

VISION FOR THE FUTURE

PLANNING AND ANALYSIS

**PAGOSA SPRINGS
ARCHULETA COUNTY**

REGIONAL ANALYSIS

Pagosa Springs Lodging Association

May 2004 – February 2005

INTRODUCTION

Planning for the future is a complex balance of current reality, history and future hopes and visions. In considering the best directions for Pagosa Springs and Archuleta County over the next five, ten and twenty years, one must review and study what the community and region are today. This report is a collection of some of the information, resources and analysis of the economic, social and environmental factors that affect and influence the economy and daily life in Pagosa.

Over time, the town and county have grown greatly from the early historic beginnings. Such growth is likely to continue, however it is our responsibility now to consider the best directions such growth may take. And it will benefit any efforts we and our community make to promote and market ourselves to the wider world to consider how to best balance the important aspects of such future development with current resources, limitations, and historic patterns that may reveal the best balance overall.

Current efforts to consider the best future vision for our community and region are essential to our shared interests and to the continued health and economic well being of our community. Bringing together both information and representatives of all of the shared groups, organizations, and economic sectors of our area will help to find the most creative and substantial consensus for substantive planning and visioning for our future.

The research presented by this report is dynamic and on going as the discovery phase of preparations for expanded marketing of Pagosa Springs continues. The most active phase currently is a comparison of approaches and returns for Colorado towns and destinations that offer similarities to Pagosa, and detailed research into the best potential methodology for future promotions.

This year of 2004 has seen the greatest real estate sale activity in Pagosa Springs history and active private and public efforts are underway to help vision and plan for the future including the drafting of a Comprehensive Plan by the Town of Pagosa with assistance with matching funds from the State of Colorado Department of Local Affairs from an Energy and Mineral Impact Assistance Grant, and joint private and public funding for research and concept discussion by the Community Vision Council, as well as ongoing work by Archuleta County on a Master Plan for the county. Two significant equestrian events have now become annual repeat attractors of thousands of visitors, and millions of dollars in revenue for the region. In addition, after several abortive attempts to create major developments in the eastern part of the region, in the East Fork area, a major out of state consortium has completed plans and is attempting to secure final approval from the Forest Service and Mineral County for a major ski village development at Wolf Creek Ski area which would result in an eventual 10,000 year round residents, over a 25 year build out schedule, including residential, hotel, convention and retail units. Current projections are for the county to double in population in the next ten to fifteen years and to triple in a similar time period in the future.

The efforts of the Vision Council have shown remarkable promise, and also the challenges of facilitating change in a small town that has been relatively fixed in economy and size. It is imperative that the economy becomes more diversified and expands appropriately, and that planning measures be instituted to keep the qualities of the town from being diluted by random and self motivated development from outside interests. The infrastructure of the county is currently designed for 45,000, while there is a present population of around 11,000, with some 1,500 in the downtown "town" area. As growth occurs, it will be essential to obtain a mixture of new and sustainable commercial enterprises that will not only serve the community but which will also be able to assist in bringing in the cash flow to maintain town and county services and infrastructure. Presently there is a predominant residential and tourism focus throughout the community which has resulted in a severe strain on existing social services, and support, as there is use without perhaps a strong enough tax base to support it adequately. Both Town and County are working on comprehensive planning for future development, such planning will be essential in helping direct growth and diversity for the region.

The most promise lies with the combined efforts of private and public entities, and the close cooperation of the town and county staff in future efforts and focused marketing and correct positioning of outreach.

May 2004

Updated February 2005

SECTION I

HISTORY AND BACKGROUND SUMMARY

ARCHULETA COUNTY REGIONAL ANALYSIS

For purposes of considering future development and marketing, important economic and demographic factors that may affect property values and the marketability of a development can be analyzed. For this reason, I have collected information on the factors influencing real estate values in Archuleta County which include social, governmental environmental and economic factors. The following collection of information will address these factors as they relate to Archuleta County and the related communities and the potential for successful future developments in the area and region.

BACKGROUND SUMMARY

Pagosa Springs is the county seat of Archuleta County. Pagosa and the region are remarkable for the beauty of the unspoiled wilderness which surrounds the town, and for the unique character of the community. Though the local economy is strong and continues to grow, it is diversified in the areas of tourism and outdoor activities. Recent growth has been fed by real estate developments including the Pagosa Lakes area west of town, and down town development. A combination of seasonal activities including skiing at Wolf Creek Pass, one of the best and most unspoiled ski areas in the country, hunting, fishing, historic areas, and attributes of the town and community make Pagosa one of the remaining authentic and remarkable regions in Colorado. Pagosa is located in Archuleta County in southwest Colorado approximately 30 miles west of Wolf Creek Pass, near the headwaters of the San Juan River. The county is rectangular in shape and covers 1,364 square miles. Approximately 50 percent of the land in the county is owned or controlled by the U.S. Forest Service and the Bureau of Land Management, approximately 15 percent is owned by the Southern Ute Indian Tribe and the remaining 35 percent is privately owned.

Originally the summer range area for several of the Ute tribal bands, the Pagosa area was infiltrated by Spanish and Mexican settlers, and trappers, and later by a mixed pioneer community. The current town combines a mix of old Hispanic families who have lived in the area for generations, some early settler families and now a large number of recently arrivals.

Heavy stands of mature timber covered all the current area of the community and were extensively logged from the period of 1850 – 1920, the last lumber mill closed within the last fifteen years. Narrow gauge railway lines were built to facilitate the logging and to connect to the lines which ran south to Chama and to Durango. There was some silver and gold mining in the area, and ranching in the river bottom lands and on the high mesas. The town was platted in 1883 and the core part of the town was developed in the 1900-1920's, though many of the timber framed buildings burnt and were rebuilt into the 1940's. The current town was developed during the 1960's and 70's, the boom was led by a large development in the west, started by a consortium including Art Linkletter which planned a recreational community there, which was taken over in its early development by Ralph Eaton of Eaton International out of Phoenix, AZ around 1970 and later (1983) by Fairfield Communities, Inc. The initial Fairfield company development went bankrupt in the late 1980's and was later revived by Fairfield Resorts. Located in Fairfield is the well known Pagosa Springs Golf Club. Most of the development of the subdivisions and golf course took place under Eaton. It was called "Pagosa in Colorado" back then. Fairfield introduced timeshare.

The development of the Pagosa Hot Springs and Wolf Creek Ski has augmented growth, and tourism continues to be the main source of income, winter activities and summer recreational visitors and fall hunting. There is a growing retired sector, people who move into the county and purchase second or retirement homes or condominiums. There has been a steady increase in housing starts. The drought of 2002, and the smoke and attendant tension from the fire in Durango severely affected the summer season, and low snow in the years 2000, 2001, and 2002 was severely affecting the winter snow pack and the available water resources. However, this winter, 2003-2004 saw a return of a deep and larger than normal snow pack. Recent indications are that the local economy is turning around, slightly behind the national upturn, Sales Taxes revenues for December 2003 reached a five year high, \$254,000 up some \$11,000 over December 02 totals, according to Cathie Wilson, county finance director. The most significant recent slowdown of the local economy occurred in the months of March and April of 2003, which were down 16.30% and 12.76% from

2002 respectively. Home and other residential construction continues despite a large inventory of properties for sale, though this inventory is currently estimated to be less than in the past year.

Archuleta County appears to be entering a new phase of sustained and solid growth, that will be integrated through a general plan being developed by the county planning staff and in coordination with efforts of the Town of Pagosa Springs to improve and raise standards of design and planning, including a new sign ordinance, plans for a sports complex, San Juan river restoration, creation of a comprehensive plan, designation of a local historic district and many other measures. Several large scale developments (50+ acres) are currently in some phase of planning with the Town's planning department, including Aspen Village, a 76 acre parcel of land, that will be installing infrastructures and buildings as early as June of 2004. There are potential development plans for the downtown corridor along Hot Springs Boulevard, and the town recently completed construction of two new large facilities, including a new Town Hall and Activities Center. A new large development has been proposed for a location adjacent to the Wolf Creek Ski area, and is under consideration with a 25 year proposed build out.

