ARAPAHOE COUNTY

Box Elder Creek

Community Meeting Follow-Up

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In July, Arapahoe County Public Works and Development staff hosted an online public meeting for residents of the Box Elder Creek subdivision in unincorporated Arapahoe County. The meeting was designed to share proposed road reconstruction options for the subdivision and collect resident feedback on those options. This information is being used by public works to develop a formal reconstruction plan for the area.

This document outlines many of the questions asked during the call as well as additional supplemental questions sent to the County after the meeting. Many of these questions and answers are applicable to other subdivisions within unincorporated Arapahoe County. Once a final approach has been developed, Public Works and Development will notify residents of the plan. Construction is expected to be completed in 2022.

Questions & Answers

Q: If you replace or fix our roads with an inferior substance, can you ensure us that it won't affect our property values?

There are many variables that go into determining the appraised value of a property, and an inventory of off-property improvements, such as whether surrounding roadways are paved, gravel or another surface, is not a variable that the Arapahoe County Assessor uses to determine appraised values. The primary reason for this is that one of our first weighed variables is a neighborhood's location, which assumes that units within the same neighborhood share the same off-site amenities. There is no evidence to support a devaluation in property value based on the type of roads around the property. This is particularly true in a rural setting where most roads are unpaved.

Q: Can't the County just raise or change the mill levy to obtain the necessary funds to repair our roads?

Arapahoe County has one of the lowest mill levies of all Front Range counties. Because of the Taxpayer Bill of Rights (TABOR), the Road and Bridge mill levy is part of the County's overall mill levy and cannot be increased without voter approval. It is true that the Road & Bridge mill levy can be adjusted upward without any additional financial impact on the taxpayer. However, the County mill levy is allocated across many departments, and increasing it in one area would reduce revenue allocated to another area. Moreover, any mill levy increase must be shared with our cities, so adding one dollar to a department such as Road & Bridge would effectively subtract two dollars from another department or service. These are budgetary considerations and decisions that the County must make every year.

Q: Why doesn't Arapahoe County just raise the Road & Bridge mill levy?

The County's overall mill levy is determined by a mathematical calculation dictated by TABOR. The levy cannot be adjusted over this limit without voter approval. The total County mill levy that appears on taxpayer statements is allocated across a number of funds. Within this County levy, the Road & Bridge Fund mill levy could be increased, but this would require a reduction in the mill levy allocated to other County funds and therefore would reduce revenue to funds that also use property tax to fund essential functions. Furthermore, for each dollar of property tax allocated to the Road & Bridge Fund, the County is required to share back about 45 percent of this revenue with municipalities. So, if $55 is allocated for road maintenance, the property tax reallocated to the Road & Bridge Fund would have to be $100. Therefore, another area of County funding would need to be reduced by $100 to companesate for a $55 increase in the Road & Bridge Fund, which creates a difficult budgetary decision in considering maintaining funding for other mandated and essential services.

Q: Is there any chance the state could help provide the necessary funding for these improvements?

The County is projected to receive additional funding under Colorado bill SB21-260, which established fees to be charged on fuel and services for transportation purposes. Fee revenue is then distributed through HUTF formula to the State – 60% to counties, 22% to cities, and 18% to different programs administered by the state. The law also establishes enterprise funds for various programs. Over the next few years, the County is projected to receive HUTF increases as listed below (based on the state fiscal note evaluation):

2021-2022	2022-2023	2023-2024
$217,020	$531,699	$846,378

NOTE: This legislation may face legal challenges around whether it is a fee versus a tax. Regardless, while this increase in revenue is certainly appreciated and will help with our maintenance challenges, it does not, by itself, solve our maintenance funding gap nor allow the County to restore various levels of services that have had to be reduced due to a lack of funding.

Q: What about federal funds?

There are currently large infrastructure/transportation bills being debated in Congress, but the County would likely not receive a direct allocation of these funds even if the legislation passes. Historically, these types of legislation create funding that goes to agencies such as the Denver Regional Council of Governments (DRCOG) and CDOT. These funds are then distributed through a competitive grant process for eligible projects. Unfortunately, specific local roadways would likely be ineligible for these grants.

