2.0
Supermarkets and other grocery (except convenience) stores	800	$2,123	0.2	$11,563,627	0.9	0.0
Convenience stores	203	$35	0.0	$188,806	0.2	1.0
Beer, wine, and liquor stores	1,240	$336	0.2	$1,829,815	1.3	2.0
Health and personal care stores	1,272	$520	0.3	$2,830,540	1.4	2.0
Pharmacies and drug stores	391	$377	0.1	$2,050,826	0.4	1*
Cosmetics, beauty supplies, and perfume stores	211	$49	0.0	$267,901	0.2	0.0
Optical goods stores	275	$40	0.1	$218,814	0.3	0.0
Other health and personal care stores	395	$54	0.1	$293,000	0.4	2.0
Gasoline stations	1,618	$1,500	0.3	$8,169,708	1.7	2.0
Clothing and clothing accessories stores	2,362	$672	0.5	$3,658,500	2.6	1.0
Jewelry, luggage, and leather goods stores	351	$81	0.1	$439,250	0.4	0.0
Sporting goods, hobby, musical instrument, and book stores	1,282	$393	0.3	$2,142,843	1.4	1.0
General merchandise stores	614	$2,236	0.1	$12,179,059	0.7	1.0
Office supplies, stationery, and gift stores	689	$106	0.1	$579,444	0.7	2.0
Nonstore retailers	1,464	$586	0.3	$3,191,595	1.6	16.0
Accommodation and food services	12,744	$2,700	2.5	$14,706,307	13.8	16.0
Accommodation	1,556	$800	0.3	$4,357,413	1.7	6.0
RV (recreational vehicle) parks and recreational camps	204	$29	0.0	$159,867	0.2	1*
Food services and drinking places	11,188	$1,900	2.2	$10,348,894	12.1	10.0
Drinking places (alcoholic beverages)	753	$83	0.1	$454,070	0.8	0.0
Restaurants and other eating places	9,751	$1,688	1.9	$9,191,842	10.5	9.0
Full-service restaurants	4,691	$903	0.9	$4,920,168	5.1	4.0
Limited-service restaurants	3,821	$636	0.8	$3,463,202	4.1	5.0
Snack and nonalcoholic beverage bars	1,155	$124	0.2	$672,962	1.2	0.0

** Retail offering not captured by self-reported codes, but is known to exist within the community*

Source: 2012 US Economic Census, Town records

Table 4: Establishments per Capita Analysis

The analysis from Table 4 suggests that the Community already has the number of establishments that can be expected in several categories, including grocery stores, restaurants, and general merchandise (such as Family Dollar). For example, Colorado averages suggest that a community the size of Parachute and Battlement Mesa would support one (1) grocery/supermarket store, one (1) general merchandise store, and approximately ten (10) restaurants. The number expected are close to the current reality. However, many of the existing store owners have expressed in interviews that they are struggling and are on the brink of closing down. The discrepancy between what is estimated to be a stable number of stores, and the number that are currently struggling to survive reaffirms that a substantial number of local customers are patronizing restaurants and retail shops outside the local market.

There are other categories where the Community has more establishments than would be expected. For example, a community the size of Parachute and Battlement Mesa is expected to support 1.7 accommodation establishments, yet Parachute is reported to have six (6). Demand drivers that existed previously, such as drilling activity, justified the investment in excess capacity. However, current room prices and vacancy rates suggest that there is excess supply in the local market.

The analysis also provides insights into potential categories that may represent low hanging fruit for future development. For example, a community the size of Parachute and Battlement Mesa is expected to be able to support 2.6 clothing and accessory stores, yet only one is reported to exist in the Community. The analysis also suggests that a hobby store selling items such as sporting goods, books, and musical instruments, may fill an unmet need. The local population is also on the cusp of being able to support additional opportunities such as an appliance and electronics store. In some cases, a single retailer that provides goods in multiple categories may be able to survive, while specializing on a single category may not be feasible.

Recruiting Strategy

Ultimately, in order to recruit the type and number of retail offerings that have been requested by Community stakeholders, the population of the Community will have to grow. Potential retailers that choose to locate to the Community today will not have access to as large of a local market as they would typically get in another location in Colorado. To minimize risk and maximize returns, retailers will consistently choose larger markets where their stores can perform at, or better than average. Because average returns are not being met by existing operators within the Community, there is little motivation based solely on market forces to justify new investment.

Growing the population of the Community is a multi-year effort and will require the implementation of the strategies put forth in Chapter 6 (Recommendations) of the Comprehensive Plan. Specifically, the creation of a destination venue

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in the downtown core of the Community that includes elements of entertainment and recreation will increase the number of visitors and residents in the Downtown, and will increase the demand for retail. Increased demand will benefit existing and future retail operators. However, there are efforts that can be made now to add retail establishments while progress is being made on other strategies.

Meeting Local and Regional Needs

One strategy of recruiting additional retailers is to identify gaps in local retail offerings and recruit operators that are capable of filling those gaps. For example, the population and per capita establishment analysis above suggested that a clothing and clothing merchandise operation may be supported based on the local population size alone. While a small clothing store may struggle, there are retailers that offer clothing in addition to a number of other products that are not offered by current local retailers.

Examples of retailers that fit this mold include Shopko Hometown, and possibly Ross Dress For Less. Shopko Hometown is a smaller store format than a typical Shopko, but still includes the same types of products including clothing, soft goods, toys, nutrition, and a limited selection of appliances and electronics. Shopko would cater mostly to the local population, although there is a possibility that residents from neighboring communities such as Rulison and De Beque would choose to shop at a Shopko Hometown in Parachute, instead of travelling to Rifle or Grand Junction to purchase similar goods.

Ross Dress For Less specializes in discount clothing, although they do have sections of the store dedicated to household goods, toys, and electronics. The nearest Ross stores are currently in Glenwood Springs and Grand Junction, so it is possible that a store in Parachute would be able to capture a portion of the Rifle market in addition to the local demand.

When approaching these companies and other similar retailers, it will be important to cast the vision of what is planned in Parachute with regards to the Central Business District and future recreational development near the Colorado River and Spring Lake. A strong vision from the Town's leadership will can go a long way in helping potential operators see the value of locating to the Community, particularly when the current economic status quo may not justify it. Operators need to be reminded of the value of investing in a community while real estate prices are low, and then riding the wave as momentum builds. A strong vision and a plan for redevelopment will help operators understand the value of investing early and being part of the change.

Non-Local Needs

Another opportunity for retail development is in catering to the needs of potential customers that are passing through the area. The value of I-70 and the 34,000 vehicles that pass by Parachute everyday should not be underestimated.

One potential area of low-hanging fruit in meeting the needs of non-local visitors is in food establishments. Although the Community has ten (10) restaurants, only two of them are

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nationally branded limited-service (also known as fast-food) restaurants. Based on Colorado averages, the local population size would suggest that four (4) of the local restaurants should be fast-food, and the high volume of traffic from the freeway may provide the support for even more. However, due to the current limited offerings within the Community, a large number of potential customers are likely choosing to continue to drive on to Rifle or Grand Junction. The limiting factor in recruiting additional nationally branded fast-food restaurants will likely be the lack of existing compatible buildings and the need to invest in new development. This is another instance where casting the vision of the new Central Business District development and future high quality commercial space will help grab the attention of an operator that would otherwise look past the Community.

Contingent Companies

A third category of retailers that can be recruited are those whose interest in the Community would be contingent upon other development. For example, outdoor recreation rental companies and outfitters would have a hard time making ends meet today, but as the recreation and entertainment opportunities near the Colorado River are developed as described in the Comprehensive Plan, an operator may have interest, because market demand will justify the necessary investment. Likewise, the recreation development will open the door for novelty retail, gift shops, boutique soft goods, and specialty food stores, such as an ice cream parlor.

Casting the vision, and then following through to implement the strategies of developing the outdoor recreation opportunities will be the start of a new virtuous cycle in the Community. As development occurs, the Community will become an attractive location for the contingent retail operators. The combination of recreation and retail development will cast a new positive light on the Community that will be attractive to future employers and future residents. As the Community grows, additional retailers will become interested in the Community, because the population and the stability of the workforce will begin to justify investment on its own and the cycle can continue. Without the vision of the new Central Business District and other redevelopment efforts, it will be hard to gain the traction necessary to recruit new retailers, employers, and employees.

IMPLEMENTATION

Action Steps Required

Action Step #1 – Identify Potential Retail Gaps

A detailed list of potential retailers should be developed based on gaps in the local and regional market. For rural communities, it is likely that operators will need to focus on more than one segment of the market (such as a mixture of clothing, electronics, and household items) to ensure that they are able to operate profitably.

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Action Step #2 – Conduct Demographic Assessment of the Local Market

Most retailers will have a strict set of requirements that a site must meet before they will consider placing a store there. Typical benchmarks that retailers will look for include population, population growth estimates, and median income. It is helpful to include these numbers for a 5, 10, and sometimes 20-mile radius originating from the proposed site. Access to the site and traffic counts along adjacent roadways, and the location of competitors are additional elements that potential retailers will want to consider. The information described above should be formatted into an easy to read flyer that can be shared with potential retailers. See Appendix A for an example flyer.

Action Step #3 – Develop List of Potential Recruitment Targets

Based on the gaps identified in action step #1, a list of potential retailers that may have interest in the local market should be generated.

Action Step #4 – Contact Potential Retailers

Many of the national chain retailers will have a real estate division responsible for new site selection. The real estate group is a great place to contact first. Alternatively, other retailers work exclusively through regional brokers for site acquisitions and this broker can be a great point of contact. During the initial conversation with a potential retailer, it will be important to highlight the merits of the proposed location including the demographic elements identified in action step #2. It is also important to describe the vision for future nearby development such as the project scope, adjacent retailers, outdoor recreation elements, new housing, etc. Representatives from the retailers may want to jump on Google Earth to go on a virtual tour of the site over the phone.

The potential retailers should be asked questions regarding their interest in the site, or what might be done to allow them to become interested such as preferred co-tenants or adjacent development. The flyer developed in action step #2 should be sent as a follow-up. Follow-up questions should gather information such as building design requirements, acceptable lease rates or preferred ownership structure, preferred developers, and a rough timeline on their decision making process.

Action Step #5 – Land Assemblage

Based on the number of potential tenants and their individual square footage requirements, it will now be possible to finalize a site and lock up ownership via option agreements.

Action Step #5 – Recruit Developer

It will be much easier to attract a developer once potential retailers/tenants have expressed interest in locating to the new project, and the land has been packaged together.