Two new projects involve the Pagosa Lakes area, a new development to create a high quality residential development at the Pagosa Lodge, the largest of the area accommodation facilities on Pinon Lake, the Villas at the Pagosa Lodge, of lakeside town homes which is in final planning stages, another new quality development, Whispering Pines, is nearing completion in the Pagosa Lakes area and other residential construction continues throughout the region. Occupancy has been good to high in local lodging businesses in the holidays, including Christmas and Spring Break, one of the largest of the local property management businesses experienced a 96% occupancy over the holidays and other accommodations businesses were similarly booked.

Two large equestrian focused organizations have held very successful events in Pagosa Springs, Parelli Natural Horsemanship has held very large upscale clinics in the area for some years and the UBS-Galles Ranch Rocky Mountain Championship cutting horse event is in its second year here, and has raised the largest purse for events of its kind in North America. Bootjack Ranch, a large private ranch on beautiful wilderness land in the Wolf Creek Pass region east of Pagosa is sponsoring Music in the Mountains, a high end classical music event, and along with Keyah Grande Ranch, both provide conference center and exclusive guest facilities, and constitute a high end economy element to the wilderness aspect to the area economy.

Data and history courtesy of the Planning Department of the Town of Pagosa Springs, CO, community business owners – Pagosa Springs, Archuleta County, CO, and the U.S. Census and other governmental Sources.

Dec 2002 Revised April 2004.

ENVIRONMENTAL CONSIDERATIONS

Location

Archuleta County is located in southwestern Colorado in an area noted for its panoramic mountain views, rugged San Juan Mountainous terrain, and natural hot springs. Pagosa Springs is the largest community in Archuleta County and is located on the western side of the Continental Divide in south western Colorado, against the New Mexico border.

The Town of Pagosa Springs, at approximately 7,000 feet above sea level, is located on US Highway 160, approximately 60 miles east of Durango.

Archuleta County is located approximately 30 miles west of Wolf Creek Pass, near the headwaters of the San Juan River. Much of the county contains large open areas of land, with finger canyons and ravines which rise gradually to the surrounding mountain areas to the North, East, and South. A corridor of travel and development exists East West extending toward Durango, and it includes the regional towns of Bayfield, Gem Village, Lake Vallecito, and Ignacio. The neighboring counties are Rio Grande, Mineral, and La Plata.

The San Juan National Forest is located in southwestern Colorado on the western slope of the Continental Divide. It covers an area from east to west of more than 120 miles and from north to south more than 60 miles, 1,869,931 acres of public-owned land. This is approximately 12,000+ square miles or about one-eighth of the state. The mountains are among the highest and most rugged of North America. This area is extremely remote and was the source of the last sighting of Grizzly Bear in Colorado. Lynx have also been reestablished successfully in the area. Alpine lakes and meadows, canyons, waterfalls, cataracts, unusual geologic formations, historic mines, and broad variations in elevation and climate characterize this area.

Archuleta County offers access to many points of interest in the region as illustrated in the following table.

Relative Location of Pagosa Springs to Regional Points of Interest

Destination	Estimated Distance
<i>Colorado</i>	
Denver, Colorado	270 Miles
Colorado Springs, Colorado	242 Miles
Pueblo, Colorado	210 Miles
Walsenburg, Colorado	160 Miles
Cortez, Colorado	160 Miles
Alamosa, Colorado	90 Miles
Creede, Colorado	63 Miles
Durango, Colorado	61 Miles
Bayfield, Colorado	43 Miles
<i>New Mexico</i>	
Albuquerque, New Mexico	212 Miles
Santa Fe, New Mexico	160 Miles
Farmington, Mexico	95 Miles
Chama, New Mexico	48 Miles
<i>Arizona</i>	
Phoenix, Arizona	501 Miles

Source: www.Pagosa.com, , www.mapquest.com.

Area Highway Construction Projects:

- Wolf Creek Pass West: The Colorado Department of Transportation (CDOT) began highway rehabilitation and drainage improvements on the west side of Wolf Creek Pass on August 7, 2000. The entire project covers about 11 miles, between Treasure Falls and the snowshed east of the pass summit. The first phase of the project involved drainage improvements and highway rehabilitation in spot locations over a seven-mile stretch extending from the summit westwards. The Project was required largely because of need to improve the roadway and due to sub surface water and hydrologic problems, and includes a new tunnel project on the East side of the Pass.

Phase II, which began September 2001, involved rock blasting, improving the safety and sight distance of the westbound truck ramp approach, drainage improvements on the top 3.5 miles and final highway rehabilitation and paving of a total of five miles. The project was mostly completed in October 2002, with some minor work finishing up in spring 2003.

Phase III began in June 2003. This final phase will involve drainage improvements and highway rehabilitation beginning at Treasure Falls and extending east five miles towards the summit. Work on the final phase will resume in the spring of 2004 and last through late fall 2004.

- Wolf Creek Pass East: CDOT has completed phase I on the Wolf Creek Pass tunnel construction project. Phase II began in late March 2003. During construction of the 900-foot tunnel, crews will have removed and hauled away a total of 180,000 cubic yards of rock from the mountainside. The second and final phase of construction is expected to open the tunnel to traffic in August 2004, as weather complies. Construction during this final phase will involve placing a final concrete lining, installing tunnel systems and reconstructing the highway, shifting it over approximately 40 feet to align with the tunnel.

Air Transportation

Given the remoteness from population centers, airport access is of prime importance to the region. The Colorado Division of Aeronautics released a study in 2003 of the economic impact of all public-use airports in the state. To quote the study: “Whether it be a doctor flying into a small, rural general aviation airport to provide medical care to a community or a skier visiting one of Colorado’s well-known resort destinations, every aircraft operation and visitor to that airport has a positive economic impact to the local, regional and statewide economies.....Colorado’s 13 Commercial Service airports form the backbone of the state’s aviation system. These airports produce total impacts of more than \$21 billion in economic activity. More than 260,000 people are employed by Commercial Service airports or airport tenants, with a total payroll of more than \$9 billion..... Colorado’s 65 General Aviation airports provide an extensive network of aviation facilities that serve both business and recreational users across the state. These airports produce total impacts of more than \$1.5 billion in economic activity. More than 19,000 people are employed by General Aviation airports or airport tenants, with a total payroll of nearly \$645 million.”

Area airports are profiled below.

Pagosa Springs - Stevens Field (Archuleta Regional Airport) is located three miles northwest of Pagosa Springs on Old Piedra Road. This is a general aviation airport with one primary runway approximately 9,000 long and 75 feet wide. Based on a recent interview (03/24/04) with Ken Fox of the Stevens Field Airport in Pagosa Springs, the existing runway will be reconditioned by the Fall of 2004. Upon completion, the FAA will change the airport rating from a B-2 to C-2 rating. The current rating allows for the maximum landing weight of 16,000 pounds while the new rating of C-2 will provide for the maximum landing weight of 60,000 pounds. The increased landing weight capacity will allow larger business jets and prop aircraft with eight to ten passengers at the airport.

Current airport operational statistics are as follows: (Source: www.airnav.com)

- Aircraft based on the field: 49
- Single engine airplanes: 37
- Multi-engine airplanes: 9
- Gliders: 3
- Aircraft operations: avg 46/day
- 59% transient general aviation
- 4% military
- 1% air taxi

Durango-La Plata County Airport is located approximately 15 miles southeast of Durango and is served by four primary air carriers; United Express, American Airlines, America West Express, and Continental Airlines. With a 9,200 foot runway and modern secure terminal, this airport can accommodate private and charter aircraft in addition to the commercial jet service. Rio Grande Air and Durango Air Service also operate from the Durango-La Plata County Airport.

