

**DEMOGRAPHIC & ECONOMIC  
RECONNAISSANCE REPORT**

**\*\*EXECUTIVE SUMMARY\*\***

**prepared for:**

**THE PARK COUNTY STRATEGIC MASTER PLAN**

**Park County, Colorado**

**prepared by:**

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**In association with**

**RNL DESIGN**

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## I. INTRODUCTION

This background paper on demographic and economic trends provides an analysis of population, housing, employment, and economic data for Park County. This information is important for understanding the past trends that have shaped the Park County of today and how the county is likely to evolve in the future. Demographic and economic trends analysis provides a vital context for important policy decisions that will be addressed during the strategic master planning process and in the implementing measures that will be recommended in the plan.

Some of the key questions addressed in this report include:

- How fast will the population of Park County likely grow? Where is that growth likely to occur? What are the implications of this growth from a land development perspective?
- What is the likely future composition of Park County's population from an age perspective? How will this affect housing demands or demand for new schools?
- What is the housing market like in Park County? How significant a role do second home owners play in that market? Are there segments of the population under served?
- What type of jobs do Park County residents hold? What kind of jobs are available in the county and its towns? What might be viable future employment opportunities?
- What kinds of commercial development has the county experienced and what kinds is the county likely to see? What are some of the potential land development impacts of such growth?

While none of these questions can be answered with absolute certainty, informed discussion of past trends and potential future developments can help Park County and its residents make some knowledgeable choices about the future course of growth in the community.

Part II of this report presents an executive summary or overview of key demographic, housing, employment, and economic trends and issues. Parts III and IV present a more detailed analysis of those same trends. Finally, Parts V and VI present an analysis of some of the land use implications and opportunities that may likely arise from the demographic and economic trends identified in Park County.

## II. EXECUTIVE SUMMARY

### A. Population and Household Trends

In 1998, Park County had an estimated permanent population of 13,331.<sup>1</sup> Approximately 94% of Park County's residents lived in unincorporated portions of the county (i.e., only about 800 persons lived in the incorporated towns of Alma or Fairplay). Park County is one of the fastest growing counties in Colorado. From 1970 to 1980, the county grew by 144%, or more than 9% a year on average. The growth rate slowed considerably during the 1980s, but the 35% increase brought an additional 1,841 residents into the county by 1990. During the 1990s, the population has almost doubled again from 7,174 in 1990 to an estimated 13,331 in 1998. The average annual growth rate of 8% during much of the 1990s far exceeded the statewide average annual rate of growth of 2.6%. As of 1998, nearly three-quarters of Park County's permanent resident population (about 10,000 persons) resided in the Platte Canyon area in and around the unincorporated communities of Bailey, Shawnee, and Pine Junction.

The State Demographer projects that Park County will continue to grow at historically very high annual rates over the next 10 years, and then slow slightly over the following 10 years to the year 2020.<sup>2</sup> By the year 2005, the county is expected to double its estimated population to about 28,200 persons, an average increase of 11% per year, or a total of about 14,850 new residents since 1998.

Much of that new short-term growth is projected to occur in the Bailey, Shawnee, and Pine Junction communities, an area where many county residents can commute to jobs in the Denver metro area, only 40 miles away. Another significant portion of projected population growth over the next 10 years will occur in the South Park area (Fairplay/Alma/Hartsel) of the county, which has proved to be a convenient and relatively affordable home base for residents working in Summit County's resorts. Indeed, over a longer time frame, the South Park area will likely far outpace the Bailey area in terms of population growth since the majority of unplatted, undeveloped lots in the county are located in the South Park area. Indeed, the county reports that the Platte Canyon area is approaching build-out at a faster pace than any other area in the county.

