

## **Government Affairs Update**

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### **LOCAL**

#### **Larimer County**

##### **Loveland**

**Voters Want Change:** The biggest surprise of the Loveland City Council election was Jackie Marsh's victory over the current Mayor Pro Tem, John Fogle, and former council member Larry Heckel. Marsh took 47 percent of the votes, while Fogle received 36 percent and Heckel only 18 percent. Marsh ran on a platform of increasing transparency, and said she intends to "amplify the voices" of average citizens.

Marsh has no experience as an elected official so she'll have a learning curve to overcome, as will Kathi Wright who easily defeated business owner Gail Snyder to win a Ward 2 seat. Jeremy Jersvig, the other new member of Council representing Ward 1, served on the Planning Commission and as such, has experience serving in an official capacity and making difficult decisions with public scrutiny.

The conservative block will consist of Don Overcash, Dave Clark, Steve Olson and Jeremy Jersvig. The more liberal-minded Council members are Kathi Wright, Rich Ball and Leah Johnson. John Fogle, who has two years remaining in his tenure representing Ward 3 tends to be more of a centrist but has always been supportive when it comes to real estate issues. The biggest unknown is Mayor-elect Marsh. She has been critical of the previous Council, especially when it came to decisions that she felt favored McWhinney (such as Winter Lights) and wants more focus on the downtown area. How her populist ideology will play out remains to be seen.

It is difficult to say whether Marsh's folksy philosophy had greater appeal, or if having two Republican candidates running for the same seat split the vote. Interestingly, Fogle raised significantly more money than Marsh or Heckel, but neither that or the former mayor's early endorsement helped his cause in the end.

**Should Loveland Allow Residential Metro Districts?** On October 10, staff presented additional information concerning metropolitan districts. The plan was to get feedback from the Council so staff could continue working on revisions to Loveland's metro district policy, but as often happens, the discussion led to more questions rather than any answers.

While discussing ideas regarding recommended mill limits and a disclosure document for buyers, Councilmember Don Overcash asked if metro districts affect home affordability in Loveland. He asked if staff recommends allowing residential metro districts or not. He said it was important to answer that question before

getting into details about potential revisions to Loveland's policy and other members of Council seemed to agree.

Overcash raised good questions. Metro districts fund infrastructure and amenities through higher property taxes but developers also pay mandatory capital expansion fees for many of the same services. Does this make metro district homes more expensive than non-metro district homes and is that affecting overall affordability?

Taken somewhat by surprise, Assistant City Manager Rod Wensing said staff wasn't prepared to offer an opinion on the big policy question of if Loveland should continue to allow residential metro districts. Councilmember Dave Clark suggested reconvening a panel of metro district experts. Mayor Pro Tem John Fogle suggested asking the Loveland-Berthoud Association of REALTORS® about the value of metro districts. Now staff will have to regroup and figure out how to proceed. Clearly the Council isn't ready to approve revisions to Loveland's metro district policy and unless persuasive information is presented to the contrary, they could decide against allowing residential metro districts at all.

**Paratransit Service Improvements Approved:** On October 17, the City Council approved a resolution to fund a new paratransit services agreement with the City of Fort Collins. By sharing costs with Fort Collins, staff estimates Loveland will save over \$68,000 a year. Outgoing Public Service Director Leah Browder told the City that the numbers of residents using paratransit increased significantly in 2016 and numbers are anticipated to increase every year.

Paratransit services are required by the federal government because of the American Disability Act for any government that offers mass transit services. In Loveland and Fort Collins, the service is available to disabled and senior citizens (60 years of age and up) although the service is only mandated for disabled residents. It offers door-to-door transportation services within 3/4 of a mile of every fixed route, for individuals whose physical and/or mental disabilities prevent them from using fixed route bus service. The service is provided by a local cab company, which saves the City from having to hire additional drivers and buy additional vehicles. Browder pointed out that paratransit is another way to alleviate congestion in Loveland. The paratransit program is estimated to cost the City approximately \$376,000 annually. More information is available here:  
<http://www.ci.loveland.co.us/departments/public-works/transit-colt/paratransit-service>.