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Action Step #6 – Design and Bid

Working closely with the developer, an architecture firm should be selected to design the project, and then construction bids should be solicited. The bids will allow the developer to create a detailed estimate on the total projects costs that can be used to define the financing gap that exists between expected revenue and the debt service on the project.

Although traditional development would require the operator/developer to cover these costs, it may need to be initially borne by the public sector and reimbursed as a project cost once financing is secured.

Action Step #7 – Project Financing

It is anticipated that a catalytic project like the one that is necessary to revitalize the Community will require a variety of financing sources including private investment, grants, and public incentives. Public incentives will be required to close the gap between the current market realities vs. the developer's required returns. Although public incentives may be somewhat new to stakeholders and residents of the Community, they are commonly used throughout the State by large and small cities alike.

Closing the Gap

In many cases, at least initially, the potential retailer will not be able to meet their required return requirements if they open a new location within the Community today. As described previously, the local market size is too small to warrant significant new retail development, and the retailers will choose to focus on areas with more promising returns. However, the tables can be shifted in favor of the Community by way of public-private partnerships.

One common method to help close the financing gap is through Tax Increment Financing (TIF). Under Colorado law, TIF is enabled through the creation of a local Urban Renewal Area (URA). Essentially, TIF captures a portion of the value that is created by a new development and returns or refunds a portion of that value back to the developer to help close the gap between capital and operation requirements, and the project revenue.

For example, a new commercial development that is anchored by a store such as Shopko Hometown would be valued at several million dollars, and would generate significant property tax revenue beyond what is currently being produced by that section of the Community. The additional tax revenue is referred to as the "tax increment." The URA is able to capture a portion of the tax increment, and it is returned to the project to help cover the debt service and other expenses. In this regard, a developer is able to leverage the tax increment to build a project that is larger in scale and more impactful than they would be able to build on their own without the public investment.

Depending on the size and scope of the project, TIF may not be sufficient to provide the necessary incentives to get a developer interested in taking on the project. Another incentive that can be considered is local sales tax sharing. Because Parachute is a Home Rule Municipality, it has control over

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how local sales tax is collected and spent; therefore, the Town can allocate a portion of the sales tax generated from a new development to be returned back to the development itself. Local sales tax sharing is a powerful incentive and could go a long way in helping to close the deal with a major retailer such as Shopko or Ross.

One other incentive that works well for retailers is the Public Improvement Fee (PIF). PIF is similar to sales tax in some ways, but very different in others. In order to collect PIF, a Public Improvement Corporation (PIC) is typically formed, which is a non-profit corporation whose mission is to support the objectives of a public entity, such as the Town. A PIC has a defined boundary, and requires the consent of the landowners.

At its core, a PIF behaves similar to a sales tax in that it is an extra percentage amount that is applied to retail transactions that occur within the specified geographic area. The PIF is applied to a transaction amount before sales tax; therefore, sales tax is charged on the PIF amount in addition to whatever goods are being purchased.

The fee is collected by a third party administrator, often the PIC, but can also be collected by the Town and then deposited into the PIC's bank account. PIF funds must be used for improvements to the property where the PIF was collected. PIF funds can be used for a variety of purposes such as land acquisition, new construction, improvements, landscaping enhancements, public events, etc. Developers can monetize PIF revenue to help cover debt service on a new development and, under some circumstances can issue bonds backed by PIF revenue. Thus future PIF revenue can be leveraged even before actual sales begin. Because PIF is a "fee" and not a "tax" it does not require governmental approval or general election, and instead is instituted by way of a covenant that is tied to the private property or to a lease.

The municipality wherein the PIF is collected can opt to enter into an agreement with the property owner to reduce, or "credit" sales tax collected at that development to offset the PIF, so that a consumer would continue to pay an effective tax/fee rate that is similar to the typical municipal sales tax without the fee. PIF can be implemented for new retail development, but it can also be added to an existing development that is in need of revitalization.

The public-private partnership model using methods described herein has been shown to be the most cost effective way for communities to gain access to new development and new amenities that would otherwise locate to another community. It is important to educate the general public that the revenue refunded through TIF or the other incentive options would not exist were it not for the investment of the private sector in the new development. When used responsibly, TIF, PIF, and sales tax sharing are methods of correcting for market shortcomings and are not methods of padding the pockets of opportunistic investors.

In some cases, public participation by helping to pay for infrastructure requirements may be sufficient to help close the

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required financing gap. However, large catalytic projects such as those anticipated for the Central Business District will most likely require a significant amount of public participation via TIF, PIF, or sales tax sharing.

Retailer Interest

Action steps 1-4 have already been initiated and over 50 potential retailers have been identified and contacted to gauge their interest in locating to the Community. A complete list of retailers, contact information, and notes from each conversation will be provided in a separate document. Highlights of potentially interested retailers will be described below.

Major Retailers

Major retailers contacted include Shopko, Ross Stores, Stage Stores, Chico's, TJ Maxx, and Walmart. Of those contacted, most of the retailers did not provide a response, likely because the Community is too small to capture their attention. However, Shopko did express potential interest in the site as a possible location for a Shopko Hometown store. The population of the local market is on the low end of what they are looking for, but there are Shopko Hometown stores in even smaller communities.

Additionally, Ross Stores expressed a similar sentiment, and thought that Parachute might be a good mid-point location between their existing stores in Grand Junction and Glenwood Springs. The population is on the low side of their requirements, and representatives mentioned that incentives would be required to make up for the small market size. Either of these retailers would be a tremendous asset to the Community, and would help to reverse a portion of the retail leakage that is currently taking place.

Grocery Stores

Grocery store operators that were approached include Safeway, Aldi, Winco, and Kroger. None of the grocery stores contacted expressed an interest in opening a new location in the Community. Specifically, Winco was of great interest to Community stakeholders, but the representatives stated that the local population was much too small for them to consider placing a store there. High traffic counts were not enough to gain their interest.

Other Community requested grocery operators, such as King Soopers and Food 4 Less are Kroger brands, which is also the parent company of City Market. Kroger chooses the brand for a particular location based solely on geography. City Market is the only format they will place on the Western Slope of Colorado.

Limited Service Restaurants

Over two-dozen limited service restaurants were contacted, and yielded two (2) positive leads. The first is Arby's, which expressed interest in the Community as a potential location for a corporately owned store. Arby's would prefer an end-cap location, which would require a new development. Jimmy John's also expressed interest in opening a store, and has experience in Colorado towns that are of similar size as

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the Community. However, Jimmy John's would require an interested franchisee before moving forward.

Other fast food restaurants that requested additional information for further review include McDonalds and Sonic Drive-In. Many of the potential operators stated that they would not consider the site until an interested franchisee is identified.

Full Service Restaurants

Of the four (4) full service restaurant operators that were contacted, Applebee's is the only one that expressed preliminary interest in adding a store to the Community. Representatives are currently reviewing the site information.

Specialty Food Service

Of the six (6) specialty food service operators contacted, none of them expressed current interest in the site. However, several operators including Cold Stone, Dunking Donuts, and Krispy Kreme, stated that they would consider the site if an interested franchisee is identified.

Next Steps

To maximize the momentum that has been gathered to date, the Community will need to continue to invest in following up with the potential retailers and proceed with action steps 5-7.

Job Recruitment

The overall strategy to recruit and add primary jobs to the Community is similar to the strategy described above for retailers. It will be important to cast a vision for the future and describe why employers should be interested in the Community as a location for their operation. It will become much easier to recruit businesses if owners are personally interested in the entertainment activities, the culture, and the retail offerings of the Community.

The low hanging fruit in terms of jobs and employer recruitment will be businesses that can gain a strategic advantage by locating to the Community. Examples may include manufacturers that use large amounts of sodium bicarbonate in their products. Co-location with the Solvay facility will help both operations save on shipping and logistics costs.

Other potential employers that would be potentially interested in the Community may include regional distribution centers for UPS and FedEx, and heavy manufacturing operations. Parachute has the infrastructure, the labor force, and the ideal location for the manufacturing of heavy equipment.

The action steps outlined above for retail can be repeated for additional employers, including the steps of identifying potentially interested parties, contacting as many as possible to discuss the opportunity, identifying needs, and then using incentives to fill the economic gap that might exist. These steps have been implemented by other communities with great success.

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5 | Community Annexation

The purpose of this portion of the Comprehensive Plan is to explore the feasibility of joining the Town of Parachute and the unincorporated development of Battlement Mesa into a single municipality. As described in Chapter 1, the Town of Parachute and the unincorporated development of Battlement Mesa rely on one another for support, and in many instances, they survive and operate together as a single economic "Community" rather than two (2) separate communities.

Because of the close relationship between the two (2) communities, it has been reported anecdotally in stakeholder interviews that it is quite common for residents of Battlement Mesa to assume that they are part of the Town of Parachute. For example, there are reports of residents who thought they were part of the Town because the name "Parachute" is used for shipping and physical address identification for Battlement Mesa by the Postal Service. Also, other residents of Battlement Mesa have assumed that they should have the ability to participate in local elections and public debate for Town ordinances, without realizing that the close proximity does not equate to political representation.

Incorporation brings with it a number of benefits and privileges to the community of Battlement Mesa. For example, State Energy tax funds, such as State Severance Taxes and the Federal Mineral Lease funds, are distributed to incorporated entities, not PUDs or covenant protected communities such as Battlement Mesa. As a result, Battlement Mesa may benefit indirectly from these funds, but the development is missing out on approximately $670k of direct payments annually. Without incorporation, this money will continue to be spread throughout the County, but will not be directly allocated to Battlement Mesa.

There are many other potential benefits from incorporation, such as:

- Improved local political representation and support;
- Faster maintenance and support services (e.g. snow removal);
- Improved access to grants and potential financing sources; and
- Ability to benefit from commercial and real estate development.

These topics and others will be discussed in greater detail throughout this report.

Along with the benefits, there are also additional costs that need to be considered. Examples of additional costs of incorporation include road maintenance and other basic government services that are currently being provided by Garfield County. After incorporation, these expenses would be shifted to the local municipality. They will be discussed in detail later in this report.

Approach

The concept of incorporating the community of Battlement Mesa into a separate municipality is not new, and significant effort and resources have previously been expended to this

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end. To date, the previous studies have yielded similar results, stating in effect that the new municipality will not be able to collect sufficient revenues to cover the additional costs. The most recent study, performed in 2010, showed a financing gap of approximately $355,000 that would occur if Battlement Mesa were to incorporate on its own. Much of the gap was attributed to the lack of commercial activity and the resulting lack of sales tax, which typically makes up a significant portion of a municipality's revenues. The report also stated that future commercial development within Battlement Mesa will be limited due to its distance from I-70, which is similar to the findings of Chapter 2 of the plan.