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<sup>1</sup>Park County believes that the 1990 Census undercounted the true, permanent population of the county. Thus, the estimated population figures that the State Demographer issues for the inter-Census years, which are based on the 1990 Census figures, may well also underestimate the county's true permanent population. There is evidence, which the State Demographer concedes, that suggests that the county's 1998 population is probably much greater than the state's estimate of about 13,300. For example, the number of registered voters in Park County in 1998 numbered 11,000; Park County would be a very unusual county if it truly had a 108% voter registration rate! (Nationally, registered voters as a percentage of total voter-age population has been about 70%.) Thus, while impossible to confirm until the 2000 Census is compiled, Park County's true 1998 population might well have been closer to 20,000 than 13,000.

<sup>2</sup>In early 2000, the State Demographer conceded that Park County's population estimates through the 1990s were probably too low. Accordingly, the State Demographer recently agreed to adjust upward the county's projected growth rates for the years 1999-2020, so that the projected population figures would align with a more realistic estimated 1998 population of about 18,000-20,000 rather than 13,000. Thus, the extraordinary double-digit growth rates cited in this report are artificial to a large degree. Nonetheless, there is no doubt that Park County is growing at relatively high rates ~~Demanded by the State as a condition will likely continue to 2006~~ into the foreseeable future. Clarion Associates  
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By the year 2020, the State Demographer projects that if growth continues at rates slightly higher than those experienced in the 1990s, the county's total population may reach an astonishing 102,600 persons—more than seven times the estimated county population in 1998.

Park County's population has aged significantly over the last 20 years. In 1980, the median age of Park County residents was 30 years old. In 1990, the median age increased to 35.6, and in 1998, it increased significantly to 40.5 years. The median age of Colorado residents in 1990 was 32.9 years.

In 1998, almost 34% of the county's population was over the age of 45, and of that 34%, almost half were over the age of 55. A considerable number of older persons reside in the Guffey/Lake George area, where in 1998 an estimated 68% of that area's population of 1,628 persons were age 55 years and older. This aging trend most likely reflects a recent influx of middle-age professionals and young retirees relocating to Park County, particularly in south Park County. The aging population is offset somewhat by an increasing number of children 17 years and younger, who currently represent about 22% percent of the total county population.

The county is experiencing an interesting trend away from family households. The number of non-family households (individuals living alone or with unrelated persons) increased from 17.6% of total households in 1980 to 30% in 1990. Overall, median household income in the county is rising. However, income statistics can vary widely from place to place in the county; median household income tends to be significantly higher (by about 40%) in the Platte Canyon area than median household income in the Fairplay/Alma/Como/Jefferson/Hartsel area. This is a direct reflection of the types of jobs typically held by county residents living in these two areas; i.e., higher-paying jobs for the residents living in and commuting to Denver from the Platte Canyon versus often lower-paying tourism, resort, and retail jobs held by residents in South Park. Park County's per capita income compares favorably to neighboring counties such as Lake, Chaffee, and Teller Counties, but is lower than the statewide average and also Summit County. Between 1980 and 1995, the county also experienced a significant decline in the number of residents living below the poverty line (an estimated 6.1% of the total population in 1995).

## **B. Housing Trends**

As of April 1990, Park County contained an estimated 7,247 housing units, with close to half of all the units located in the Bailey, Shawnee, and Pine Junction area. Almost 87% of the county's total units were single family units, another 9% were mobile homes and trailers, and less than 2% of the county's housing is in multi-family units. From 1991 to 1999, the county issued 2,840 residential building permits. Almost half of these permits were issued in the unincorporated area surrounding the community of Bailey. However, for the first time in 1999, there were more building permits issued in the South Park area of the county than in any other area in the county.

The housing market is healthy despite some mediocre trends. Median home values continue to rise, though they lag behind statewide housing values. In 1990, according to the U.S. Census, the median value of an owner-occupied home in the county was \$80,101, compared to the statewide median

value of \$96,976.<sup>3</sup> This is to be expected given the high value of homes in the Denver market and in the many resort areas scattered across the state. The median home value is higher in the Bailey area than in other parts of the county, which reflects that area's greater household income and earning potential due to its commuting proximity to Denver and the metro area's relatively higher-paying jobs. According to the Park County Assessor's office, the average price of homes in the county rose steadily throughout the 1990s to reach \$141,000 in 1998.