Current airport operational statistics are as follows: (Source: www.airnav.com)

- Aircraft based on the field: 65
- Single engine airplanes: 53
- Multi-engine airplanes: 8
- Jet airplanes: 2
- Gliders: 2
- Aircraft operations: avg. 125/day
- 46% local general aviation
- 29% transient general aviation
- 13% air carriers
- 7% air taxi
- 3% commuters
- 2% military

San Luis Valley Regional/Bergman Field is located two miles south of Alamosa, Colorado. Two runways are available at the airport: Runway 2/20 measuring 8,519 feet in length and 100 feet in width and; Runway 6/24 measuring 3200 feet long by 100 feet wide.

Current airport operational statistics are as follows: (Source: www.airnav.com)

- Aircraft based on the field: 42
- Single engine airplanes: 37
- Multi-engine airplanes: 5
- Aircraft operations: avg. 81/day
- 49% transient general aviation
- 25% local general aviation
- 15% air taxi
- 9% commercial
- 3% military

LOCAL AND REGIONAL GOVERNMENTS

TOWN OF PAGOSA SPRINGS MUNICIPAL GOVERNMENT

Pagosa Springs is the county seat of Archuleta County, Colorado. Most of the county's residents, however, live outside the town limits, in unincorporated areas which are governed either by property owners' associations or simply by the county government. Below are links to the various governmental units in Archuleta County:

Town of Pagosa Springs
Municipal Government

551 Hot Springs Blvd
PO Box 1859 Pagosa Springs Colorado 81147
(970) 264-4151 | Fax: (970) 264-4634

The Town Council established to replace the Board of Trustees when the Town converted to Home Rule in 2003, is the legislative and governing body of the Town of Pagosa Springs, which is a home rule municipality. The Council provides policy direction to Town staff, enacts laws, adopts a budget and has the power of appointment over the Town Administrator, Town Attorney, and Municipal Court Judges. The Town Board Budget is used to account for all of the direct expenses of the Mayor and the Board of Trustees and to fund special projects originating from the Town Board. The Council meets the 1st Tuesday each month in Town Hall at 5:00 p.m.

The Town Administrator is the general administrative officer of the town government. The present Town Administrator is Mark Garcia. (970-264-4151 ext 236)

Departments include Administration, Parks and Recreation, Planning and Building, Police, Sanitation, Streets, and Municipal Court.

Advisory Boards include the Historic Preservation Board, the Planning Commission, and the Parks and Recreation Commission

The Community Center houses the Archuleta Senior Center. The Senior Center includes an office, lounge, dining room/conference room, and a physical therapy room. The Community Center is also home to Pagosa Springs' Teen Center. The Teen Center has both an activity room, complete with a pool table and ping-pong, and a quiet room.

The Community Center has other amenities to serve the community such as:

A large multipurpose room for private banquets, and indoor ballgames like basketball, volleyball and soccer. A kitchen that can be used by caterers for special events held in this room is adjacent, as well as men's and women's locker rooms complete with showers.

A computer center for people to access and learn the new technology not readily available to them.

2 conference rooms, including one wired for full-range media options.

An art center complete with a dry media space, a wet media space, and a darkroom.

PAGOSA LAKES PROPERTY OWNERS' ASSOCIATION

The Pagosa Lodge lies within the Pagosa Lakes Property area, and participates in the local procedures for water, and allocation of water resources and other issues.

The Pagosa Lakes area lies outside the Pagosa Springs town limits, and is governed by a property owners' association rather than by the Town of Pagosa Springs. The Pagosa Lakes Property Owners' Association, known locally as the PLPOA, is governed by a Board of Directors elected by the members. It finances its operations mainly through membership fees and permit fees. Various related boards and committees help administer the area that is known as Pagosa Lakes, or Fairfield.

PLPOA Board of Directors

Tom Cruse. President

Bill Nobles, Vice President
David Bohl, Treasurer
Gerry Smith, Secretary
Jerry Medford
Fred Ebeling
Pat Payne

The Board consists of seven members, four officers and three additional Directors who divide the responsibilities of the homeowners association into manageable categories, and can be assigned specific authority to carry out assigned duties and responsibilities. Directors are elected for a term of three years. The terms are staggered so that 2 or 3 directors are elected annually.

PLPOA Departments

Department of Covenant and Compliance

The Department of Covenant Compliance has a dual role - that of working directly with the environmental Control Committee in issuing of permits for new building, alterations and improvements and secondly, through the efforts of the Covenant Compliance Inspectors to enforce the covenants to protect property values. The Environmental Control Committee (ECC) is created by the master declarations declarations of restrictions and is composed of Association Member volunteers appointed by the Board of Directors. The principal function of the ECC is to review and approve or disapprove plans, specifications and related details for any structures, additions or improvements to be constructed, erected or maintained on any lot.

Department of Property and Environment

The Department of Property and Environment provides landscaping, maintenance and repair for all Association buildings, fifteen miles of fence repair along National Forest boundaries with the Pagosa Lakes subdivisions, installation and maintenance of street and subdivision signs, insect and noxious weed control and lake and fisheries management.

Department of Recreational Amenities

The Department of Recreational Amenities manages and operates the 2 million dollar Association owned Ralph Eaton Recreation Center, named after Pagosa Lakes' pioneer developer. This fine amenity is a quality recreational facility that facilitates interesting, challenging and healthy programs. First opened in 1987, the Recreation Center has seen increased usage from property owners each year. In 1988, the annual total sign-ins by Recreation Center users was 39,650. The final 2001 count of sign-ins came in at 98,673.

Department of Administration

The Department of Administration performs accounting, billing and collection services including foreclosures, maintenance of property owner records, membership communications, production and mailing of the official Association quarterly publication, the Pagosa Lakes News, plus implementation of the policies and decisions of the Association Board of Directors.

PLPOA Committees

Environmental Control Committee
Lakes Fisheries and Parks Committee
Recreational Committee
Finance Committee
Road Advisory Committee
Rules Committee
Drainage Committee

ARCHULETA COUNTY GOVERNMENT

Archuleta County Government

Pagosa Springs is the county seat of **Archuleta County**. Archuleta County is located in southwest Colorado approximately 30 miles west of Wolf Creek Pass, near the headwaters of the San Juan River. The

county is rectangular in shape and covers 1,364 square miles. Approximately 50 percent of the land in the county is owned or controlled by the U.S. Forest Service and the Bureau of Land Management, approximately 15 percent is owned by the Southern Ute Indian Tribe and the remaining 35 percent is privately owned.

Contact information for the Archuleta County Commissioners:

Street Address: 449 San Juan St.

Mailing Address: P.O.Box 1507 Pagosa Springs, CO 81147

Phone: 970-264-2536 | Fax: 970-264-4596

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Phone: 970-264-2536 | Fax: 970-264-4596

A high quality of life is impossible without adequate community services, activities, and facilities. In Archuleta County, a large number of public and quasi-public entities have built facilities and recruited professionals in various fields to provide services such as education, recreation, police and fire protection, emergency medical, and water and sewer. Archuleta County has a combination of special service districts, local governments, and companies that provide vital services and facilities. These include:

- ® Local governments: Archuleta County and the Town of Pagosa Springs.
- ® Special districts and metro districts providing water and/or sewer service: Pagosa Area Water and Sanitation District, Pagosa Springs Sanitation District, San Juan River Village Metro District, and Piedra Park Metro District.
- ® Metro districts providing road improvements and maintenance: Alpha-Rock Ridge Metro District and Aspen Springs Metro District.
- ® Water conservation: San Juan Water Conservancy District, and Southwestern Water Conservation District.
- ® Schools: School Districts 50 JT, 11JT, and 10JT-R.
- ® Fire protection: Pagosa Fire Protection District.
- ® Miscellaneous special districts and authorities: Archuleta County Airport Authority, Upper San Juan Hospital District, and Upper San Juan Library District.
- ® Private utilities: La Plata Electric, Citizens Utilities Company (natural gas), Century Telephone, and Pagosa Vision, Inc. (cable TV).