Annexation vs. Incorporation

The unfavorable results outlined by the two (2) previous incorporation feasibility reports have left many residents of the Community thinking that incorporation is a great, but impossible idea. The two (2) reports however, did not consider an alternative approach: combining the Town of Parachute and the community of Battlement Mesa into a single municipality. The joint approach may allow the Community to gain operating efficiencies that neither community could experience as a separate entity.

The most plausible method of combining the two (2) municipalities to save time and financial resources is to annex the community of Battlement Mesa into the existing Town of Parachute. The Town already has infrastructure, personnel, and resources in place and would ultimately decrease the amount of up-front investment needed to create a single, unified municipality.

Multiple estimation methods were used to arrive at the likely costs and revenues for the combined municipality. Specific methods will be detailed in each respective section, but in general, the costs and revenues were estimated by comparing the Community to other small and rural communities throughout Colorado, including the Town of Parachute. Additional information was obtained from DOLA, Garfield County, and from the previous Battlement Mesa Incorporation report conducted by BBC Research & Consulting.

Annexation Strategies

Legal Requirements

The legal basis for annexing unincorporated land into an existing municipality is outlined in the Colorado Revised Statutes, Title 31, Article 12, Part 1 (C.R.S. 31-12-101 through 122). The article outlines the conditions that must be met for a municipality to annex additional property, and provides several different options to accomplish the change. Under most circumstances, the following general guidelines apply to new annexations:

1. The proposed annexation area must share at least 1/6th of its perimeter with existing municipal boundaries
2. A municipality cannot extend its boundary by more than three (3) miles in any one direction in a single year
3. The annexing municipality must be able to provide the proposed annexation area with municipal services (water, wastewater, etc.) within a reasonable

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time frame, or ensure that these services will be provided by another quasi-government entity (such as the Battlement Mesa Metro District) at a level consistent with the current incorporated area

4. Adequate public support needs to be obtained

Public Support

In brief, there are two (2) different methods for demonstrating the public support necessary to enact an annexation, namely:

1. Petition; and
2. Election.

Each option will be outlined below, along with recommendations on when and how each could be used.

State law allows for an additional type of annexation that does not technically require public support, but circumstances where this method can be used are quite limited. Town officials have expressed that they will not pursue any annexation strategy that does not include gaining and demonstrating public support. Therefore, only the strategies that include public support will be detailed in this report.

Petition

One of the most straight-forward methods for securing and demonstrating the necessary public support for annexation is through a petition. The petition method requires at least fifty percent (50.0%) of the landowners that also represent at least fifty percent (50.0%) of the land within the proposed annexation area, to sign a petition stating their support for the annexation. The petition must include a legal description of the land owned by each signer and signatures must not be dated more than one-hundred and eighty (180) days prior to the petition filing date. This method will likely work for certain sections/neighborhoods of Battlement Mesa (and other sections of land surrounding the Town), but it may be difficult logistically to secure the necessary signatures to carry out a large annexation with numerous landowners.

Election

If it is not feasible to obtain the signatures required for the petition method, an election can be used to demonstrate the necessary public support. However, a petition requesting the commencement of annexation proceedings is still required to trigger the election process. Signatures are required from at least seventy-five (75), or ten percent (10.0%) (whichever is less) of the registered electors that are also landowners within the proposed annexation area.

Once the petition has been received by the Town Clerk, and is determined to be in compliance, the Town then petitions the District Court for Garfield County to hold the requested election. The Court then establishes a committee of commissioners that will oversee the election to ensure that it is handled according to State guidelines. The committee consists of three members: one representing the Town, one representing the landowners, and a third that is mutually acceptable to the first two.

Eligible participants in the election include registered electors within the proposed annexation area, and landowners.

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Landowners, including non-resident landowners, are allowed to vote in the annexation election even if they are not registered electors. Corporate landowners can designate one of the corporation's officers to cast its vote. Additional details regarding the election process can be found in C.R.S. 31-12-112.

Large Tracts of Land with Single Ownership

In addition to the above mentioned requirements of obtaining public support for either method, express written consent is required from landowners that hold twenty (20) or more acres of contiguous land that has an assessed value of greater than $200,000 within the proposed annexation area.

Annexation Process

The annexation process has been outlined in great detail by the State, and it is important that the Town follows the provided guidelines exactly to prevent unfavorable judicial action that may reverse or invalidate an annexation. It is recommended that Town officials carefully review C.R.S. 31-12-101 through 122 to ensure compliance throughout the entire process. A basic outline of required actions and activities listed in C.R.S. 31-12-101 through 122 will be included in this report, but is meant to serve as a reference, and is not intended to replace the need to refer to the Colorado Revised Statutes.

Annexation Proposal

The annexation process is initiated by the preparation of an annexation proposal that is delivered to the Town for review. The proposal describes the annexation area, demonstrates that the required public support threshold has been met, and includes additional details regarding the terms of the annexation. In the case of an election process, the proposal includes the petition requesting the election. The Town is then responsible to review the proposal to ensure compliance with annexation guidelines, and then a decision is made via resolution whether to proceed, or to deny the proposal due to non-compliance. If the proposal is deemed to not comply with the required annexation guidelines, the Town issues the opinion via resolution and is not required to proceed.

State law allows, and we recommend, that the Town establish a policy that requires a draft of the annexation agreement to be submitted with the annexation proposal. The annexation agreement establishes the terms and conditions upon which the new area will be annexed. Upon approval and eventual execution, the document becomes a legally binding contract between the Town and the landowner(s). The agreement should address items including, but not limited to: water and wastewater services, water rights, right-of-ways, easements, road maintenance, public land designations, building/architectural requirements, zoning, fees, and other items as deemed necessary to ensure mutual understanding of expectations. All of these items are a matter of negotiation between the landowners and the Town, and can change throughout the annexation process.

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Public Hearing Notice

Once the Town determines that the annexation proposal meets the necessary guidelines in its preliminary review, a public hearing is scheduled. The primary purpose of the public meeting is to allow public comment and ensure that the proposed annexation meets the requirements set forth in C.R.S. 31-12-104 and C.R.S. 31-12-105. Public notice regarding the public hearing needs to occur at least 30 days, but no more than 60 days, prior to the hearing. Notice of the public hearing is required to be published once a week for four (4) consecutive weeks in a local newspaper or magazine with general circulation within the proposed annexation area.

Next, a copy of the published notice along with the proposal needs to be sent to the County Commissioners, the school district, and the special taxing districts that have territory within the proposed annexation area. The notice and proposal needs to be sent to these groups via registered mail no less than 25 days prior to the public hearing date.

Impact Report

No less than 25 days prior to the public hearing, the Town needs to prepare an annexation impact report that details the impacts of the annexation, and the Town's plans and intentions on how to provide services to the new area. Additional requirements for the impact report can be found in C.R.S. 31-12-108.5. One (1) copy of the report needs to be filed with the Garfield County Commissioners no less than 20 days prior to the public hearing.

Public Hearing

The purpose of the public hearing is to ensure that the proposed annexation meets the legal requirements set forth by the State. At the conclusion of the hearing, the Town will issue, by resolution, its findings on whether the proposed annexation meets the requirements, and whether or not an election is required. If the proposed annexation does not meet the requirements, the proceedings end and no further action is required.

Annexation

If an election is not required, and no additional items remain outstanding or unresolved, the Town may then annex the proposed area via ordinance. If it is deemed that an election is required, the election process described previously commences.

The outcome of the election dictates the next steps as described in C.R.S. 31-12-112.

> "If a majority of the votes cast at such election are against annexation or the vote is tied, the court shall order that all annexation proceedings to date are void and of no effect and that the governing body shall proceed no further with the instant annexation proceedings. If a majority of the votes cast at the election are for annexation, the court shall order, adjudge, and decree that such area may be annexed to the municipality upon the terms and conditions, if any, set forth by the governing body, and the municipality, by ordinance, may thereafter annex said area and impose the

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terms and conditions, if any, as approved by the landowners and the registered electors."

While the effective date of the annexation is set forth in the ordinance, the effective date for general taxing purposes occurs on the January 1st following the annexation date. A map of the annexation and the original annexation ordinance are filed by the Town, and a map and three (3) certified copies of the ordinance are then sent to the County Clerk and County Recorder. The County Clerk and Recorder are responsible for forwarding information of the annexation on to DOLA and the Department of Revenue to ensure that the State agencies can begin distributing tax collections appropriately.

Other Considerations

A zoning ordinance for the newly annexed area can be passed simultaneously with the ordinance for annexation, but cannot occur prior to the annexation ordinance.

Financial Feasibility

Given the legal route forward for the Town of Parachute and Battlement Mesa to come together as a single municipality, additional financial analysis to understand the impacts on the Town and taxpayers is required to determine the desirability of such an action.

Local vs. County Support

Several different entities are currently providing municipal-like services within Battlement Mesa. Specifically, the Battlement Mesa Service Association (BMSA) provides much of the common/public space maintenance, covenant enforcement, and other services that are typical for a Home-Owner's Association (HOA). The Battlement Mesa Metro District (BMMD) provides water and wastewater services, and is contracted by BMSA to provide street cleaning and some road maintenance.

The remaining municipal services, such as law enforcement, judicial support, animal control, road maintenance, etc., are currently provided by Garfield County. In a sense, current services provided by the County have been viewed as "free," because they are paid for by general County taxes, instead of a specific Municipal tax. In essence, the cost of these services is spread over the entire County population, vs. a smaller subsection such as a municipality.

The downside of this is that Battlement Mesa has received a level of service that is below expectations, and below the level of service that is provided in nearby Parachute. Much of the focus and the energy of the County has historically been allocated to larger population centers such as Rifle and Glenwood Springs. Battlement Mesa residents have often felt neglected and underserviced. Attracting additional attention and support from the County is not likely given the population discrepancies, and therefore the most effective method to remedy the lack of services being provided to Battlement Mesa is to shift from County control to local control.

The shift will naturally bring with it an increase in the cost paid by local taxpayers, because the burden of providing the

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services will be spread over a smaller population and will of necessity be in addition to the current County mill levy. The tradeoff for receiving support and an enhanced level of service needs to be viewed in the context of not just the dollar amount of additional taxes that may be required, but must also include intangible and unquantifiable benefits. Where possible, the potential impact will be financially quantified, but ultimately the deciding factor on whether to move forward may be the intangible benefits provided through annexation.