The county has a substantial inventory of second homes, represented in the 1990 Census as "seasonally vacant" units. In 1990, 51 percent of the housing units were seasonally vacant and can be assumed to be primarily second homes. The area around Alma/Fairplay/Hartsel had the highest number of second homes (66% or 1,675 units were classified as seasonally vacant). Given Alma's and Fairplay's proximity to the resort area of Breckenridge, an increase in second homes and seasonal work force housing can be expected.

In terms of the number of sales transactions, most sectors of Park County's real estate market peaked in 1993 and 1994. Since that time, the county has seen either a drop or no change in the total volume of real estate transactions across market segments. The drop in volume has been offset by the increasing values, resulting in an upward trend in total real estate sales revenues since 1990.

## **C. Labor Force & Employment Trends**

### **2. Labor Force Trends**

The labor force is the number of adult residents in Park County who hold jobs, or are actively seeking employment, whether those jobs are located in and outside the county. According to the U.S. Census, as of 1990, Park County had 3,587 persons in the labor force, representing 60% of the total population. (Table 14) This is an increase of 1,204 persons from 1980 when 2,383 persons were in the labor force (45% of the total population). By 1998, the State of Colorado estimates that the labor force had more than doubled to an estimated 7,929 residents, tracking the substantial increases in overall county population.

In 1990, according to the U.S. Census, only 34% of employed labor force participants in Park County worked in the county. The remainder commuted to jobs outside the county, including jobs in the Denver metro area and jobs in the resorts of Summit County. In 1980, the percentage of residents working in the county had been 50%. By 1998, the county estimates that about 55% of Park County's labor force participants commuted daily to employment located outside the county. The top-cited reasons for this commuter pattern include: (1) The majority of Park County's adult work force has relocated to the county (for cheaper housing, more rural lifestyle, or other reasons) while retaining jobs in neighboring counties or cities like Denver; (2) The relatively more attractive higher wage scales in neighboring areas; and (3) The lack of industry and employment opportunities in the county as a whole. Thus, Park County can fairly be described as a "bedroom" community (one that exports more workers than imports) for the Denver metro area and even Summit County.

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<sup>3</sup>The Park County Assessor's Office reports that its 1990 data indicated an average home value of \$63,000, based on home sales transactions closed in the year. March 2000  
*Park County Strategic Master Plan* *Clarion Associates*  
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In 1990, more county residents worked in the retail trade industry (19% or 682 persons) than in any other industry. Many county residents also work in the construction industry and in government service. In 1990, 527 residents worked in construction, an increase of 35% since 1980, although the percentage of county residents working in construction as opposed to other industries dropped slightly from 16.3% in 1980 to 14.7% in 1990. The number of county residents who worked in government services increased by 16% or 31 persons from 1980 to 1990. Like the construction industry, government services as a percent of the total labor force declined from 8.4% in 1980 to 6.4% in 1990.

### 3. Employment Trends

Employment statistics compiled by the state track the number of jobs located in Park County, including wage and salary jobs and proprietorships. As of 1998, according to the State Demographer's Office, there were an estimated 3,332 total jobs in Park County (including proprietorships and all wage and salary jobs), which represents an increase of 1,563 jobs since 1990 (for a very healthy, average annual employment growth of 8.2% between 1990 and 1998). The largest industries in terms of wage and salary employment are the government services sector, retail trade, and construction. Government service at the federal, state, and local levels continues to be the largest employer in the county, offering an estimated 698 jobs, or 38% of total wage and salary jobs.

The retail trade industry, the second largest industry in terms of county wage and salary employment, employed 333 persons in 1998, representing 18% of total wage and salary jobs in the county. Slightly more than 10% of these jobs are in retail eating and drinking establishments. Although the number of jobs available in retail trade continues to increase, retail jobs as a percentage of total county wage and salary employment is declining. In their place, new jobs are being created in industries like construction, wholesale trade, hotel and lodging, and other service industries. Several industries make up less than 5% of the total wage and salary jobs in the county but are seeing positive trends in terms of annual growth. These industries include the agricultural industry representing 1.7%, the mining industry with 0.9%, and the business and repair services industry providing 3.2% of total jobs.