Q: Don't rural constituents make as much investment as urban residents as a percentage to the County's government?

The tax revenues generated for the Road and Bridge Fund in 2020 versus expenditures east and west of Watkins Road are as follows:

	Road and Bridge Mill Levy				Road and Bridge Expenditures	
Parcel Locations	Assessed Value	R&B Mill Levy	Revenue	Percentage	Expenditure	Percentage
All parcels East of Watkins Rd	$110,515,699	0.000481	$53,158	0.85%	$9,175,839.39	65%
All Parcel West of Watkins Rd	$12,874,253,499	0.000481	$6,192,516	99.15%	$4,943,929.66	35%
	$12,984,769,198		$6,245,674	100%	$14,119,769	100%

In other words, revenue collected from all parcels east of Watkins represent 0.85% of the property taxes collected, but the expenditure for this area represents 65% of the R&B budget.

Q: What are the required minimum legal reserves the Country must carry in round dollars, and what is the current reserve amount?

TABOR requires the County to reserve 3% of our total resources. The Board of County Commissioners have a policy to reserve 11% of the General Fund operating budget. The current reserve requirement for this policy reserve is $23 million. Board policy requires similar reserves for other specific funds (i.e. Social Services, Road & Bridge, and Law Enforcement Authority Funds). For Road & Bridge, a reserve equal to two months of operating expenses, about 16%, is maintained.

Q: How are Highway Users Tax Funds (HUTF) allocated?

Cities receive 18%, counties receive 22% and the State receives 60%. County allocations (at least in Arapahoe County) from HUTF are not larger than cities. In 2020, cities in Arapahoe County received around $18.8 million in HUTF allocation based on State data, more than twice as much as Arapahoe County received ($8.3M). HUTF for Arapahoe County is used for unincorporated road maintenance. The allocation for County HUTF takes into consideration motor vehicle registrations county-wide, so municipal residents are factored in the calculation for the County allocation.

Please note that under Tier III of HUTF allocation (as outlined here), the terrain is used to increase the amount of funding, as it is more expensive to maintain roads in the mountain. There is no state provision that requires the County to spend HUTF money on specific roads, rural or urban, and the County utilizes this flexibility to make the best decisions possible.

Q: Why is there sufficient funding to maintain or replace roads needed by developers but insufficient funding for existing developed County roads?

Developers pay for the initial infrastructure during development and for improvements to existing roadways that they impact. They also must pay an impact fee that is used by the County to improve existing roadways. After one year of construction (i.e., the warranty period), the infrastructure becomes the County's responsibility. Generally speaking, assessed value and the taxes received have not kept pace with demand and cost of maintenance. This is where the relatively flat budget and increased maintenance costs are felt most acutely. Furthermore, these impact fees can only be used for incremental impacts and improvements created by a particular development, and not for road maintenance in other parts of the County.

Q: What is a Local Improvement District (LID)?

A LID is a tool for providing an increased level of service above what the County can provide. It's available to any neighborhood that wants it, but County officials have never suggested it as a mandatory solution for any specific neighborhood or community. To use a LID requires the approval of a majority of the residents in the affected area, which is why County officials cannot force any community to use this option.

Q: Are property taxes the only source of funding for road maintenance? What about gas taxes?

The gas tax (Highway User Tax Funds) is a major revenue source for Road and Bridge. In 2020, the HUTF was $8.3M, which is down from its originally projected $9.1M because of the pandemic impacts. For 2021, we have estimated the HUTF to be $8.6M. In 2021, HUTF and other fees represented 54% of the R&B Budget, with the remainder coming from property taxes (42%) and fund balance (4%).

Q: Is the reason that you do not have money for roads because you are spending it on alternative energy?

Funding for maintenance of County assets such as roadways is dedicated for just that and is not used for alternative energy.

Q: How much County revenue is "left over" every year?