In addition, there are many property owners associations within the county, the largest of which is the Pagosa Lakes Property Owners Association.

Most of the recent growth in Archuleta County has occurred in the Pagosa Hub, and this plan recommends that most future growth be concentrated in this area. According to the major utilities – water, sewer, electric, and telephone – they should have adequate capacity to support projected growth in the hub area during the next 20 years. However, the absence of central water and sewer in Aspen Springs may constrain future growth in this area. Many residences are served only by hauled water.

The ability of the major utilities to serve the Pagosa Hub area is described below. Virtually the entire hub area is within the service districts of the major utilities.

Water – According to the Pagosa Area Water and Sanitation District, they have enough water rights to serve a population of about 30,000. Since 1994, taps have increased by about 250 per year, mostly in the Pagosa Lakes area. The primary sources of water are Lake Hatcher, Stevens Lake, and the San Juan River. Water treatment plants are located at the two lakes and on Snowball Road, north of Pagosa Springs. Based on peak summer usage, the treatment plants operate at between 70 to 85 percent capacity. The San Juan pipeline project will add about three million gallons per day to the system, enough water to meet demand for the next ten to fifteen years. Some of the water distribution lines will have to be enlarged to satisfy increased water demand.

Sewer – The Pagosa Area Water and Sanitation District generally provides sewer service to Pagosa Lakes and areas west of Piedra Road, while the Pagosa Sanitation District serves the Town of Pagosa Springs and areas to the east and south. The Pagosa Sanitation District has a management agreement with the town. The town may take over the district entirely in the near future. The Pagosa Sanitation District treatment plant has enough capacity to handle growth for at least five years, after which a plan will be needed for future expansion. The Pagosa Area Water and Sanitation District has two treatment facilities: the Vista Wastewater Treatment Plant, which operates at about 50 percent of capacity; and a small lagoon that serves the Hatcher Lake vicinity, operating at about 30 – 40 percent of capacity. It may be necessary to expand the treatment capacity within the next ten years.

Electricity – The entire county is within the service area of LaPlata Electric Association. According to LaPlata Electric, the distribution system can handle the growth projected for the next 20 years. All new customer line extensions are placed underground.

Telephone – Residents have complained about the quality of service and lack of capacity to adequately handle the increasing amount of telecommunications traffic. This issue needs to be addressed to ensure that county residents and businesses can communicate throughout the world.
(Notes in this section from Archuleta County minutes of meeting)

Commercial Property Tax – is taxed at 29% of actual value currently. Total collected relevant taxes for recent years and rate increase are listed in a later section. Archuleta County Assessors office number is: 970 264-5656.

Departments

Assessor's Office, 970-264-8310 | Fax 970-264-2707

Building Department, 970-264-4785 | Fax: 970-264-1070

Building Inspectors, 970-264-4785 | Fax: 970-264-1070

County Clerk, 970-264-8350

CSU Extension Office, County Fair Grounds, 970-264-5931

Drivers License and Vehicle Registration,
(Open Tues & Wed 9:00 to 12:00 & 1:00 to 4:00)
970- 264-6088

Economic Development, 970-264-4722

Emergency Management, 970-264-4440

Finance Department, 970-264-8555

Planning Department, 970-264-8335 | FAX 970-264-1070

Road and Bridge Department, 970-264-5660

Senior Program, 970-264-2167

Sheriff's Office, Administrative Office: 970-264-8430
Dispatch - Non Emergency: 970-264-2131
Emergency: 911

Social Services, 970-264-2182

Solid Waste, 970-264-0193 ex.21

Transportation/Bus Service, 970-264-2250

Treasurer's Office, 970-264-8325

Veteran's Services, 970-264-8375

Weed and Pest Control, 970-264-6773

Employment Trends

Employment growth in Archuleta County averaged 6.3 percent per year from 1992 to year-end 2003, with total employed residents consistently increasing from 2,572 to 5,023 over the eleven-year period.

Industries providing employment:	
Arts,entertainment,recreation,accommodation and food services	(19.9%)
Retail trade	(15.9%)
Construction	(15.2%)
Educational,health and social services	(13.0%)

Employment: Archuleta County					
Year	Labor Force	Employment	Unemployment	Percent Unemployed	Percent Unemployed in Colorado
1992	2,805	2,572	233	8.3%	6.0%
1993	3,011	2,784	227	7.5%	5.3%
1994	3,288	3,124	164	5.0%	4.2%
1995	3,657	3,482	175	4.8%	4.2%
1996	3,855	3,649	206	5.3%	4.2%
1997	4,074	3,870	204	5.0%	3.3%
1998	4,501	4,254	247	5.5%	3.8%
1999	4,767	4,582	185	3.9%	2.9%
2000	4,762	4,587	175	3.7%	2.8%
2001	4,983	4,770	213	4.3%	3.7%
2002	5,342	5,040	302	5.7%	5.7%
2003*	5,329	5,023	306	5.7%	6.0%
ANNUAL CHANGE	6.0%	6.3%	2.5%	--	--

*Source: U.S. Bureau of Labor Statistics, 03/2004.
Colorado Dept. of Labor & Employment.

Employment by Industry

Archuleta County: Employment by Industry, 2001-2002

Industry	2001	2002%	2001-2002 Annual Change	2002 Employment Distribution
Agriculture/Forestry/Fishing/Hunting	44	45	2.27%	1.4%
Mining	29	29	–	0.9%
Utilities	–	–	–	0.0%
Construction	413	432	4.60%	13.2%
Manufacturing	35	20	(42.86)%	0.6%
Wholesale Trade	45	42	(6.67)%	1.3%
Retail Trade	562	555	(1.25)%	17.0%
Transportation and Warehousing	16	24	–	0.7%
Information	68	58	(14.71)%	1.8%
Finance and Insurance	104	110	5.77%	3.4%
Real Estate and Rental and Leasing	165	148	(10.30)%	4.5%
Professional and Technical Services	67	72	7.46%	2.2%
Management of Companies & Enterprises	–	–	–	0.0%
Administrative and Waste Services	66	61	(7.58)%	1.9%
Educational Services	73	89	–	2.7%
Health Care and Social Assistance	133	150	12.78%	4.6%
Arts, Entertainment, and Recreation	61	54	(11.48)%	1.7%
Accommodation and Food Services	607	617	1.65%	18.9%
Other Services, except Public Admin.	115	115	–	3.5%
Government	588	617	4.93%	18.9%
Suppressed Industry Components	30	30	–	0.9%
TOTALS	3,221	3,268	1.46%	100.0%

Source: Colorado Department of Labor and Employment, 03/2004.

"D" represents data suppressed.

Note: The State of Colorado has not released official annual information, as of the date of this report.

Income Levels

The following table provides household income estimates for Archuleta County, the State of Colorado, and the United States.

Household Income Estimates, Estimated Year 2003					
Location	% Under% \$50,000	\$50K- \$100K	% Over \$100,000	Estimated Median HH Income	Estimated Per Capita Income
<i>Archuleta County</i>					
Pagosa Springs, Town of	74.91%	20.52%	4.57%	\$32,480	\$16,692
Arboles, Town of	70.94%	24.78%	4.27%	\$36,111	\$20,078
Archuleta County	60.60%	28.22%	11.17%	\$42,423	\$23,521
State of Colorado	46.30%	33.75%	19.95%	\$54,475	\$27,573
United States	53.35%	30.52%	16.13%	\$46,868	\$24,078

Source: Claritas, Inc., Site Reports, 03/2004.

Retail Sales

The following table provides recent retail sales performance in Archuleta County. Year-to-date third quarter 2003 retail sales are down an estimated 4.0 percent from 2002.