## **D. Overview of Economic Trends**

### **1. Tourism and General Commercial Activity**

Park County has an abundance of cultural, natural, and recreational tourism opportunities, ranging from historic ranches and mining camps, to several wilderness areas, state parks, and national forests, to gold medal fly fishing, horseback riding, and nordic skiing. Initial successes in expanding tourism and recreational activity are reflected in the county's sales revenues for hotels and lodging. In 1998, county lodging establishments reported \$2,980,000 in sales, up from \$1,500,000 10 years ago. Although day trips to state parks and historical sites are down, the total number of visitors to the area has risen. The Pike National Forest for example, saw a 110% increase in visitor days from 1990 to 1998.

There appears to be opportunity for expansion of tourism and tourism-support activity in Park County. The key, as recognized by the county, is to take advantage of the opportunities without adversely affecting the natural and cultural resources that are their source. Heritage tourism, best described as a tourism philosophy that respects and draws on the unique historical, cultural, and natural resources of a community, is showing increasing promise as a productive and sustainable approach to economic and community development. There is growing evidence from around the country that states and communities that protect and develop their historic sites and cultural resources in tandem with other attractions, such as natural areas, will be the leaders in tourism. Park County has ample natural, cultural, and historic resources that could make heritage tourism a viable path for future economic growth in the county. The 1996 South Park Heritage Resource Area Study and 1998 Park County Tourism Marketing Plan contain valuable material and direction for implementing a heritage tourism strategy in Park County, and its emphasis on organization and collaborative efforts by property owners and the public sector is a very sound approach.

In addition to heritage tourism, there may be additional opportunity in tourism-supporting activities, including more higher quality lodging and eating/drinking establishments and possibly a conference center. The Highway 285 corridor is a natural location for much of this potential for tourism-supporting activity.

Overall, despite relatively little new commercial development, retail sales in the county have increased during the last decade. Still, resident demand for retail businesses increasingly exceeds supply. Much of this excess demand is met by "outside buying." Because the vast majority of Park County residents commute to the Denver area and Summit County daily for work, and these same persons often shop where they work versus where they live, there is substantial retail sales "leakage" to neighboring counties. Given residents' commuting patterns and proximity to larger markets, Park County is in a difficult position to stem this tide of outside buying by its residents. Independent retailers seeking to set up shop in Park County are hard pressed to compete with these other easily-accessed markets, unless they can offer a unique niche product or service not easily available outside the county or that plays on the convenience needs of residents (i.e., goods/services that people do not

want to travel 20+ miles to buy). In addition, national and regional retailers, such as chain grocery stores, report that the commuting patterns and still relatively low county population figures combine to dissuade them from setting up shop in the county, at least in the near term.

Compounding the overall economic situation and potential for future commercial growth is the county's infrastructure investment shortfalls and relative lack of amenities. According to the county, there is a multitude of relocation inquiries made each year; however, the lack of amenities to which urban dwellers are accustomed (such as convenient grocery and basic needs shopping, doctors, hospitals, road plowing, etc.), is probably the greatest limiting factor in decisions not to relocate to Park County. A close second is overall county shortfalls in easily accessible and adequate infrastructure, including water, sewer, transportation, and telecommunications services such as ground telephone and cellular service. In response to such a difficult situation, and one that does not respond well to more traditional economic development strategies of attracting new industry, Park County has embraced a "homegrown" community development policy that seeks to assist existing entrepreneurs and business owners and encourage new business concepts that add value to each community in Park County (not just job creation for the sake of job creation).

One of the main impediments to even these limited economic growth efforts is a scarcity of resources in the public sector. Park County total retail sales revenues from, among other things, the sale of food, apparel, eating/drinking, building materials, and miscellaneous retail, reached \$63,300,000 in 1997, after growing at a very fast clip of about 15% per year since 1990. Unfortunately, very little of this retail growth is captured by the county to pay, for example, for additional public safety services and infrastructure improvements. The only retail sales tax in the county is a 1% tax dedicated specifically for land and water conservation. To date, Park County has been unsuccessful in adopting a countywide, general retail sales tax, or even a more limited "tourism" lodging tax.<sup>4</sup>

Other commercial growth opportunities in Park County may also include small-scale industry or manufacturing, assuming suitable locations are identified and reserved for such uses.