The Road & Bridge Fund does not generate any significant surplus, and any surplus from other areas of the County budget can theoretically be spent on any applicable County program or service. During the planning process every fall for the ensuing year's budget, the Board works with all departments and officials to stress fiscal responsibility and to determine how the coming year's funds should be prioritized.

The budget is developed using the best information that is available in the months leading up to the fiscal year and estimates the amount of spending that will be needed in the coming year. When the financial books are closed about 16 months later, any difference between revenue collected and funds expended sometimes results in a surplus that could be utilized in future fiscal years. In Colorado spending more than is budgeted is a violation of the law, so the budget generally has a small surplus amount that is not expended by year-end.

Q: What is PWD's policy around plowing?

The County's plowing policy is outlined here.

Q: Why do all the new residential developments in eastern Arapahoe County have paved roads?

As of August 18, 1986 (Reso # 1108-06), the County stopped accepting unpaved roadways as part of new developments. The developer pays for the paving and passes on that cost to the area's homeowners—either as part of the purchase price, or as a property tax assessment—additional mill levy through a special improvement district or metro district—that is paid out over time. Any residential development that was completed before the policy change may have something other than paved roads.

Once the roads are out of warranty, they become the maintenance responsibility of the County. Road maintenance is under-funded in general, and assessed property values and the revenue generated by new development is not adequate to offset the maintenance demands over the long term under the current funding model. Also, road reconstruction usually runs 8-to-10 times the cost of routine maintenance.

Q: Have you solicited or received quotes from companies that would help the County's road maintenance efforts?

Since we haven't determined the actual type of work to be completed, we haven't solicited quotes from different companies. The construction estimates we have made were done by in-house personnel based on past experience, current industry pricing and industry standards. NOTE: conservative estimates were based on 2018 costs and are likely higher in today's market.

Q: Has the County done any kind of quality-of-life study about how changing road surfaces will affect the accustomed standard of living?

We have not performed such a survey. What limited resources we have would likely be better spent on road maintenance than on a consultant's study.

Q: Would R&B reclaim all roads in a given area, or only the ones in need of repair?

We would not reclaim any roads that are not in need of repair. We would only address poor segments of roadways; however, it is generally better for maintenance purposes to have consistent surfaces wherever possible.

Q: What is the estimated cost for hot mix?

Although we have not asked for actual quotes, the industry standard for full depth reconstruction and chemically treated subgrade is about $1M/mile.

Q: Can you provide test sections of roads that are surfaced with different repair options?

Test sections are a consideration, although this would add to equipment and mobilization costs.

Q: What type of gravel roads do you use?

One new option is to reclaim existing roto-paved surfaces, add millings as necessary and then regrade while applying a chemical stabilization product. This is merely one option and is a more costly solution than Arapa-Blend.

Q: Why are there so many unknowns about how roads will perform over time?

Good question. No roadway surface is maintenance free. One of our concerns for unincorporated parts of the County is the amount of heavy truck traffic many areas see from the businesses that some residents run. These large vehicles are hard on the surface and tend to leave ruts in the tire paths, which makes the roads difficult to patch.

Q: What is the benefit of Arapa-Blend roads?

We have approximately 430 lane miles of gravel roads maintained by three grader operators. Most gravel roads are graded approximately once per month, although some roads require more maintenance than others. Arapa-Blend roads tend to require maintenance less often than traditional gravel roads. As such, the goal is to apply Arapa-Blend on all existing gravel roads. Additionally, adding only 3.5 additional miles that we must grade each month should be easily attainable.

Q: Where are some Arapa-Blend roads in the County?

The following are roadways that have received an Arapa-Blend treatment. Keep in mind that most, if not all of these are on arterial roadways, which require more frequent maintenance than residential roads.