Total Retail Sales: Archuleta County		
Year	Archuleta County	
	Retail Sales Volume	Change From Previous Year
1994	\$76,336,862	–
1995	\$87,755,875	15.0%
1996	\$105,359,820	20.1%
1997	\$119,347,801	13.3%
1998	\$142,420,786	19.3%
1999	\$160,569,054	12.7%
2000	\$179,752,117	11.9%
2001	\$184,000,221	2.4%
2002	\$178,593,498	-2.9%
3Q YTD 2002	\$133,005,000	–
3Q YTD 2003	\$127,690,000	-4.0%

Source: Colorado Department of Revenue, 03/2004.

Housing Trends

Although Archuleta County has a higher percentage of owner-occupied housing units as compared to the State, the town of Pagosa Springs has a lower percentage of occupied housing housing. This is largely due because the town has a greater concentration of second homes.

Market Area Housing Units: Estimated 2003						
Location	Total Housing Units	Number of Occupied Housing Units	% Occupied	% Owner-Occupied	% Renter-Occupied	Average HH Size
<i>Archuleta County</i>						
Pagosa Springs, Town of	849	721	84.9%	62.6%	37.5%	2.44
Arboles, Town of	190	117	61.6%	89.7%	10.3%	2.19
Archuleta County	7,204	4,616	64.1%	76.8%	23.2%	2.42
State of Colorado	1,919,806	1,759,864	91.7%	68.0%	32.0%	2.54
United States	120,271,381	109,440,059	91.0%	66.5%	33.5%	2.58

Source: Claritas, Inc., 03/2004.

Residential Construction Trends

The U.S. Census Bureau does track authorized new residential units in unincorporated Archuleta County as illustrated in the following table.

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Unincorporated Archuleta County – New Residential Units

Year	Single Family	Multi-Family (2+)	Total	Value
1997	220	20	240	\$33,731,622
1998	241	60	301	\$51,477,600
1999	241	21	262	\$48,153,470
2000	353	2	355	\$70,574,650
2001	266	21	287	\$52,313,124
2002	343	14	357	\$49,436,061
2003(Estimate)	212	2	214	\$34,833,000
YTD 02/03	21	–	21	\$2,689,000
YTD 02/04	14	–	14	\$2,410,000

Source: U.S. Bureau of Census, 03/2004

Building permit activity for the unincorporated Archuleta County declined by approximately 38 percent in the last year as reflected in the previous table. This represents the lowest volume of permits issued in the past seven years.

However, Pagosa Springs planning department staff indicates that overall permitting activity in the town has shown a small increase in recent months.

**Building Permits for Archuleta County
1998 - 2003**

Type	1998	1999	2000	2001	2002	2003
House Permits	258	246	338	285	356	205
Mobile Homes	84	96	74	43	42	22
Commercial	35	13	12	6	10	10
Other	147	159	131	136	183	189
Timeshares	12	12	7	0	0	0
Total	536	526	562	470	591	426

Source: Archuleta County Building Department

Residential Sales Activity by Product Type

The Pagosa Springs MLS provides an indication of the sales activity by property type for the area surrounding Pagosa Springs for the years 1999 and 2000.

Pagosa Springs MLS - Year-End 1999 and 2000 Sales Activity									
Real Estate Type	Year-End 1999			Year-End 2000			Annual Change (%)		
	# Sold	Volume (\$s)	Avg. Sale Price	# Sold	Volume (\$s)	Avg Sale Price	# Sold	Volume (\$s)	Avg. Sale Price
Residential	214	\$39,294,636	\$183,620	207	\$46,461,898	\$224,454	-3.3%	18.2%	22.2%
Condominium	58	\$4,647,590	\$80,131	39	\$3,483,495	\$89,320	-32.8%	-25.0%	11.5%
Vacant Land	50	\$12,527,701	\$250,554	44	\$11,656,400	\$264,918	-12.0%	-7.0%	5.7%
Commercial	40	\$6,836,447	\$170,911	18	\$3,014,331	\$167,463	-55.0%	-55.9%	-2.0%
Lots (Subdivided)	537	\$14,019,292	\$26,107	502	\$14,540,271	\$28,965	-6.5%	3.7%	10.9%
Multi-Family	2	\$30,000	\$15,000	4	\$72,500	\$18,125	100.0%	141.7%	20.8%
Timeshare	27	\$107,710	\$3,989	24	\$127,025	\$5,293	-11.1%	17.9%	32.7%
Totals	928	\$77,463,376	\$83,473	838	\$79,355,920	\$94,697	-9.7%	2.4%	13.4%

Source: Pagosa Springs MLS, Year-End Activity Reports, 1999 and 2000, Sold Book.

Residential Sales Activity by MLS Area in Pagosa Springs Area

Pagosa Springs MLS - Year-End 2002 and 2003 Sales Activity by Area									
MLS Area	Year-End 1999			Year-End 2000			Annual Change (%)		
	# Sold	Volume (\$s)	Avg. Sale Price	# Sold	Volume (\$s)	Avg Sale Price	# Sold	Volume (\$s)	Avg. Sale Price
Old Pagosa Springs	12	\$1,819,950	\$151,663	6	\$973,932	\$162,322	-50.0%	-46.5%	7.0%
Central	12	\$2,321,600	\$193,467	11	\$2,627,500	\$238,864	-8.3%	13.2%	23.5%
Pagosa Lakes	197	\$31,232,256	\$158,539	242	\$45,041,083	\$186,120	.8%	44.2%	17.4%
Aspen Springs	25	\$2,491,206	\$99,648	31	\$2,437,570	\$78,631	24.0%	-2.2%	-21.1%
West	4	\$1,340,000	\$335,000	2	\$488,000	\$244,000	-50.0%	-63.6%	-27.2%
North	1	\$219,000	\$219,000	5	\$1,106,000	\$221,200	400.0%	405.0%	1.0%
Hwy 160 East	6	\$1,185,350	\$197,558	9	\$2,083,000	\$231,444	50.0%	75.7%	17.2%
Upper Hwy 84	21	\$5,349,400	\$254,733	18	\$6,545,000	\$363,611	-14.3%	22.4%	42.7%
Lower Hwy 84	9	\$2,276,600	\$252,956	2	\$708,500	\$354,250	-77.8%	-68.9%	40.0%
Other	2	\$387,000	\$193,500	2	\$679,500	\$339,750	0.0%	75.6%	75.6%
Totals	289	\$48,622,362	\$168,243	328	\$62,690,085	\$191,128	13.5%	28.9%	13.6%

Source: Pagosa Springs MLS, Year-End Activity Reports, 2002 and 2003, Sold Book.

As shown in the preceding table, the total sales in the Pagosa Springs area increased from 2002 to 2003 by 28.9% while the average price per transaction increased by 13.6%. The total number of transactions also rose from 289 in 2002 to 328 in 2003, a 13.5% increase.

Pagosa Lakes had 197 of 289 (68.2%) transactions in 2002 and 242 of 328 (73.4%) transactions in 2003. The average sale price in Pagosa Lakes increased from \$158,539 in 2002 to \$186,120 in 2003.

Days on Market, Median Price, and % of List Price by MLS Area

In the following table is a summary of the average days on market, median price, and average percent of list price received by market area for the Pagosa Springs MLS for year-end 2002 and 2003.