## **REGION**

**I-25 Regional Cooperation Continues:** Local governments are pursuing more funding for I-25 through an Infrastructure For Rebuilding America (INFRA) Grant from the federal government. If I-25 receives the \$95 million grant, the Colorado Transportation Commission will allocate an additional \$200 million to the project.

These additional funds would allow CDOT to extend the additional (third) lane in each direction down to Highway 56 in Berthoud.

So far the local governments and CDOT have leveraged a federal grant with state and local funds, putting together the \$300 million-plus needed to complete “Phase One,” a third lane from just south of Highway 14 in Fort Collins to Highway 402 south of Loveland. In addition, the local governments have contributed funds to redesign intersections at Prospect, Highway 34 and State Highway 402, which will result in substantial cost savings.

Local governments allocate federal and state transportation funds via the Northern Front Range Metropolitan Planning Organization (NFRMPO) which includes elected official representatives from each of its 15 members in Larimer and Weld Counties. NFRMPO played the role of lead agency in submitting the INFRA Grant application.

Behind NFRMPO two other advocacy groups have played critical roles: the North I-25 Elected Officials Coalition which includes officials from Larimer, Weld, Broomfield and Adams counties and Fix North I-25 Business Alliance, which advocates on behalf of the private sector. Assuming the INFRA Grant application is successful, the last remaining unfunded stretch of I-25 would be the section from Highway 56 to Highway 66.

## **STATE**

**CDOT Holds Transportation Summit:** The Colorado Department of Transportation hosted its fourth annual transportation summit on October 24. This year most of the focus was on the future of “intelligent” transportation, using technology to reduce traffic congestion and accidents. CDOT launched its own intelligent transportation program, RoadX, last year and will conduct a pilot study this fall on south I-25 to upgrade ramp-metering and traffic sensors, which CDOT hopes will have the result of effectively adding a new lane on I-25 at a fraction of the cost.

In addition, Governor John Hickenlooper and CDOT Executive Director, Shailen Bhatt, referred to efforts to increase transportation funding. Neither of them voiced support for a specific initiative but it is rumored that the Denver Metro Chamber and its coalition intend to push for a half-cent statewide transportation tax in 2018. Interestingly, shortly after the summit Bhatt announced his resignation from CDOT to become the CEO of the Intelligent Transportation Society of America. The news came as a blow to transportation advocates, because Bhatt championed the cause of transportation funding during his brief tenure as the head of CDOT.

## **NATION**

**Senate GOP Unveils Tax Plan:** On November 9 Senate Republicans released their vision for tax reform with a legislative package that includes the elimination of state-and-local tax deductions and a near doubling of the standard deduction, among other provisions. National Association of REALTORS® President Elizabeth

Mendenhall, said that as NAR reviews the legislation, REALTORS® are steadfast in ensuring homeownership is protected throughout the tax debate.

She said, "While we are still reviewing the outlines of this proposal, we are watching closely for changes to current law that might leave middle-class homeowners – and homeownership broadly – in a worse place than it is today. We've already seen that a near-doubling of the standard deduction, combined with the elimination of other deductions like the state-and-local tax deduction, can turn the American Dream into a nightmare for families, as the rug is pulled out from under them. Simply preserving the mortgage interest deduction in name only isn't enough to protect homeownership.

"America still believes in the promise of homeownership. Tax reform should reflect that belief, and as we continue to examine this proposal, that's exactly what we'll look to see."

How significant are mortgage interest and real estate tax deductions in Colorado?  
72.8 percent of homeowners in our state have a mortgage. The average amount subtracted from taxable income is \$9,550, saving the average taxpayer \$2,390.\*

\* Sources for the data above include: Internal Revenue Service 2014, American Community Survey 2014, National Association of REALTORS® 2014; All calculations are by the National Association of REALTORS® Research Division, July 2017.