

Development must benefit county

Community Voices

By Harry Dale, Clear Creek Commissioner

It is unfortunate that the county development discussion in the Fabyanic opinion article is being debated with generalizations. Equating all development proposals as having a positive impact to the county tax base is at best, grossly misleading. At worst, it is just plain wrong. Every development proposal is unique and will have different impacts on the county and/or municipal tax base. Some will be positive. Some will be negative. There will also be community impacts. Again, some will be positive, and some will be negative.

Each development proposal should be supported or opposed based on the individual merits and flaws of the development proposal. They are not all the same.

For any new development in the unincorporated areas of the county, public services like road and bridge, law enforcement (Sheriff's Office) ambulance, fire protection, health and human services, water and sewer infrastructure development, solid waste (transfer station), and education (schools) are necessary to varying degrees based on the type and level of development. In addition, the tax revenues generated by the new development may not be entirely "new."

Some of those revenues may simply be displaced by taking revenue away from other existing county businesses that compete for the same customers. This is especially true for highly competitive businesses that share a similar customer base.

The development discussion in the county today must take into account both the location of the proposed development and the public service cost to service the development. In a mountain environment, new infrastructure development is very expensive, and the costs for public services, including road and bridge and public safety, are much more expensive the further away from existing infrastructure the proposed development is. Municipal infill development using current public infrastructure may have far lower public service and new infrastructure costs than remote rural development in the unincorporated areas of the county. The two cannot be equated in terms of benefit to the tax base for this reason.

Recently, local government has benefited from an increase in Henderson Mine tax revenues and grown larger. This expanded level of local government is

temporary and not necessarily sustainable, nor should it be. A large portion of the recent expansion has been to make up for some of the deficiencies in public services mandated by much lower revenue years in the past.

By state law, the county must have a balanced budget, so any decline in tax revenue will mandate a decline in county expenditures. Local government should be expected to expand and contract over time and provide a level of service corresponding with revenue collections. We should not expect that the current level of county tax collections and corresponding level of service is the norm. It is not. Eventual cuts should be expected in capital projects, staffing levels and ultimately in services provided when tax revenues eventually decline.

This is normal, and we will survive. We have survived in the past with the mining industry's boom and bust cycles. We can tighten our belts as required, which is exactly what the county has done over time. It is not good planning to promote development with only a perceived improvement to the tax base without taking into account the cost of public services and the potential for the new development to displace revenue from current county businesses, simply to sustain large local government.

Yes, the Henderson Mine will close someday. Yes, there will be an impact to the county's tax base, but the degree of that impact is still unknown. Our future, 10 to 20 years from now (perhaps longer) is hard to predict. The loss of the Henderson Mine tax revenues will not be apocalyptic. The county is not in a desperate situation in which it must approve any and all development proposals that come before it. The recent pro-development discussion that suggests an imminent county financial disaster is both foolish and dangerous.

We must avoid making hasty decisions today for a future problem that is not yet completely understood. We have some time to prepare for declining Henderson tax revenues and must be thoughtful about the development proposals that we approve so that we do not do more harm than good to both current and future county residents and businesses. We need to be especially wary of approving development that will have a net overall negative impact on our tax base (i.e., development that costs the county more in providing services than it brings in through new tax revenues).

Approving such development will make the eventual impact of the Henderson mine closure much worse. We cannot approve development simply to sustain large local government and appease the vocal development proponents when there are significant negative impacts to all county taxpayers.