Pagosa Springs MLS - Year-End 2002 and 2003 Sales Activity by Area									
MLS Area	Year-End 1999			Year-End 2000			Annual Change (%)		
	# Sold	Volume (\$s)	% of List Price	# Sold	Volume (\$s)	% of List Price	# Sold	Volume (\$s)	% of List Price
Old Pagosa Springs	85	\$118,950	98.0%	51	\$146,000	98.0%	-40.0%	22.7%	0.0%
Central	187	\$161,250	96.0%	203	\$210,000	90.7%	8.6%	30.2%	-5.5%
Pagosa Lakes	159	\$150,000	97.0%	209	\$175,000	96.5%	31.4%	16.7%	-0.5%
Aspen Springs	185	\$107,000	97.0%	187	\$69,000	93.4%	1.1%	-35.5%	-3.7%
West	389	\$152,500	72.0%	182	\$244,000	95.2%	-53.2%	60.0%	32.2%
North	442	\$219,000	85.0%	160	\$229,000	94.0%	-63.8%	4.6%	10.6%
Hwy 160 East	289	\$198,750	95.0%	224	\$200,000	92.7%	-22.5%	0.6%	-2.4%
Upper Hwy 84	175	\$230,000	95.0%	88	\$279,000	95.3%	-49.7%	21.3%	0.3%
Lower Hwy 84	124	\$240,000	94.0%	483	\$354,250	96.1%	289.5%	47.6%	2.2%
Other	173	\$193,500	93.0%	14	\$339,750	88.2%	-91.9%	75.6%	-5.2%
Totals	166	\$151,420	95.3%	197	\$174,250	95.7%	18.7%	15.1%	0.4%

Source: Pagosa Springs MLS, Year-End Activity Reports, 1999 and 2000, Sold Book.

Listings by Price Range in MLS

During 2003, listings priced over \$250,000 accounted for the largest number of listings (81), followed by the \$200,000 to \$249,999 price range (52), and the \$140,000 to \$159,999 price range (31)

Land Ownership

Archuleta County is rectangular in shape and covers 1,364 square miles. Approximately one half of the land in the county is owned or controlled by the U.S. Forest Service and the Bureau of Land Management. Approximately 15 percent is owned by the Southern Ute Indian Tribe and the remaining 35 percent is privately owned.

According to the Land Use Plan Update for the Town of Pagosa Springs, the town's population is expected to increase from 1,767 in 1997 to more than 9,000 by 2020, which includes nearly 2,500 within the area covered by the current town limits, plus about 6,700 in areas that will eventually be annexed. With regard to commercial usage, the total commercial square footage in the Pagosa Hub area in 1997 was 1,398,646. It is assumed that by 2020 there will be 150 square feet of commercial floor space per person in the Pagosa Hub area, or about 3,000,000 square feet. This more than doubles the existing total.

REGIONAL STATISTICS AND KEY FOCUS AREAS

Population Trends

Population Statistics in Archuleta County						
	Census	Census	Annual % Chg	.Estimate	Projected	Ann. % Chg.
Location	1990	2000	1990-'00	2003	2008	'03-'08
<i>Archuleta County, Colorado</i>						
Pagosa Springs, Town of	1,318	1,591	1.90%	1,778	2,079	3.18%
Arboles, Town of	157	232	3.98%	256	294	2.81%
<i>Archuleta County</i>	5,345	9,898	6.36%	11,247	13,405	3.57%
State of Colorado	3,294,394	4,301,261	2.70%	4,573,452	5,009,101	1.84%
United States	248,709,873	281,421,906	1.24%	290,647,163	305,918,071	1.03%
<i>Source: '90-'00 data from U.S. Census Bureau. 2003 Estimate, 2008 projection from Claritas Site Reports, 03/2004.</i>						

Household Stats in Archuleta County						
Location	Census	Census	Annual % Chg	.Estimate	Projected	Ann. % Chg.
<i>Archuleta County, Colorado</i>						
Pagosa Springs, Town of	493	633	2.53%	721	869	3.80%
Arboles, Town of	57	104	6.20%	117	139	3.51%
Archuleta County	2,010	3,980	7.07%	4,616	5,672	4.21%
State of Colorado	1,282,489	1,658,238	2.60%	1,759,864	1,922,621	1.78%
United States	91,947,410	105,480,101	1.38%	109,440,059	116,034,472	1.18%
<i>Source: '90-'00 data from U.S. Census Bureau. 2003 Estimate, 2008 projection from Claritas Site Reports, 03/2004.</i>						

Age Distribution

The following table portrays age distribution within Archuleta and Mineral counties.

Archuleta County Age Distribution, 2003 Estimates	
Age	Percent of Population Estimate Archuleta County
Age 0-9	11.41%
Age 10-17	12.14%
Age 18-24	7.54%
Age 25-34	9.11%
Age 35-44	14.45%
Age 45-49	9.14%
Age 50-54	9.42%
Age 55-59	7.72%
Age 60-64	6.37%
Age 65 and over	12.69%

Source: Claritas Inc. Site Reports, 03/2004.

12.69 percent of the population on Archuleta County is 65 years or over.

It is also significant that approximately 24 percent of the population in Archuleta County is under age 17, while about 33 percent ranges in age from 35 to 55 years of age.

Educational Services

Archuleta County School District					
District	No. Schools	Fall 200 Enrollment	Fall 2002 Pupil/Teacher Ratio	Class of 2003 Graduation Rate	2002-2003 Drop-out Rate
Archuleta County 50 JT	4	1,553	16.4	94.9%	0.9%

Source: Colorado Department of Education, 03/2004.

Colleges and universities:

- Fort Lewis College, located in Durango, is a public liberal arts and sciences college which offers 25 baccalaureate degrees in the School of Arts and Sciences and the professional Schools of Education and Business Administration. Estimated enrollment is about 4,000 students.
- Adams State College, located in Alamosa, is a public liberal arts and sciences college with an estimated enrollment of 2,000 undergraduate students and approximately 500 graduate students.

Colleges/Universities with over 2000 students nearest to Pagosa Springs:

- ADAMS STATE COLLEGE (about 81 miles; ALAMOSA, CO; FT enrollment: 4,147)
- WESTERN STATE COLLEGE COLORADO (about 99 miles; GUNNISON, CO; FT enrollment: 2,199)
- UNIVERSITY OF NEW MEXICO-MAIN CAMPUS (about 155 miles; ALBUQUERQUE, NM; FT enrollment: 18,780)
- COLORADO MOUNTAIN COLLEGE (about 156 miles; GLENWOOD SPRINGS, CO; FT enrollment: 3,400)
- UNIVERSITY OF COLORADO AT COLORADO SPRINGS (about 181 miles; COLORADO SPRINGS, CO; FT enrollment: 4,953)
- UNIVERSITY OF COLORADO AT BOULDER (about 225 miles; BOULDER, CO; FT enrollment: 25,355)
- COLORADO STATE UNIVERSITY (about 245 miles; Fort Collins, CO; FT enrollment: 22,684)

Medical Facilities

Centura Health-Mercy Medical Center (Durango, CO) is the largest rural hospital in Colorado, with 94 acute-care beds and 121 skilled-nursing beds. A new hospital is under construction in Durango that will expand the capacity and modernize this regional medical facility.

San Juan Regional Cancer Center (Farmington, NM) is the largest cancer center in the region and is also a full-service, Level 1-175 acute care hospital.

Dr. Mary Fisher Medical Center (Pagosa Springs) provides family medical services and is a locally supported center that was built with funds collected by residents over the past years, and organized and led by area doctors until recently. Over the past several years, administrative problems arose over staff methods, and a recent election has replaced the board with a popular slate that plans to revise and revitalize the Center to once again serve the community. The EMS and doctor on call availability has improved markedly in the area.

The Pagosa Springs Family Medicine Clinic: staffed by local doctors, this clinic also serves residents, and provides a full range of medical services. There are also dentists, and a good testing lab in the town.

Mercy Medical Center Hospice / Home Health (Pagosa Springs) provides hospice care.