## 2. Agriculture and Mining Industries

With the significant increases in population and development in the county, the agricultural industry in Park County appears to be increasingly pressured and squeezed. According to the 1997 Agricultural Census for Park County, the county's agricultural industry is primarily cropland and cattle ranches. While the number of farms and ranches in the county actually increased by 13% in the 10 years between 1987 and 1997, from 162 farms/ranches in 1987 to 183 in 1997, the size of farms has declined by 45% from an average size of 2,470 acres in 1987, to 1,700 acres in 1997. In addition, countywide the total number of acres being farmed or ranched decreased by 30% or nearly 90,000 acres since 1987 (400,090 acres in 1987 to 311,182 acres in 1997).

County officials report that these statistics belie a growing trend toward carving up larger, historic ranches into smaller "hobby ranches" or "ranchettes," many as small as 35 acres. Many of the latter,

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<sup>4</sup>While a limited sales tax on lodging services in Park County may only raise an estimated \$25,000-\$30,000, that is still revenues that could be used to fund heritage tourism marketing and organization efforts, or alternately, pay some ~~of the~~ ~~costs~~ ~~of~~ ~~the~~ ~~county's~~ ~~annual~~ ~~salary~~ ~~report~~ ~~–~~ ~~March~~ ~~2000~~

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while still classified as agricultural land, are agricultural in name only. Local ranchers interviewed reported continued difficulties in making ends meet and most implied that their ranches would not likely remain in agricultural use indefinitely.

The mining industry in Park County has declined significantly since the 1980s when mining was a mainstay for the local economy. As of the last census (1990), fewer than 1% of county's labor force worked in the mining industry. In 1993, there were no mining jobs reported to the state. As of 1998, 17 people worked in the mining industry in the county. This number is still significantly below the peak of 76 jobs in mining in 1989. More significantly, the nature of mining has shifted substantially in Park County since the 1980s. Today, most mining is surface mining of gravel and other construction raw materials rather than the lode mining for gold that predominated in the late 1980s.

## 5. Land Use Implications

Assuming Park County continues to grow as fast or faster than it did in the 1990s, its population is expected to reach about 28,000 persons in just 5 short years, and potentially as many as 45,000 persons in 10 years. Virtually all of this growth, as in the past decade, will be in the non-urbanized, unincorporated areas of Park County, which is likely to create a tremendous strain on existing county infrastructure and public facilities and services. In 1998, according to the Park County Assessor, there were 24,830 legal "vacant land" parcels in the county,<sup>5</sup> which--if even half are ultimately developed for residential use--could result in densities and service requirements that county infrastructure would be ill-equipped to handle without substantial new investment in systems and services.

Population growth at the levels projected has and is likely to increase resident demand for consumer goods and services throughout the county, especially in the area of convenience goods/services and basic needs, such as grocery stores, drug stores, and medical/dental services. The county should assure that there are adequate locations reserved or designated to accommodate such uses near likely population centers. In addition, there will likely be increased demand for community recreation facilities and other public facilities as the population continues to grow.

The fact that park County's resident population is aging (median age of 40 years in 1998 and 70% of total population over 45 years old), may have some significant land use implications if the older population chooses to "age in place," which is a national trend. Housing choices for an aging resident population is one issue-- are there opportunities for the elderly to live in apartments, group homes, or assisted living facilities when a single-family dwelling becomes too much house to handle? County services are also affected by potential demands from a more elderly population, including emergency medical services and transportation services.