Town of Parachute's Financial Status

The Town has benefited greatly from the region's previous natural gas boom and wise financial decisions that have left the Town with a comfortable reserve fund and a low amount of long-term debt. Additionally, the Town's ideal location near I-70 has resulted in sales tax revenue that is proportionally much larger than what most communities in Western Colorado receive. As described in the Phase I section of this report, sales tax receipts have declined in recent years, but the Town is currently implementing a broad strategy that will help attract new jobs and economic activity that will help replace recent declines. Specific expense and revenue categories for the year 2014 will be briefly outlined below.

Water/Wastewater/Garbage

The Town operates a municipal water and wastewater system and provides these services to Town residents for a monthly fee. There are approximately 376 active accounts, and the revenue gathered from water and wastewater services in 2014 equaled $313,292 and $210,748, respectively. Expenses of operating these programs in 2014 exceeded revenues and were $424,185 and $275,178 respectively. The difference totaling $157,323, or approximately $418 per household, is subsidized by other municipal revenues. Garbage collection is provided through a contract with a third party and is not a source of a significant financial impact (see Table 5).

	Parachute Revenue	Parachute Expenses	Net
Water	$313,292	$424,185	$(110,893)
Wastewater	$210,748	$257,178	$(46,430)
Garbage	$55,943	$53,546	$2,397
Total	**$579,983**	**$734,909**	**$(154,926)**

Source: Town of Parachute

Table 5: Water/Wastewater/Garbage Expenses, 2014

General Government Expenses

General government is the largest category of expenses for the Town and equaled $1,099,607, or approximately $2,924 per household for 2014. Items within this category include executive and legislative, judicial, parks, planning and zoning, engineering, etc. Figure 42 shows a comparison of 2011 general government spending for other small towns throughout Colorado with a similar number of households. This is the most recent year for which comparison data is available. The comparison shows that the spending per household in Parachute is much higher than many other rural communities of similar size. The difference in spending per household may present an opportunity for future efficiency gains that will be discussed later in this report.

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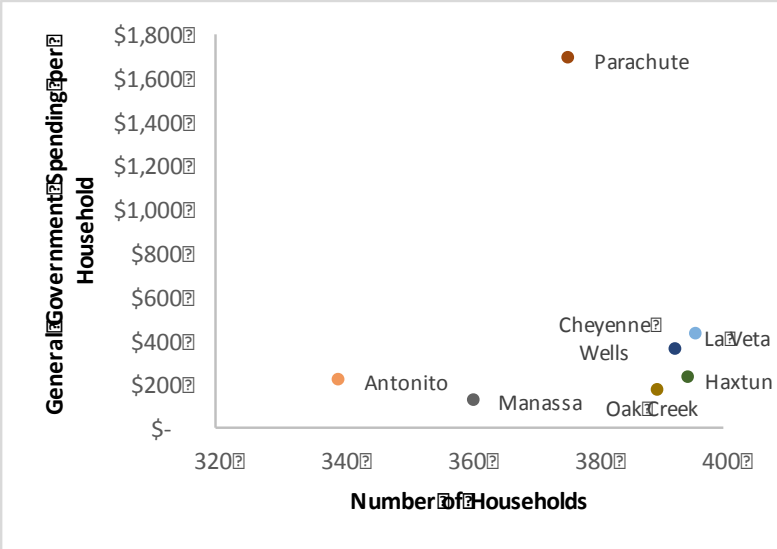
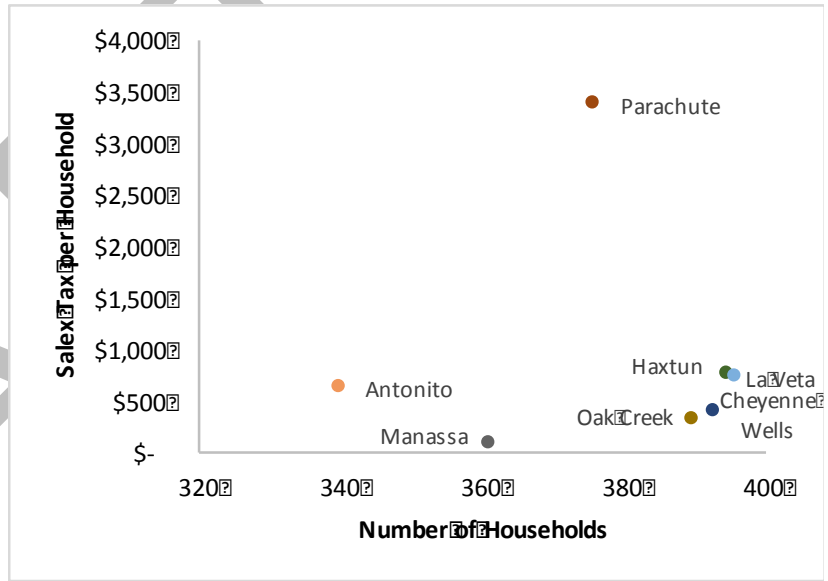


Source: DOLA

Figure 42: Parachute Spending Comparison, 2011

Law enforcement spending in the Town totaled $485,110 in 2014 and includes the cost of five (5) full-time officers and office staff. This level of spending and the number of officers is high based on the number of households within the Town, but taken in context of the Community population and the amount of traffic from I-70, the level of spending makes sense. This is another area that stands to gain from efficiency improvements by combining with Battlement Mesa, because in some regards, the Town's police force is already providing services to the residents of Battlement Mesa, albeit not directly.

Major sources of revenue for the Town include Sales Tax, Property Tax, and Severance/Mineral Lease Tax. Of these, Sales Tax is the largest contributor, and is proportionally much larger than most rural communities (see Figure 43).



Source: DOLA

Figure 43: Sales Tax Comparison, 2011

Parachute's level of sales tax collections at $3,191 per household clearly suggests that the Town is capturing sales from a much broader market than just the local population.

The numbers also represent large transfers in 2014 from the General Fund to the Parachute Capital Improvements Fund and the new Reserve Fund.

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	Parachute Revenue	Parachute Expenses	Net
Water	$ 313,292	$ 424,185	$ (110,893)
Wastewater	$ 210,748	$ 257,178	$ (46,430)
Garbage	$ 55,943	$ 53,546	$ 2,397
General Government	$ 138,378	$ 1,099,607	$ (961,229)
Law Enforcement	$ 70,807	$ 485,110	$ (414,303)
Streets	$ -	$ 564,205	$ (564,205)
Culture and Recreation	$ -	$ 178,465	$ (178,465)
Interest expense	$ -	$ 2,917	$ (2,917)
Property Taxes	$ 342,437	$ -	$ 342,437
Specific Ownership Taxes	$ 21,427	$ -	$ 21,427
Sales and Use Taxes	$ 1,317,839	$ -	$ 1,317,839
Franchise and other Taxes	$ 6,654	$ -	$ 6,654
Road and Bridge Tax (County)	Included in other Taxes	$ -	
State Mineral Severence	$ 139,776	$ -	$ 139,776
State Mineral Lease	$ 324,726	$ -	$ 324,726
Unrestricted Investment Earnings	$ 5,464	$ -	$ 5,464
Total	**$ 2,947,491**	**$ 3,065,213**	**$ (117,722)**
Excess (Shoftfall)	**$ (117,722)**		

Source: Town of Parachute

Table 6: Parachute Financial Performance, 2014

Table 6 shows the summary of the Town's financial performance for 2014. Overall, the Town had a deficit of $117,722 which is similar to the deficit from 2013 (data not shown). The continued struggles of the natural gas industry within the region is the main factor for a negative balance, but the Town's reserves have easily covered recent losses. The Town's current economic development efforts, including the opportunities and recommendations found in Phase I of this

report, have the potential to make up for the losses from the gas industry to help return the Town's operating budget to the black. Overall, the Town is in a relatively stable financial position, especially given the recent financial stress of the natural gas industry.

Financial Impact of Annexation

The annexation of the entire community of Battlement Mesa will add approximately 4,000 residents and approximately 1,771 households to the Town[5]. The increase will bring with it multiple sources of new revenue and expenses.

It is important to note, that the analysis of potential revenues and expenses was performed under the assumption that the BMSA and the BMMD will continue to exist, and for the most part, will continue to provide all of the same services that they are currently providing. Annexation and joining a municipality will not have any effect on the currently existing HOAs within Battlement Mesa, including the master HOA of BMSA. The covenants that currently exist will be unaffected, and the leadership boards of the HOAs will continue to lead and make decisions that are in the best interest of the residents of each HOA. It is common to have PUDs, covenant protected communities, and HOAs within a town/city boundary and, in many ways, the town/city and these organizations can complement one another to provide the best and desired experience for residents.

Some of the services that are typically provided by a municipality are currently being provided by BMSA or BMMD. In order to gain efficiency benefits, this report will point out areas of overlap, and make recommendations as to which organization(s) is/(are) best suited to provide the highest quality service at the most efficient cost.

Water/Wastewater

One potential source of new expense to the Town would be in providing water and wastewater services to the additional 1,771 occupied households within Battlement Mesa. However, as described previously, this service is currently being provided by BMMD. There would be no need for both organizations to provide the same service. Both programs were analyzed to see which organization would be most likely able to provide the service at the most economical cost.

[5] Estimates provided from the US Census and DOLA

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Entity	Service	Total Expense	Total Revenue	# of Occupied Households	Cost per Household	Revenue per Household
Parachute	Water	$ 424,185.00	$ 313,292.00	376	$ 1,128.15	$ 833.22
Parachute	Wastewater	$ 257,178.00	$ 210,748.00	376	$ 683.98	$ 560.50
BMMD	Water	$ 1,839,604.00	$ 1,586,116.00	1771	$ 1,038.74	$ 895.60
BMMD	Wastewater	Combined w/water	$ 749,413.00	1771	Combined w/water	$ 423.16
Parachute	**Combined**	**$ 681,363.00**	**$ 524,040.00**	**376**	**$ 1,812.14**	**$ 1,393.72**
BMMD	**Combined**	**$ 1,839,604.00**	**$ 2,335,529.00**	**1771**	**$ 1,038.74**	**$ 1,318.76**

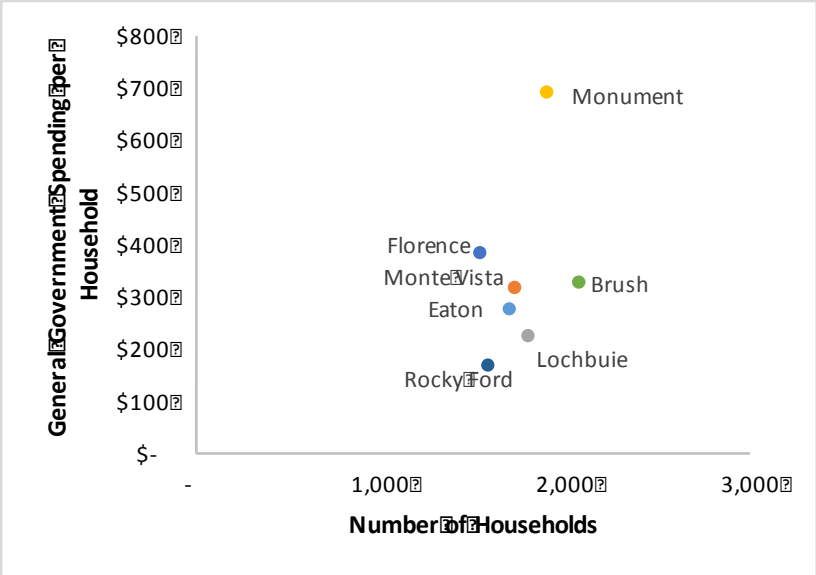
Source: Town of Parachute, BMMD

Table 7: Water and Wastewater Services Comparison, 2014

Table 7 shows a breakdown of the revenues and expenses for BMMD and the Town of Parachute to provide water/wastewater services for the year 2014. As seen in the table, the revenue per household for both organizations is nearly the same, but BMMD is able to provide the same level of service for approximately $800 less per household per year. Therefore, it is recommended that BMMD continue to provide these services. Additionally, the Town may be able to save a considerable amount of money by contracting their own water and wastewater services to BMMD. Not only would it save the Community money, but it would also simplify billing and reporting efforts.