Recreation

Archuleta County

Surrounded by the San Juan National Forest and the Weiminuche Wilderness, Pagosa Springs offers excellent hunting, year-round fishing, downhill and cross-country skiing, and other recreation opportunities including:

- Chimney Rock Archeological Area—Ancestral Puebloan ruins located midway between Pagosa Springs and Navajo Lake.
- Echo Lake State Park
- Fred Harman Art Museum—Contains the original western paintings of Fred Harman, creator of Red Ryder and Little Beaver. Rodeo, movie and western memorabilia are also on display.
- "Pag-Osah" Hot Mineral Springs and Baths—Since the days of the Indians, these mineral springs have been famous for their healing qualities and are reputed to be the world's hottest mineral springs. The Springs Resort operates a motel and spa with 17 hot mineral soaking pools, which range in temperature from 83 to 114 degrees.
- Rocky Mountain Wildlife Park
- Shopping—Pagosa Springs offers antiques, classic stoves, gift stores, jewelry, art galleries, health foods, gourmet items, books, sporting goods, western wear and much more.
- Upper San Juan Historical Museum
- Waterfalls—Archuleta County has some of the most spectacular waterfalls in the state.
- Pagosa Springs Golf Course - a 27-hole championship public course with resort amenities
- Golf: There is a championship level Golf Course in Pagosa Springs, the Pagosa Springs Golf Club which has 27 holes and 3 individual courses of play.
- Two Historic remaining Steam Railways exist within an easy drive of Pagosa in Durango, the Durango and Silverton Narrow Gauge Railway and the Cumbres and Toltec Scenic Railway in Chama which connects to Alamosa.
- River activities and rafting are popular activities on the San Juan River and in the entire area
- Lake fishing and boating on Navajo Lake, Williams Lake, Echo Lake, Vallecito Lake and many other lakes in the area.

Regional Downhill Skiing

Skiing is one of the most popular activities in the Pagosa area, involving both downhill skiing at Wolf Creek Ski area, and also cross country, which is available through many trails and everywhere in the area.

The following table provides a comparison of the salient features of the two major ski resorts within a reasonable driving distance from Pagosa Springs.

Comparison of Ski Resorts Proximate To Pagosa Springs		
Categories	Wolf Creek Ski Resort	Durango Mtn. Resort
Base Elevation	10,300	8,793
Top Elevation	11,904	10,822
Vertical Rise	1,604	2,029
Average Snowfall (Inches)	465	260
Ski Trails	50	85
Skiable Terrain (Acres)	1,600	1,200
Number of Lifts	5	11
Uphill Capacity (skiers/hour)	8,280	15,600
Trail Classifications:		
Expert/Advanced	45%	26%
Intermediate	35%	51%
Beginner	20%	23%
Annual Skier Visits:		
2002-2003	183,907	263,712
Percent of Colorado's 11,605,588 Skier Visits ¹ during 2002-2003	6%	2.3%

Sources: Respective ski resort websites, NVC Inc. survey.

SECTION III

FUTURE DEVELOPMENT AND PLANNING

Historically, the Archuleta County area has been supported by the agricultural and mining industries but more recently the tourist industry and recreation are the most important area economic sectors. As population growth increased greatly during the 1990s, employment and compensation levels increased. In recent years, growth of construction, accommodations and food, and government jobs have been positive signs for the local economy.

Transitions are underway, as planning efforts are begun by both the Town of Pagosa Springs and Archuleta County in efforts to develop general plans and long range directions. Although development is carefully scrutinized in both county and town planning departments, permanent residents appear to realize their dependence on the local economy and appear increasingly willing to compromise for the benefit of the economy.

The natural resources, including the beautiful mountain views, are truly a significant feature of this region. Including some of the nation's most picturesque views of peaks ranging from 12,000' to 14,000' in elevation, Archuleta County has become a year-round destinations for outdoor enthusiasts and recreation. Tourism has now become the economic base for the region. It appears that real estate development and investment in the Archuleta County region has a promising future, due to solid economic factors, regional assets, and the strength of the area economy over time.

ARCHULETA COUNTY

Archuleta County has existed as a political entity since 1885. The Town of Pagosa Springs was incorporated in 1891 and is the only incorporated municipality in the county. Over the years other communities grew and declined, with only Arboles and Chromo surviving from the 19th to the 21st centuries.

With the coming of the railroad along the southern boundary of the county in 1881, the lumber industry became the dominant sector of the economy, also boosting ranching by providing a practical way to ship cattle and sheep to market. The railroad was extended to Pagosa Springs in 1900 and ceased to operate in 1935.

Due to improved transportation, increasing affluence of the American populace, and the area's unique scenic beauty, Archuleta County has been transforming during the past several decades from a rural, agrarian past to a tourist-based economy with booming residential growth.

FROM THE PAST INTO THE FUTURE: GROWTH TRENDS

During the past 20 years, the permanent population of Archuleta County has nearly tripled from 3,664 in 1980 to about 10,000 today. In addition to the permanent population, there is a significant seasonal population. According to the Colorado Office of Demography (COD), Archuleta County's "vacant housing units" (the estimated number of unoccupied dwelling units) totals 1,912. The COD categorizes "vacant housing units" as those utilized by seasonal, or part-time, residents. Assuming a household size of 2.0, and further assuming that 70% of these vacant housing units could be occupied at peak season, a part-time resident population of 2,676 persons is estimated. Adding this part-time resident figure to the approximately 1,100 motel rooms, RV spaces and camping sites, Archuleta County's population could temporarily increase to nearly 15,000.

According to the COD, Archuleta County's annual average growth rate from 1980 to 1990 was 3.8 percent. During the period from 1990 to 1999, the county's annual growth rate increased to 6.5 percent. From 1994

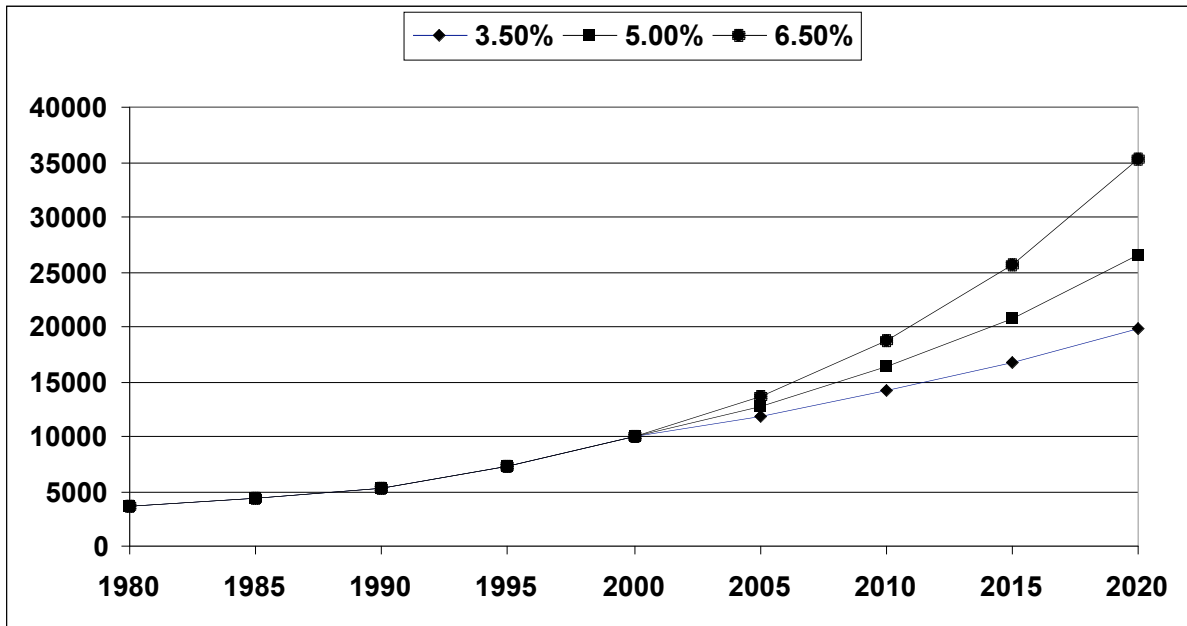
to 1998, Archuleta County had the second highest rate of growth among all counties in Colorado and the highest growth rate in southwestern Colorado. For comparison purposes, the average annual growth rate in all of Colorado was 2.6 percent from 1994 to 1998.