CR 173 from Quincy to approximately ½ mile north (2019)
CR 177 from CR 50 to CR 42 (2019)
CR 181 from CR 50 to CR 42 (2019)
CR 42 from Quincy south approximately ¾ mile (2019)

CR 50 from Elbert CR 89 to CR 181 (2020)
CR 42 from CR 46 to ½ mile north (2020)
CR 121 from 6th Ave. south approx. ¾ mile (2020)
CR 34 from CR 133 to CR 137 (2020)

CR 50 from Kiowa-Bennett to CR 149 (2021)
CR 149 from CR 50 approx. 2 miles north (2021)
CR 18 from CR 185 to CR 193 (2021)

Q: Has Arapa-Blend ever been applied to a road that wasn't previously gravel? And has the County ever changed from roto-pave to Arapa-Blend in another area before?

We have only applied Arapa-Blend to existing gravel roads and have never used it in a more residential neighborhood.

Q: How do you maintain surface stabilization, dust abatement, drainage and road base issues, and air and water quality with Arapa-Blend?

We estimate that the Arapa-Blend surface may require grading once a month, although likely less frequently. After the surface has been thoroughly compacted and gone through an entire season or so, there will be very little dust. Dust abatement chemicals or even water could be applied as necessary or as funding allows.

Q: If Arapa-Blend requires grading once a month, won't you be spending more money than you have in recent years?

This is correct, but this approach still would cost less than it would to reclaim or repave the roads or pave them. Given our current funding situation, Arapa-Blend is the most economical solution and the most consistent with the maintenance we provide in other similar neighborhoods.

Q: If a road is a primary route for buses or fire vehicles, can gravel be approved?

Yes. There are many County gravel roadways that fire equipment and buses utilize. However, as stated previously, the County does not accept any new subdivision roadways for County maintenance unless they are paved. New private roadways and access driveways can remain gravel if they meet the requirements of the Rural Engineering Standards.

Q: If heavy trucks are to blame for certain road conditions in certain residential areas, are there roads that see no truck traffic that are worse than the roads that have truck traffic?

Numerous studies regarding roadway degradation based on truck traffic versus passenger vehicle traffic have shown that the weight of one 18-wheeler is equivalent to 9,600 passenger vehicles. A comprehensive report compiled by the Minnesota Department of Transportation in 2014 reports that a loaded garbage truck can be equivalent to up to 13,700 passenger cars.

Q: Is Arapahoe County enforcing zoning in residential areas? If so, why are there big rig companies doing business there?

Arapahoe County Zoning has been made aware that some properties in unincorporated Arapahoe County are running commercial business operations from their residential lots. Our staff works with these property owners toward getting them in compliance, and we invite anyone who has concerns about these properties to notify us so we can address the issues. The roads in these areas were never designed for non-residential vehicle uses.

Currently the only option for enforcement, if an owner refuses to comply, is a civil lawsuit taken on by the County, which has to go before District Court. Civil suits are very expensive and draining on the County's already limited resources. Because of this, staff is looking into other mechanisms for enforcing code violations, and fines seem like one good option. This type of enforcement would most likely be 1-2 years out before being enacted.

Q: What are the best contact numbers?

Zoning: 720-874-6711
Road and Bridge: 720-874-ROAD (7623)

Q: Some of the roads in these rural residential areas have required very little maintenance since the early 2000s, and now there doesn't seem to be a maintenance plan in place for these roads. Is this accurate?

Correct. There has never been a good maintenance plan put in place because until now, nobody has ever had to maintain a road that was constructed using asphalt millings and then chip sealed. It's lasted for over 2 decades with very little maintenance, but now the surface has deteriorated. Although the best solution might be to completely reconstruct the roads, that option would consume nearly the entire County budget for roadway maintenance and would not be financially responsible. This is why we're exploring other alternatives.

Q: If you reclaim the roads, what would the effect be on snow removal?

This is a bit of an unknown, as we have not reclaimed a roto-paved road before – nobody has. Until we see how the surface performs/wears, we would use a grader to plow the snow rather than a plow mounted on a truck. If the frost line is pretty solid, we might try putting a conventional snowplow on it, but we would also want to be very careful while doing so.

For additional comments or questions, please email:

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