General Government

As described in the Parachute Financial Status section, general government spending covers items including executive and legislative services, judicial, elections, planning and zoning etc. Non-resort communities the size of Parachute/Battlement Mesa combined (about 2,100 households) typically spent between $200-$400 per household annually in 2011 (see Figure 44).



Source: DOLA

Figure 44: Community General Spending Comparison, 2011

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Adjusting the 2011 expenditure amounts shown in Figure 44 by the national inflation rate to estimate 2014 expenditure levels does not significantly change the results (data not shown). Estimated 2014 expenditure levels still fall within the same range.

The 2010 feasibility study conducted by BBC Research estimated that general government spending for Battlement Mesa would be approximately $300 per household, which would equate to a total cost of $531,300 for the current population size. However, when taken in context of the general government spending that is already taking place in Parachute, and the services that will continue to be provided by BMSA, it is likely that the incremental cost of providing these services to Battlement Mesa will be much less.

One significant area of savings will be in the sharing of personnel. If Battlement Mesa were to incorporate separately, as has been explored previously, Battlement Mesa would need to invest in its own building and its own staff. The Community would have two (2) town/city managers, two (2) clerks, etc. By combining, the Community as a whole will be able to share the expenses and the benefits of having one staff, instead of two.

Specifically, the Town currently has five (5) full-time employees (FTEs) that provide general government services, at a total labor cost of approximately $311,000. Town officials project that they will only need to hire an additional 2.5 FTEs, at a total cost of $150,000 if Battlement Mesa is annexed. Adding an additional 40% to cover general overhead and other miscellaneous expenses brings the estimated incremental cost of general government spending to $210,000, or $119 per household. The rate is less than half of what has been previously estimated due to the efficiency gains that are expected if the communities combine.

Under this scenario, the combined level of spending for the Community will reach approximately $1.3M, or $610 per household. This level of spending is on the very high end of non-resort communities of similar size (see Figure 44). A thorough analysis of the combined municipal budget may present an opportunity to reduce spending to a level that is more in line with other rural communities ($300-400 range) without decreasing the level of desired services.

General government revenues from Battlement Mesa (includes permits, fees for service, etc.) are expected to be minimal. Table 8 shows the general government spending summary.

General Government	
Parachute Revenue	$ 138,378
Parachute Expenses	$ 1,099,607
BM Potential Revenue	$ 177,100
BM Expenses	$ 210,000
Combined Revenue	$ 315,478
Combined Expenses	$ 1,309,607
Combined Spending/Household	**$ 610**

Table 8: General Government Budget Estimates

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Law Enforcement

Similar to general government spending, law enforcement costs present an opportunity to share resources and save money. The Town of Parachute spent approximately $485,110 on law enforcement activities during 2014, which is similar to the amount that has been spent over the last five (5) years (data not shown). The Town currently has five (5) officers, yielding an average cost of $97,022 per officer, which includes overhead, office staff, misc. expenses, etc. Based on conversations with Town officials, it is estimated that an additional two (2) officers would be needed to provide the same level of coverage to Battlement Mesa that is currently being provided to the Town. Assuming that the same fully burdened rate would apply to new officers and associated support staff, the incremental expense to add law enforcement coverage to Battlement Mesa would be approximately $194,044.

The previous incorporation study performed by BBC Research and Consulting estimated that the cost of adding an entirely new police department to Battlement Mesa would be $455 per household, or approximately $805,805 at current population levels. By annexing, Battlement Mesa will gain access to a higher level of law enforcement services, at a savings of more than $600,000 annually. Additionally, by combining coverage, it is likely that the expanded municipal Police Department will be able to provide a dedicated School Resource Officer (SRO) to give protection and assistance to local schools[6]. This service is currently not possible.

The Town currently collects approximately $70,000 annually from law enforcement fines, tickets, etc. Much less law enforcement revenue is likely from Battlement Mesa due to its distance from I-70 and associated lack of transient activity. Additional revenue is estimated at $15,000 per year. Table 9 shows the summary of estimated law enforcement expenses and revenues.

Law Enforcement	
Parachute Revenue	$ 70,807
Parachute Expenses	$ 485,110
BM Potential Revenue	$ 15,000
BM Expenses	$ 194,044
Combined Revenue	$ 85,807
Combined Expenses	$ 679,154
Combined Spending/Household	**$ 316**

Table 9: Law Enforcement Spending

Street Maintenance

Street maintenance in Battlement Mesa is provided through a combination of efforts from Garfield County, BMSA, BMMD, and the Battlement Mesa Corporation ("BMC", the owners/developers of the PUD). Overall, through stakeholder interviews, residents reported that the level of street maintenance in Battlement Mesa leaves much to be desired. BBC

[6] Based on a conversation with the Parachute Police Department

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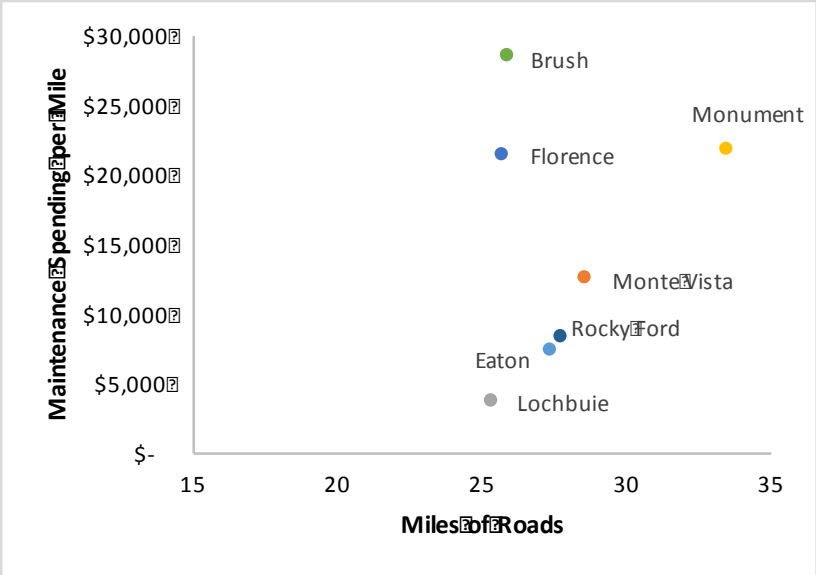
Research estimated the cost of providing maintenance to the 32 miles of County-maintained roads in Battlement Mesa at approximately $780,000 in 2010. Increasing the 2010 amount by annual inflation brings the estimate for 2014 to approximately $847,539.

The combined level of spending if this amount is simply added to Parachute's current expenditures is equal to approximately $1.4M. The combined number of miles within the Community is approximately 42.48, which yields a maintenance cost estimate of $33,233 per mile. This amount is more than the similarly-sized reference communities (see Figure 45)[7].



Source: DOLA, US Inflation Calculator

Figure 45: 2014 Road Maintenance Estimates Comparison

Using Figure 45 as a reference suggests that the combined municipality should be able to provide road maintenance services in the $26,000 per mile range (or possibly less), which equals $1,104,480, representing a savings of nearly $300,000 (see Table 10).

[7] Figure 45 shows the inflation-adjusted spending estimates for 2014. To obtain the inflation-adjusted estimate, the 2011 reported amounts were adjusted upward by national inflation rates.

Road Maintenance	
Parachute Expenses (Current)	$ 564,205
BM Expenses (Current)	$ 847,539
Combined Expenses (Current)	$ 1,411,744
Parachute Expenses @ $26,000/mile	$ 272,480
BM Expenses @ $26,000/mile	$ 832,000
Combined Expenses @ $26,000/mile	**$ 1,104,480**

Table 10: Road Maintenance Expenses

Sales Tax

The sales tax potential in Battlement Mesa is limited. Although Battlement Mesa does not currently collect a local sales tax, the Phase I section of this report estimated what potential collections might look like if it collected a 3.75% local sales tax (the same rate as is collected in the Town of Parachute). Potential collections for 2014 were estimated at $156,871. The amount is an order of magnitude less than the Town of Parachute which has a quarter of the population. Battlement Mesa's distance from I-70 will continue to prevent it from capturing more than just the local market demand. The lack of sales tax potential was one of the fatal flaws that thwarted previous incorporation attempts.

In this regard, the community of Battlement Mesa stands to benefit tremendously from joining the Town of Parachute. Parachute has, and will continue to collect more than its "fair share" of sales tax due to its location near I-70. Current efforts by the Town have the potential to further increase the total collection amount, which will enable the Town to continue to invest in its future. If Battlement Mesa were to join Parachute, the neighborhoods and residents of Battlement Mesa would benefit from future growth along I-70 by gaining access to the financial upside of new recreation and business activity within the Town.

As it currently stands, Battlement Mesa will continue to be at the mercy of Garfield County and BMC for future infrastructure improvements. Without a way to capture the benefit of future economic growth (via property and sales tax collections), it is likely that Battlement Mesa will continue to experience a level of service that is below expectations, and infrastructure improvements may become less and less frequent.

Adding the current sales tax revenue from the Town to the potential collection amount from Battlement Mesa yields a combined sales tax of approximately $1.4M annually (see Table 11). The combined amount is within the range of other similarly sized communities (see Figure 46)[8]. By combining into a single municipality, Battlement Mesa overcomes the fatal flaw of the lack of sales tax revenue by placing most of its tax burden on travelers along I-70, rather than the residents of the Community.