Most of this growth has occurred in the subdivisions within ten miles of Pagosa Springs, particularly in the Pagosa Lakes area. Growth within the Town of Pagosa Springs has been slower, increasing from 1,331 in 1980 to an estimated 1,825 in 1999. However, much of this growth has occurred during recent years as the town has annexed more land.

The COD expects that Archuleta County will continue to grow, as more people are attracted by the area’s scenic character and quality of life. As shown in Figure 1, the COD estimates that at an approximate 3.5% annual rate of growth, the population of the county is projected to double to about 20,000 in 2020, (increasing to about 15,000 in 2010). However, if the 6.5 percent annual growth rate experienced from 1990 to 1999 were to occur from 2000 to 2020, Archuleta County’s population would increase to about 35,000 in 20 years, (and to about 19,000 in 10 years).

The Land Use Plan Update for the Town of Pagosa Springs estimates that, with future annexation of much of Pagosa Lakes, the population within the town will increase to about 9,200 by 2020. This is discussed in more detail in Chapter 5, Growth Management.

**ARCHULETA COUNTY POPULATION GROWTH
(HISTORIC AND PROJECTED)
1980 - 2020**



Courtesy Archuleta County Web Site *rchuleta General Plan*

In the above chart, the lower line (3.5%) represents the Colorado Office of Demography (COD) projection from 2000 thru 2020, the upper line represents a continuation of the average annual growth rate from 1990 thru 2000 (6.5%), and the 5% line represents a middle path between the two. The average annual growth from 1980 thru 1990 was 3.8%, 0.3% greater than the 3.5% currently projected by COD.

CONSIDERING THE FUTURE

The development of any community, town or region occurs over time, so that the trends and direction of development may not be clear to the casual observer, or even to the residents themselves. There have been definite overall historic periods in Archuleta County and Pagosa Springs. In the initial phase, the historic period, the area was wilderness, with vast stretches of virgin forest, small prairie and meadow zones, and an overall high mesa, to alpine ecosystem. Wildlife teemed, and the resident Ute, Apache, and Navajo tribes hunted and lived through out the area. As settlers and traders gained access, trading and exploitation began. For this first period of development, goods and services were brought in and exchanged for furs, minerals and timber, with a majority of the value of commerce going to established commercial concerns and to outside investors, as in the later mine and timber capitalization. The town of Pagosa grew slowly, and was based partly on local commerce and partly on visitors who began to come in increasing numbers to enjoy the hot springs and other amenities of the area.

The second phase of development saw the town grow, and the timber and ranching activity continued up until the middle of the 1900's. Land values began to rise slowly and this trend accelerated into the later part of the 1900's, however Pagosa remained a small town in a relatively remote region of Colorado. The most recent overall economic period began with the closure of the lumber mills and the remaining mines, and shifted focus to real estate and development ventures. The Town of Pagosa Springs expanded and the Pagosa Lakes area which is governed by a property owners association decided not to incorporate. The County of Archuleta is the largest and main governmental entity in the region. Development of the Pagosa Lakes area established a large residential area, with the amenities of the Pagosa Springs Golf Course, and the lakes. This area also has numerous condominium and time share developments, and substantial single family residential homes throughout the extended area.

The Town of Pagosa continues to grow along the Highway 160 axis, and with emphasis on the planned Hot Springs Boulevard plan, with expansions planned for the Community Center, and the new Recreation Center.

In the area, a number of large ranches have been improved over recent years, and with several successful and ongoing equestrian events, there appears to be a new direction of emphasizing the western and historic roots of the region, similar to what has occurred in Utah, Wyoming and Montana. This offers an interesting new potential direction for Pagosa and the area, which would allow measured growth and successful promotion and marketing without a loss of the important features of the region which could happen with un modulated growth. The wilderness flavor, the small town friendliness, and warmth, the slower pace of life, and the pleasant features of country living continue to be significant attractions for the short term visitor and potential new residents alike.

Plans for future promotion and development should optimally take into consideration the preservation and conservation of these key assets. Though it remains essential to maintain a healthy economy and to support the existing businesses and enterprises, it is equally important to balance this economic activity and new construction with the overall importance of protecting the very qualities that bring people to our area. It will be important to limit new construction and new businesses so that there is not excessive competition with existing businesses. It is equally important to measure the needs of the residents, against the potential gains for future developments to keep Pagosa and our area the unique and special place that it is.

MARKETING AND PROMOTION

Considering the current trends just described, future promotion and marketing of Pagosa Springs and the region should consider the best balance of potential gains with conservation of essential qualities of the area. To bring in more visitors en masse without determining the best possible use of existing wilderness and area resources could be more negative than positive. We have been researching possible future outdoor events that would add attractive and popular draws that would be integrated with the existing resources: running events, mountain bike events, river events, and entertainment events. One new running event, the Lungbuster 2004 will be held this year for the first time. Two very popular equestrian events continue this year, the Galles UBS Rocky Mountain Cutting Horse event, and Parelli Natural Horsemanship offers advanced classes and instruction in horse training for a high end audience. Both events bring thousands of visitors to the area. Significant focus areas for marketing in our area address the existing resources such as

the Hot Springs, the wilderness areas, and historic and regional assets. To focus this in marketing it may be a very useful direction to address the higher end of the economic spectrum, as this would bring economic positive flow without excessive crowding or over use of the area resources and facilities.

Also working with established marketing firms and experienced professionals who know the Colorado market and the challenges of small town economies would be of great benefit. We are continuing to study the approaches used by other area towns, such as Durango, Telluride, Gunnison-Crested Butte, and others to see how various small towns which are facing the same issues of growth and development have addressed these challenges. Each unique community has the challenge of maintaining and supporting economic prosperity while conserving and protecting the unique features and characteristics which make each place individual and special.

Several larger developments have been attempted in the area in recent years: the East Fork Ski Area proposal, the Piano Creek Ranch concept and now the proposed Village at Wolf Creek development. Though some of these proposed developments were at the outer edge of influence on our town and region, due to the sparsely settled and diverse nature of the larger region, any significant changes in the larger region do affect Pagosa and Archuleta County very much. Recent improvements over time to the larger ranches in our area, including Bootjack and Keyah Grande indicate possible future directions for encouraged growth that balance preservation of the great natural beauty and wilderness features of our area with new economic potential. Though land prices are rising, they are still attractive to potential purchasers and investors. Planned improvements to the Stevens Field Airport, area highways, Wolf Creek Pass, and the town and county infrastructure, including a new planned large storage and recreation reservoir all may combine to create an attractive and inviting climate for new marketing and promotion.

Targeted efforts to promote and enhance the attraction factor for Pagosa include continuing expansion of the Four Corners Folk Festival in September, an event which draws from the entire region, a possible river annual river event coordinated with major improvements to the river passage area downtown, continued expansion of the equestrian event focus, with Parelli's Natural Horsemanship planning construction of their international headquarters here in Pagosa Springs, and focused marketing and marketing research being carried out by the Chamber of Commerce, the private public cooperative group, the Community Vision Council, the Town of Pagosa Springs, which is currently contracting out for direction and completion of a Comprehensive Master Plan, Archuleta County which continues work on its Master Plan, and ongoing efforts of various business and governmental groups, such as the Archuleta County Development group, the Pagosa Springs Lodging Association, and others, to work to expand and bring diversity to the local and regional economy. Private and public initiatives are being considered to raise the lodging tax to up to 4% to bring in additional funding for marketing, a measure which has been successful in other small Colorado towns.

New cultural assets, including the Music in the Mountains concerts here in the summer, efforts to create a new community theater, support for the arts, thriving community arts and theater events, and the new town improvements such as the new sign code, improvements to the river and the river walk, the new sports facility, town hall and community center all indicate that Pagosa Springs, the greater community and Archuleta County all are moving in a positive and promising direction.