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<sup>5</sup>In 1999, the Park County Assessor's Office reported there were a total of 37,849 legal, taxable parcels in Park County. Of those parcels, the vast majority are classified as vacant land (24,827 or 65%); 23% (8,993) of the total parcels are classified as residential parcels; 6% (2,318) as agricultural; 1.2% (480) as mineral; and less than 1% as either commercial or industrial. *Clarion Associates*  
*Commercial & Industrial Reclassification Report-- March 2000*  
*Park County Strategic Master Plan*

Safe and adequate water quality and supply may also pose challenges as more houses are built. Lowered water tables from an increasing number of domestic wells, concentrations of heavy metals in drinking water in some parts of the county, watershed pollution, and too many individual septic systems in a concentrated area are several of the public health issues and concerns raised by county residents during the consulting team's 1999 interviews. The county has taken steps to conserve water resources and watershed by adopting a 1% water conservation sales tax designed to preserve and protect water resources, acquire water rights and land containing water rights, improve aquatic habitat, and conserve water quantity and quality.

The projected level of development will continue to threaten mineral and agricultural land. Agriculture has remained an important part of the county economy despite high rates of population and housing growth over the last 20 years, but the size of many ranches has decreased substantially as historic ranches are increasingly subdivided into 35-acre ranchettes and other residential uses. The gradual decline in the number of acres ranches or farmed in the county is likely to continue as the population grows. Besides its economic and cultural implications, the conversion of agricultural land to residential use raises issues of open space preservation, since historic ranches in South Park provide much of the "open" feel and important vistas in the populated and traveled portions of the county. Conversion of agricultural land also raises issues of future infrastructure capacity and fiscal stress, since it is considerably more expensive for the county to serve 35-acre lots spread out across the countryside than if those same number of residences were on smaller lots located closer to existing systems.

Historic mining claims and the prospects for future exploration and exploitation of mineral resources in Park County is also seriously threatened by sprawling population growth. Owners of lands rich in minerals are increasingly succumbing to the pressures of developers seeking to construct residential units. Development of existing mining claims with residential surface uses virtually precludes future mineral exploration and extraction, and could be precluding opportunities for future employment in what has traditionally been a high-wage-paying industry.

Tourism, grounded in the county's vast natural and open environment and cultural/historic resources, is probably vital to the future health of Park County's economy. Yet, the county relies heavily on the state and federal governments for open space. In fact, the county no longer requires new residential development to dedicate land for public open space. Although almost 60% of the county's supply of land is held as public lands, the vast majority of these public lands are in high-elevation, difficult to access mountain areas and national forests. Only about 10% of public lands in Park County are located in the valley areas of Park County, where the population is concentrated and where the demand for open space will be greatest in the future. Accordingly, land dedications by private developers for open space and public parks may be essential to meet the needs of future population growth. Without some overarching scheme to preserve open space in South Park and the Platte Canyon, the county may be at risk of fragmenting critical wildlife habitat or diminishing the experience sought by many people who visit or relocate to the area for its natural surroundings.

The type of future development mix may also be a concern. Typically a community seeks a mix of residential and non-residential development to assure adequate property tax base and, in the case of retail development, to assure a steady flow of retail sales tax revenues. Some communities also seek a relative balance of jobs and housing in an effort to encourage more residents to work in the county, which in turn typically increases resident commitment and investment in the community. In Park County, development has been primarily residential in unincorporated rural areas. As noted, the county has increasingly played a "bedroom community" role to both the Denver metro area and Summit County. However, over time, this lop-sided balance of residential vs. non-residential land uses will likely create increased fiscal stress for the county as new residents, many accustomed to a more urban level of services, increase their demands for county public services and facilities.

While there are certainly considerable challenges in encouraging more non-residential growth in Park County, in terms of land use, the county should at least explore opportunities to provide adequate locations and infrastructure support for such uses during this strategic master planning process. In addition, although Park County residents have been consistently loathe to approve additional taxes in the past, the potential for additional sales tax revenues, which can help fund both infrastructure improvements and as well as other community goals such as open space/agricultural land conservation, must continue to be probed and pushed. At the very least, a dedicated open space tax or a limited "tourist" lodging tax should continue to be explored and pursued.

The remainder of this report sets out in more detail recent demographic, employment, and economic trends and issues in Park County.