[8] Figure 46 shows the inflation-adjusted sales tax collection estimates for 2014. To obtain the inflation-adjusted estimate, the 2011 reported amounts were adjusted upward by national inflation rates.

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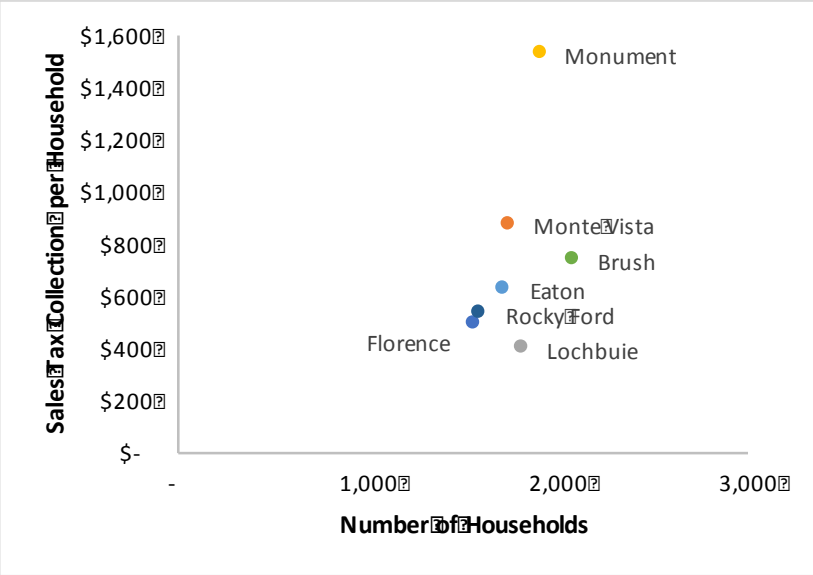
Sales Tax Revenue	
Parachute Revenue	$1,317,839
BM Potential Revenue	$156,871
Combined Revenue	$1,474,710
Combined Revenue/Household	**$587**

Source: Town of Parachute, Garfield County Finance Department

Table 11: Sales Tax Potential



Source: DOLA, US Inflation Calculator

Figure 46: Inflation Adjusted Sales Tax Collection Estimate

Energy Taxes

As mentioned previously, Battlement Mesa stands to gain a significant amount of Severance and Federal Mineral Lease tax if it becomes part of an incorporated entity. Federal Mineral Lease Taxes and State Severance Taxes are distributed via a complicated formula, but a rough estimate can be obtained based on the number of households in a community. Table 12 shows the estimated distribution per household for 2014. At this rate of distribution, Battlement Mesa would have received approximately $670,000 in 2014. Energy taxes can fluctuate significantly from year to year, and the Community should look for opportunities to decrease its dependence on these tax distributions.

Garfield County	2014 Distribution	# of households	Distribution per household	Potential Battlement Mesa Revenue
Severance Tax	$4,315,347	2,709	$208	$369,041
FML	$3,626,255	2,709	$175	$310,111
Total	**$7,941,602**	**2,709**	**$293**	**$679,153**

Source: DOLA

Table 12: Energy Tax Distribution Estimate

Other Taxes and Sources of Revenue

Other potential sources of revenue for Battlement Mesa include Specific Ownership Taxes, County Road and Bridge tax, and Franchise and "Other" Taxes. Specific Ownership Taxes are collected by the County during annual vehicle registrations, and are distributed to municipalities and taxing jurisdictions. Battlement Mesa should receive approximately $100,923 annually based on the amount that the Town of Parachute received in 2014.

The County Road and Bridge Tax is a 3.5 mill levy applied to all property taxes in the County. Half of the amount is redistributed to the local municipality. Because it is only redistributed directly to incorporated communities, Battlement Mesa does not currently receive any of the money back directly. If it were to join into a municipality,

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Battlement Mesa could expect to collect approximately $41,713 annually based on 2015 assesed values. Franchise and "Other" Taxes were estimated based on current collections for the Town of Parachute. Parachute collects approximately $18 per household, which equates to $31,341 from Battlement Mesa. These tax revenues are summarized in Table 13.

Other Sources of Revenue	
Specific Ownership Tax	$ 100,923
County Road and Bridge	$ 41,713
Franchise and "Other" Taxes	$ 31,341
BM Potential Revenue	**$ 173,978**

Source: Town of Parachute

Table 13: Other Sources of Revenue

Property Tax

Property tax is often viewed negatively by the public, and is often a source of community conflict and debate. In light of the potential to stir controversy, property tax should be viewed as a stop-gap to make up the difference between what a municipal budget absolutely requires, and the current levels of other revenue sources. To this end, property tax levied by the new combined municipality should be kept to a minimum.

The Town of Parachute currently imposes the highest mill levy of any municipality within Garfield County at 13.563 mills (see Table 14). Other than the Town levy, the property tax collection rates in Parachute and Battlement Mesa are the same (see Table 15).

Municipality	Mill Levy
Town of Carbondale	8.594
City of Rifle	5.261
City of Glenwood Springs	7.022
Town of Silt	8.973
Town of New Castle	9.506
Town of Parachute	13.562

Source: Garfield County Assessor

Table 14: 2014 Municipal Mill Levy Comparison

Authority	Mill Levy Parachute	Mill Levy BM
001 GARFIELD COUNTY	8.455	8.455
002 GARFIELD COUNTY AIRPORT	0	0
003A GARFIELD COUNTY R&B FUND LESS CITY	1.75	3.5
003P GARFIELD COUNTY PARACHUTE R&B FUND	1.75	N/A
004 GARFIELD COUNTY SOCIAL SERVICES FUND	1.25	1.25
005 GARFIELD COUNTY CAPITAL EXPENDITURES	0	0
006 GARFIELD COUNTY RETIREMENT FUND	0.45	0.45
010 TOWN OF PARACHUTE GENERAL FUND	**13.562**	**N/A**
018 GRAND VALLEY AND RURAL FIRE GENERAL FUND	3.267	3.267
023 COLO RIVER WATER CONS	0.253	0.253
025 WEST DIVIDE WATER CON	0.039	0.039
029 GRAND RIVER HOSPITAL	5.079	5.079
030 GRAND VALLEY CEMETERY	0.007	0.007
041 SCHOOL DIST 16 GENERAL FUND	2.236	2.236
042 SCHOOL DIST 16 BOND	4.839	4.839
045 COLORADO MTN COLLEGE	3.997	3.997
059 GRAND RIVER HOSPITAL BOND	0.518	0.518
060 PARA/BATTLEMENT PARK&REC	1.113	1.113
068 GARFIELD COUNTY PUBLIC LIBRARY DISTRICT	1	1
097 GARFIELD COUNTY OIL&GAS	0	0
106 SCHOOL DIST 16 MILL LEVY OVERRIDE	1.937	1.937
Total	**51.502**	**37.94**

Source: Garfield County Assessor

Table 15: Property Tax Breakdown for the Town of Parachute

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To arrive at the necessary mill levy for the combined municipality, all of the expenses and sources of revenue were combined and totaled (see Table 16). Potential municipal mill rates were applied to current assessed values within the Town and Battlement Mesa at a level necessary to fill any financing gaps, and to allow for a slight excess for contingencies. The mill rate necessary to fill the financing gap was determined to be 4.997 mills. The newly proposed rate would place the combined municipality within the range for other municipalities in Garfield County. The rate would provide some tax relief to current Parachute residents, and represents a modest increase for Battlement Mesa residents. The expected impact to the average tax payer in Battlement Mesa will be discussed in greater detail below.

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	Parachute Revenue	Parachute Expenses	BMI Potential Revenue	BMI Expenses	Combined Revenue	Combined Expenses	Net
Water	$ 495,855	$ 495,855	$ -	$ -	$ 495,855	$ 495,855	$ -
Waste Water	Combined with	Combined with W	$ -	$ -	$ -	$ -	$ -
Garbage	$ 55,943	$ 53,546	$ -	$ -	$ 55,943	$ 53,546	$ 2,397
General Government	$ 138,378	$ 1,099,607	$ 177,100	$ 210,000	$ 315,478	$ 1,309,607	$ (994,129)
Law Enforcement	$ 70,807	$ 485,110	$ 15,000	$ 194,044	$ 85,807	$ 679,154	$ (593,347)
Streets	$ -	$ 272,480	$ -	$ 832,000	$ -	$ 1,104,480	$ (1,104,480)
Culture and Recreation	$ -	$ 178,465	$ -	$ -	$ -	$ 178,465	$ (178,465)
Interest Expense	$ -	$ 2,917	$ -	$ -	$ -	$ 2,917	$ (2,917)
Property Taxes	$ 125,947	$ -	$ 119,106	$ -	$ 245,053	$ -	$ 245,053
Specific Ownership Taxes	$ 21,427	$ -	$ 100,923	$ -	$ 122,350	$ -	$ 122,350
Sales and Use Taxes	$ 1,317,839	$ -	$ 156,871	$ -	$ 1,474,710	$ -	$ 1,474,710
Franchise and other Taxes	$ 6,654	$ -	$ 31,341	$ -	$ 37,995	$ -	$ 37,995
Road and Bridge Tax	Included in other Taxes		$ 41,713		$ 41,713	$ -	$ 41,713
State Mineral Severence	$ 139,776	$ -	$ 369,041	$ -	$ 508,817	$ -	$ 508,817
State Mineral Lease	$ 324,726	$ -	$ 310,111	$ -	$ 634,837	$ -	$ 634,837
Unrestricted Investment Earnings	$ 5,464	$ -	$ -	$ -	$ 5,464	$ -	$ 5,464
Total	$ 2,702,816	$ 2,587,980	$ 1,321,208	$ 1,236,044	$ 4,024,024	$ 3,824,024	$ 200,000
Combined Revenue	**$ 4,024,024**						
Combined Expenses	**$ 3,824,024**						
Excess (Shoftfall)	**$ 200,000**						

Table 16: Combined Municipal Budget Estimate

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Property Tax Impact to Residents of Battlement Mesa

Because Battlement Mesa does not currently collect a municipal property tax, the new mill rate of 4.997 and resulting tax burden of $119,106 may be hard to swallow (see Table 17). Additionally, of the $119,106, $76,385 is allocated to single-family home owners which are typically most sensitive to changes in property tax. However, there are services that are currently being provided by BMSA that may no longer be necessary if the annexation takes place, which will offset a portion of the new property tax. As has been mentioned previously, BMSA takes care of some maintenance expenses that will likely be assumed by the municipality. Table 18 lists the estimated 2015 expense for each category that may no longer be the responsibility of BMSA after a possible annexation.

