

Incorporation: Why Evergreen never became a city

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Recently I was asked what I knew about the subject of incorporation in Evergreen and why Evergreen never incorporated as a city. I ended up producing the following handout for this year's class of Leadership Evergreen and thought it might be of interest to some – at least worth archiving for future reference.

Historically:

A study performed in **1968** when the population [within the 80439 ZIP code] was about 2,700 concluded that incorporation would be economically feasible, particularly with a 2 percent sales tax. However, no action was taken at that time.

A series of public meetings in the mid-seventies was held to formalize the investigation of local control options. In **1981** Dames & Moore was hired to conduct a study, which noted that, besides the mental and emotional stress on the community of going through the difficult process of incorporation, most people would be opposed if their taxes were noticeably increased. This was a time of tremendous growth with about 10,000 new residents arriving in the seventies, setting a pace that would continue until the millennium.

The main reason to consider incorporation was to have greater control over growth.

- The study (published in the fall of 1982) cited a comparison to Boulder where land-use planning is recognized as crucial to the quality of life; Planning Dept. service costs are at least double on a per capita basis, of those incurred by most Colorado cities.
- City boundaries affect revenues.... It is desirable to have all possible commercial and industrial developments and high-value residential areas inside the city.
- Rural areas normally do not bring in enough revenue to cover service costs.
- Most residents expressed a strong desire to minimize the range and level of services provided to minimize costs and to prevent Evergreen from becoming too urban. The study noted, however, that any city formed with limited services has a marked tendency to grow as more and better services are demanded. Residents acknowledged they were generally satisfied with services provided by Jefferson County.
- Services required and/or typically provided by a city government include:
 - Mayor and Council
 - City Clerk
 - City Treasurer
 - City Attorney
 - Municipal Judge
 - Marshall (Chief of Police)
 - Land-use Planning and Zoning
 - Building Permits and Inspection
 - Public Works – Road Maintenance/New Construction
 - Public Works – Engineering/Traffic
- Special districts such as Parks & Rec, Fire, Libraries and Water would continue to operate,

collecting their own taxes.

- Only large cities include hospitals, cultural programs and public transit.
- The study made it clear that Evergreen could not have its own street department without “unacceptably high taxes.” It could pay the county to perform those functions.
- The study considered three scenarios, all centering around downtown Evergreen, as Bergen Park [and El Rancho] had not yet been developed commercially or even residentially:
 1. **Baby Bear** – 2.7 square miles excluding parklands
 - Quickly deemed infeasible economically
 - Too small to gain any control over undeveloped land
 2. **Mama Bear** – 36.1 square miles excluding parklands
 - Included much of the land likely to be developed by the millennium
 - Assumed a population of about 18,000-28,000
 3. **Papa Bear** – 53.1 square miles excluding parklands, 65.6 square miles if parks included. For comparison purposes, the Evergreen Fire Protection District or the area with the 80439 ZIP code is approximately 125 square miles, including parklands.
 - Owners of parcels with 40+ acres can opt to be excluded; with the vast number of such parcels with the Papa Bear boundaries, Evergreen would find it virtually impossible to exclude provisions of some services, i.e., maintaining and patrolling roads. These 40-acre (or larger) parcels would *NEED* to be included in the city in order to control how that land might be developed. This would include Wal-Mart, which residents fought mightily, edging it into a Golden address in the late 1990s.
 - Would make Evergreen the second largest city in Colorado in land mass if large property holders did not opt to be excluded.
 - Assumed a population of about 22,000-35,000 within the boundaries.

Paying for city government

Revenues to support a city would be derived from:

- Sales and use taxes
- Franchise taxes
- State highway user’s taxes
- Tobacco products taxes
- Federal revenue-sharing monies
- The rates the city sets on various revenue generators such as real property, business, fines, city services, etc.
- Taxing non-city residents to the maximum reasonable extent
- Levying taxes that increase with inflation
- Property taxes to balance the budget

The study projected that the potential for high taxes in Evergreen would be significant in each category above.

The study also speculated that, if a 3 percent city sales tax were enacted,

- about 2/3 of the cost of incorporating would be paid by local residents; 1/3 would come from nonresidents (this was when Conifer and other communities still relied on Evergreen for groceries and other supplies)
- property taxes would be “slightly higher”

The results of the study were produced in 1982; no further move toward incorporating took place.

In about **1993** the Evergreen Chamber of Commerce held a forum on the subject of incorporation. I was one of three representatives of the Chamber who met with the three commissioners (Betty Miller, John Stone and Gary Laura) to discuss in preparation for the forum. To summarize the thoughts of the Commissioners:

- If Evergreen incorporated, 95% of existing taxes paid to the county would continue; almost none would be diverted to a city government; *expenses of a city would be covered by all new taxes.*
- Evergreen would likely need to contract with the county (and pay for) services such as road construction, maintenance, and snow plowing.
- They would *love* to see Evergreen incorporate because it would generate new money for the County.

Speakers from the City of Parker and from Highlands Ranch added to the forum, most notably when the Mayor from Parker said they couldn't afford to plow the streets unless they had 10 inches of snow or more – and their land mass was only about 6 square miles! Again, Evergreen residents expressed that their main reason to want incorporation was simply to limit growth.

In **2015**, Commissioner Don Rosier confirmed what the prior commissioners indicated more than 20 years ago. He added that a city/town government would:

- Need to cover additional expenses such as: administration, human resources, budgeting, election costs, city attorney, clerk and recorder, IT, municipal court, public works, finance and planning, city manager and staff. [Buildings to house city employees would be extras, as would be benefits and vehicles and other equipment.]
- Assume all infrastructure “as is,” meaning bad roads and bridges, etc.
- Assume all road maintenance and snow plowing
- Be responsible for any natural disaster
- Decide whether to have its own police department or to continue using the Sheriff's Dept. [but not for free]

He added that, in the absence of “a very large retail base” to generate sales taxes, residents of a city can expect “a huge property tax assessment to cover the costs of operation.”

In 1998, a small group took on a study of incorporation without investigating what conclusions had been drawn from previous studies. They crunched numbers based on the “Papa Bear” version of 1981, which drew the borders around the entire ZIP code, previously deemed unfeasible.

In summary:

Considering *why* residents wanted to incorporate, at this point in time zoning is such that, even with incorporation, nothing remains within the proposed boundaries to be restricted from being developed. Owners of large parcels of 40 or more acres that might still produce development could opt out of incorporation. It would appear incorporation made a lot of sense in 1968 before development and zoning but not now.