	Current	Proposed
Municipal Mill Levy	13.586	4.997
Parachute Assessed Value	$ 25,205,138	$ 25,205,138
BM Assessed Value	$ 23,836,120	$ 23,836,120
Parachute Property Tax Collections	$ 342,437	$ 125,947
BM Property Tax Collections	N/A	$ 119,106
Total Collected	$ 342,437	$ 245,053

Table 17: Proposed Mill Levy

Category	Annual Amount
Street Light Maintenance	$ 13,000
Utility Locates	$ 4,604
Street Sign Maintenance	$ 10,000
Street Light Electricity	$ 45,000
Street Sweeping	$ 15,000
Street Litter Pickup	$ 12,500
Total	$ 100,104
Annual Decrease per Household	**$ 56.52**

Source: BMSA 2015 Budget

Table 18: Potential BMSA Cost Savings

Subtracting the potential cost savings from the additional property tax yields the net effect that is likely to occur. Overall, the average residential tax payer within Battlement Mesa will likely have a net increase in expenses of $12.30 annually, or $1.02 per month (see Table 19). That amount is miniscule compared to the benefits that will be received by Battlement Mesa residents.

Impact on Average BM Homeowner	Annual	Monthly
Additional Property Tax	$ 68.82	$ 5.73
Savings from redundant BMSA services	56.52	$ 4.71
Quantifiable additional expenses	$ 12.30	$ 1.02

Table 19: Impact to Average Battlement Mesa Homeowner

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Political Strategy

Although the potential benefits to both the residents of Parachute and Battlement Mesa are clear, the prospect of combining has the potential to stir public debate. This section of the report is intended to present recommendations on how to use the public debate to facilitate productive discussions to ensure that the public is enabled to choose their destiny with all of the facts available.

Education

There is currently a fair amount of misconception and rumor regarding the possibility, feasibility, and desirability of combining the Community into a single municipality. Groups on both sides of the debate have used sensationalized soundbites which have only widened the opinion gap. It is important that both sides become well-informed and that the groundwork is laid regarding the sensationalized topics, so that discussion can continue regarding true facts and potential impacts of the annexation.

The following topics and facts are important to distribute to the population generally to ensure an even starting point:

1. The potential annexation will not occur overnight, but will likely be a multi-year process.
2. Battlement Mesa will not lose its sense of identity and uniqueness through annexation – The PUD will continue to exist, and all of the associated HOAs can choose to continue in perpetuity. A municipal government will support these existing quasi-government entities, not take them over. HOA covenants supersede the municipal code.
3. BMMD will still be needed after the potential annexation – The BMMD will continue to have an important role and will continue to contribute to the identity of Battlement Mesa by providing utilities to the Community.
4. The recreation and fire districts will be unaffected by the annexation.
5. Property taxes won't automatically sky-rocket in an out of control fashion – As shown in this feasibility analysis, the new property tax burden will likely result in a $1.02 monthly increase for the average Battlement Mesa homeowner. That's less than the price of one (1) additional coffee per month, but will bring with it a variety of benefits as highlighted in this report. Property taxes have the potential to decrease for current Parachute residents.
6. The residents of Parachute will continue to receive the same general level of support that they have historically received – In some cases, the level of service may increase as the joint municipality may have a larger critical mass required to efficiently provide technical service.
7. Both communities will receive representation in municipal government – Town officials are looking into the possibility of creating at least two (2) voting precincts; one that would cover Battlement Mesa and a

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second one that would cover the existing Parachute boundaries. Each precinct could select three municipal trustees that would participate in municipal board meetings. The mayor could be elected at-large. There are other options that could also be explored.

8. The terms and conditions of the annexation will be agreed upon via a two-way agreement between the municipality and the landowners. Both parties will be able to negotiate specific terms until both are satisfied.

It is recommended that the Community host several public meetings to address the topics listed above and to clearly communicate the potential benefits and possible risks of annexation to both communities.

Gauge Neighborhood Support

As described in the annexation strategy portion of this report, the annexation could occur through a mixture of petitions and/or elections for the various sections of Battlement Mesa. It is recommended that the Community sponsor a survey to determine and map public support within Battlement Mesa. Some limited surveying has taken place to date, but the sample size and the method of conducting the survey may not have produced results that are indicative of the entire population. Additionally, mapping levels of support will be informative for the potential of phased annexations.

Corporate Landowners

Corporate landowners (Battlement Mesa Company and Partners) own a considerable amount of land within Battlement Mesa. Some of the tracts of corporate-owned land exceed the twenty-acre and $200,000 threshold described previously, and therefore annexation would require the express written consent from the landowner(s). A special effort should commence to address potential concerns from corporate landowners.

Rather than being viewed as a drain to profits, corporate landowners should view the possible annexation as a method of protecting their investment. The landowners have already invested significant resources in acquiring the land, which could become devalued over time without the promise of consistent community growth and infrastructure improvements. To date, these improvements have been paid for almost in their entirety by corporate entities, and particularly by Exxon before it pulled out of the community. The investment made by Exxon has carried Battlement Mesa forward in a unique way, but without the commitment of significant additional investment, the quality of future growth will be limited. By annexation, corporate owners have the opportunity to enter into a public-private partnership where future infrastructure investment is shared by the corporation and the public.

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Photo Credit: David Sanabria

6 | Recommendations

The following are recommendations are discussed throughout the comprehensive plan, but will be readdressed here for convenience. A summary table of the recommendations and anticipated implementation timeframes is shown in Appendix B.

#1 – Recreation and Tourism

The river, lakes, and geography that surround the Community have been largely ignored in the past. As a result, the Community has limited access to natural assets that have the potential to improve quality of life by providing recreation opportunities to local residents. New recreation assets also have the potential to serve as an attraction that can be leveraged when recruiting in visitors and businesses alike.

The millennial generation will comprise 75% of the nations' workforce within the next decade. This demographic prefers communities with recreational opportunities. By continuing to ignore these assets, the Community risks alienating itself from this demographic.

Improvements along the river and lakes should be pursued as a critical project that will reposition the Community to attract millennials and their employers. These improvements should focus on the river corridor beginning north of County Road 300/Battlement Parkway and terminating south of the southwest interchange. A portion of the recreation of the corridor, including the area near the spring-fed lake that is southwest of the Town Hall, could be specifically designated as "Central Park" and would serve as a primary gathering place for residents and visitors.

Improvements should include bank stabilization and beautification, bicycle/walking paths along the river and around the lakes, pocket parks with picnic tables and landscaping, aquatic wading areas, splash pads, river water features that can support a kayak or surf park, etc. A number of pedestrian bridges located along this river corridor will connect to trails that extend eastward up through Battlement Mesa and westward over the highway to the other side of Town.

Action Steps

1. Solicit and obtain support of landowners along the river corridor;
2. Identify and secure funding for master planning the river corridor improvements;
3. Procure the services of a third-party consultant to complete the master plan and provide cost estimates for the improvements;
4. Identify and secure funding for the river improvements, ongoing maintenance, and capital improvement requirements;
5. Procure the services of a contractor to complete the river corridor improvements.

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#2 – Central Business District

Once the recreational asset master plan has been completed, the private development community should be approached to participate in retail, multi-family, and office developments in the business district. Potential retailers include Shopko and other types of soft goods discount stores. Multi-family developments could include mixed-use and live/work product type. Dedicated office space could include shared workspaces, a business incubator, or corporate headquarters for a recruited business in a targeted industry cluster.

The outlet mall developer that had expressed interest years ago in developing a project in Parachute should be re-approached to see if they'd have renewed interest in developing in the Community and in particular, within the business district.

As previously mentioned, the business district should be connected to the river through thoughtful planning and the creation of development and pedestrian corridors that lead patrons, employees, and visitors to the river.

Action Steps

1. Complete the master plan for the river corridor improvements (see recommendation #1 above);
2. Perform feasibility studies and solicit input from the development community regarding the future business district;
3. Determine financing gaps, create capital stacks, and identify funding sources for projects determined to be economically feasible;
4. Obtain initial commitments from public financing sources, as needed;
5. Recruit businesses, including retailers, and real estate developers;
6. Form public-private partnerships, as needed, to facilitate development in the business district.

#3 – Recreational Sports Complex

Stakeholders have repeatedly indicated that there is market interest in a sports facility that can accommodate competitive sporting events. This facility should be positioned as a destination attraction to bring in visitors, as well as provide a quality of life asset for local residents.

The ideal area for the project would be in the periphery of the business district, in close proximity to the high school, and accessible to and from the planned river corridor improvements. One potential site would be on the northwest side of Cardinal Way where maximum visibility from the freeway can be achieved. Another is southwest of the high school near the highway.

In addition, the indoor sports facility/multi-use community center should be co-located with outdoor fields that can accommodate competitions. The comparatively mild winters position the Community as a preferred location for regional competitions.

The sports complex will help drive demand for hotels in the business district that currently suffer from low occupancy

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rates. The outdoor fields will drive demand during the summer months and the indoor facility will drive demand during the winter months.

Action Steps

1. Conduct a feasibility study for an indoor sports facility and outdoor fields;
2. If the project is determined economically feasible, obtain support and participation from the Community and existing landowners;
3. Recruit potential developers and operators;
4. Determine financing gap and structure a financing strategy that includes grants, low interest loans, and tax incentives.

#4 – Truck Stop

The southwest interchange near Parachute is a prime location for commercial development. A truck stop would be an excellent first project that would help seed additional development. Several truck stop operators have expressed preliminary interest in the site.

Action Steps

1. Confirm interest with the potential operators and determine site requirements;
2. Finalize a location based on the site and infrastructure requirements;
3. Determine financing gap and structure a financial plan;
4. Assemble property and build out necessary infrastructure. Depending on the projected success of the development, the operator may require the local government to help cover some of the infrastructure cost.

#5 – Sodium Bicarbonate

As has been described previously, Solvay is a significant player in the local economy and has the potential to expand operations as part of the recently announced joint venture with Enirgi. It is likely that Solvay will be able to add 1-2 additional employees as a result of the joint venture. Additional tax incentives or strategic support may allow Solvay to further expand operations to create new employment opportunities for residents of Parachute and Battlement Mesa.

Additionally, the products produced at the Solvay facility are shipped all over North America for use in various products. The potential exists to recruit some of these end-users into the Community, thereby reducing the logistics costs for both companies.

Action Steps

1. Feasibility study to determine strategic opportunities for cluster expansion;
2. Identify and recruit specific businesses that would benefit from locating near the Solvay facility;
3. Work with Solvay to develop a strategy and incentives to annex the facility and operations into the Town;
4. Structure an incentive package to close the financing gap.

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#6 –Manufacturing

As has been described previously, the Community has a major strategic advantage in shipping due to I-70 and railroad access. These assets are not currently being used at their fullest potential. Manufacturing is a great opportunity for the Community, because it will leverage these transportation assets and create stable employment opportunities

Action Steps

1. Conduct a feasibility study to determine which specific products would gain a strategic advantage by moving production to the Community;
2. Contact potential manufacturers to determine interest and requirements in locating to the Community;
3. Structure an incentive package that is sufficient to attract attention of potential manufacturers.

#7 – LNG Export

As has been described previously, the Piceance Basin is a major natural gas production region, and has the excess capacity to export natural gas to overseas markets. The export opportunity will be largely dependent upon Federal, State, and regional government approval, but the impact of an export project would be very significant.

Action Steps

1. Determine the political will of Garfield County and Associated Government of Northwest Colorado (AGNC) officials to lobby the State for funding and support;
2. Conduct targeted interviews with the current natural gas producers to determine production and export capabilities and additional infrastructure needs;
3. Reach out to Williams and other regional pipeline operators to determine needs and requirements for transporting natural gas to the Oregon or Gulf Coasts.

#8 – Call Center in Battlement Mesa

As previously mentioned, Battlement Mesa has significant excess capacity in existing infrastructure and shovel ready sites for commercial development. Several stakeholders expressed the desire to open a call center within Battlement Mesa to provide consistent employment opportunities for the working class, but also to provide part-time work opportunities for the retired population. Call centers typically have a broad mix of full and part time positions, which could provide a benefit to the local population.

Action Steps

1. Reach out to call center operators to discuss the opportunity and gauge interest in the location;
2. Identify potential sites based on Internet capacity and redundancy;
3. Structure an incentive package to recruit a developer and operator.

#9 – Other Development in Battlement Mesa

Battlement Mesa has served as the primary residential base for the Community, and is well suited to continue with this role. Battlement Mesa is too far removed from I-70 to justify

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significant retail development, but the opportunity does exist to develop service and neighborhood based commercial amenities. Examples of this type of development would include business offices, medical offices, etc.

Action Steps

1. Conduct a feasibility study that will determine the demand and the type of neighborhood commercial development that would be best suited to succeed;
2. Approach potential developers with the opportunity and potential sites;
3. Structure a financing plan.

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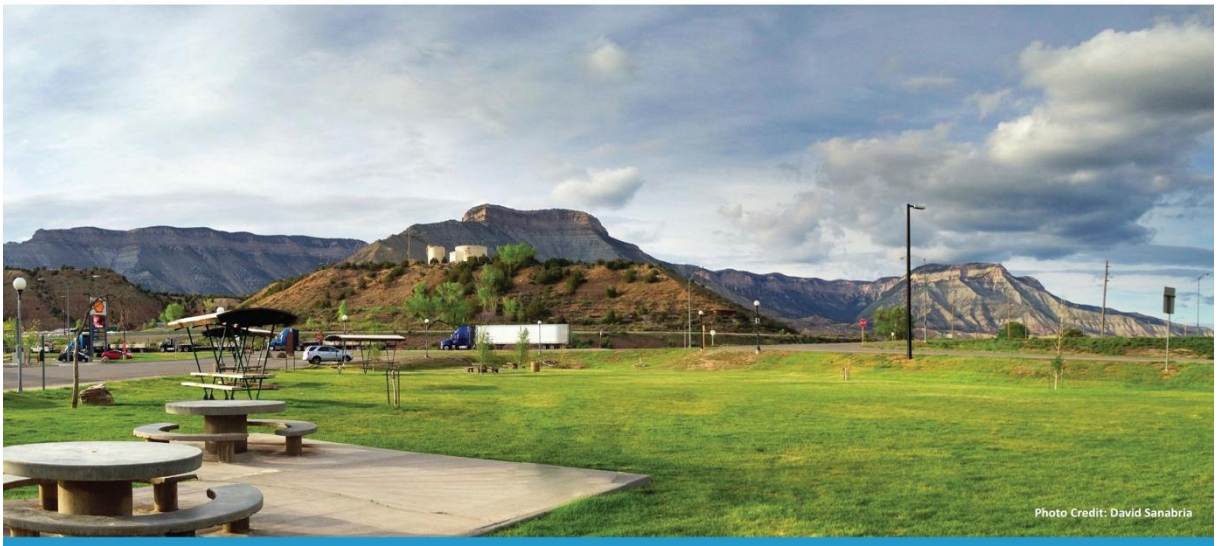
APPENDIX A – RETAIL RECRUITMENT FLYER

RETAIL DEVELOPMENT
PARACHUTE, COLORADO



High Traffic Counts on I-70 (34,000 AADT)

Recreational Opportunities

Located within the Central Businces District

Site Information

The proposed retail/grocery site is located strategically between a major I-70 rest stop (over 10,000 visitors per month) and recreational opportunities on the Colorado River and several lakes. The site is ideally located within a newly proposed "Central Business District" that is set to catalyze retail and recreational investment in the town. The site will have access along Cardinal Street, which is the major arterial road through the new business district.

Figure 47: Page 1 of Recruitment Flyer

PARACHUTE COLORADO

Demographic Information	10 miles	20 miles	30 miles
2015 Total Population	6,167	21,741	38,736
2020 Total Population	6,304	22,408	40,230
2015-2020 Rate	0.44%	0.64%	0.76%
2015 Median Household Income	$53,162	$57,084	$57,122
2020 Median Household Income	$64,313	$67,770	$66,540

City Information

In addition to traffic and demand from 1-70 travelers and tourists, Parachute is under-served in retail and grocery offerings and a new retailer would be able to capture local demand, as well as demand from surrounding communities that currently travel 30+ minutes to get to Rifle, or Grand Junction.

Contact Information

Kelby Bosshardt
435-633-3042
kelby@bettercity.us

Better City
1100 Country Hills Drive Ste. 300
Ogden, UT 84403

Better City

Figure 48: Page 2 of Recruitment Flyer

APPENDIX B – IMPLEMENTATION ACTION PLAN

	Implementation Action	Responsible Entity	Timeframe
	Recreation & Tourism		
	*Timeframes: Short-Term (1-3 Yrs), Mid-Term (3-5 Yrs), Long-Term (5+ Yrs)		
❒	Solicit and obtain support of landowners along the river corridor.	Town, Real Estate Professionals	Short-Term
❒	Identify and secure funding for master planning the river corridor improvements.	Town, Consultants	Short-Term
❒	Procure the services of a third-party consultant to complete the master plan and provide cost estimates for the improvements.	Town, Consultants	Short-Term
❒	Identify and secure funding for the river improvements, ongoing maintenance, and capital improvement requirements.	Town, Consultants	Short-Term
❒	Procure the services of a contractor to complete the river corridor improvements.	Town, Developers	Mid-Term
	Central Business District (CBD)		
❒	Complete the master plan for the river corridor improvements (see recommendation #1).	Town, Consultants	Short-Term
❒	Perform feasibility studies and solicit input from the development community regarding the future business district.	Consultants	Short-Term
❒	Determine financing gaps, create capital stacks, and identify funding sources for projects determined to be economically feasible.	Consultants	Short-Term
❒	Obtain initial commitments from public financing sources, as needed.	Town, County	Short-Term
❒	Recruit businesses, including retailers, and real estate developers.	Town, Consultants, Real Estate Professionals	Mid-Term
❒	Form public-private partnerships, as needed, to facilitate development in the business district.	Town, Developers, Consultants, Legal Counsel	Mid-Term
	Recreational Sports Complex		

❒	Conduct a feasibility study for an indoor sports facility and outdoor fields.	Consultants	Short-Term
❒	If the project is determined economically feasible, obtain support and participation from the Community and existing landowners.	Town, Developers, Real Estate Professionals	Short-Term
❒	Recruit potential developers and operators.	Town, Consultants, Real Estate Professionals	Mid-Term
❒	Determine financing gap and structure a financing strategy that includes grants, low interest loans, and tax incentives.	Developers, Consultants	Mid-Term
	Truck Stop		
❒	Confirm interest with the potential operators and determine site requirements.	Town, Consultants, Real Estate Professionals	Short-Term
❒	Finalize a location based on the site and infrastructure requirements.	Town, Consultants, Real Estate Professionals, Operator	Short-Term
❒	Determine financing gap and structure a financial plan.	Town, Consultants	Short-Term
❒	Assemble property and build out necessary infrastructure.	Town, Developer, Operator	Short-Term
	Sodium Bicarbonate		
❒	Feasibility study to determine strategic opportunities for cluster expansion.	Consultants	Short-Term
❒	Identify and recruit specific businesses that would benefit from locating near the Solvay facility.	Town, Consultants, Real Estate Professionals	Short-Term
❒	Work with Solvay to develop a strategy and incentives to annex the facility and operations into the Town.	Town	Mid-Term
❒	Structure an incentive package to close the financing gap.	Town	Mid-Term
	Manufacturing		
❒	Conduct a feasibility study to determine which specific products would gain a strategic advantage by moving production to the Community.	Consultants	Short-Term
❒	Contact potential manufacturers to determine interest and requirements in locating to the Community.	Town, Consultants	Short-Term

❒	Structure an incentive package that is sufficient to attract attention of potential manufacturers.	Town, Consultants	Short-Term
LNG Export			
❒	Determine the political will of Garfield County and Associated Government of Northwest Colorado (AGNC) officials to lobby the State for funding and support.	Town, Lobbyists	Short-Term
❒	Conduct targeted interviews with the current natural gas producers to determine production and export capabilities and additional infrastructure needs	Town	Short-Term
❒	Reach out to Williams and other regional pipeline operators to determine needs and requirements for transporting natural gas to the Oregon or Gulf Coasts.	Town, Consultants	Short-Term
Call Center in Battlement Mesa			
❒	Reach out to call center operators to discuss the opportunity and gauge interest in the location.	Chamber of Commerce, Consultants, Real Estate Professionals	Short-Term
❒	Identify potential sites based on Internet capacity and redundancy.	Chamber of Commerce, Consultants, Real Estate Professionals	Short-Term
❒	Structure an incentive package to recruit a developer and operator.	Consultants, Town	Mid-Term
Other Development in Battlement Mesa			
❒	Conduct a feasibility study that will determine the demand and the type of neighborhood commercial development that would be best suited to succeed.	Consultants, Real Estate Professionals	Short-Term
❒	Approach potential developers with the opportunity and potential sites.	BMSA, Real Estate Professionals, Consultants	Short-Term
❒	Structure a financing plan	Consultants	Mid-Term