

## THE TWIN BUTTES DEVELOPMENT: SMART GROWTH OR NO GROWTH?

**DEBORAH WALKER**  
**DOUGLAS W. LYON**  
Fort Lewis College

There had been another lengthy, heated city council debate about the potential impact of annexing a proposed housing development into the city. As he reviewed his files and prepared for this week's decisive meeting, Durango City Councilor Cecil Dollard thought long and hard over casting his vote, which could possibly be the swing vote. All the talking was over. He had listened to his fellow Councilmembers, and all of the stakeholders involved in this decision: his constituents, the developers, economists, environmental and wildlife experts, local homeowners, local contractors, and taxpayers. It was now time to vote. Cecil had to vote whether or not to annex the planned development.

Annexation was very important to the developer because annexation brought with it the full range of city services: water, sewer, road maintenance, snow plowing, police protection, and so on. The development in its proposed form would have been impossible without annexation and the accompanying access to city services. Absent annexation, the most likely development alternative for the property owner would have been to divide the property into 35 acre parcels as permitted under state law. Those parcels would then have been sold off for individuals to build "ranchettes" with water provided by wells.

Many in the community considered this to be an undesirable alternative though they did not fully understand that since it was permitted under state law it could not be stopped. The developers did not want to pursue this option either, since it was likely less profitable and deviated from the environmental ethos of their proposed project. Furthermore, sprawl was a concern.

Based on the stated positions during the previous meeting, the other four Councilors could be evenly divided; so, his vote would probably be decisive. It would not be an easy vote to cast. As a resident of a small city where he knew a lot of the voters and was friends with many of them. The ramifications of his vote would be significant. Both supporters and opponents of the planned development held strong opinions which had led to acrimonious discussion and debate about the project.

Though Durango, Colorado was a small resort city of only 16,500 residents, its population belied its regional importance. Through careful preservation of its historic western architecture, the city retained a vibrant downtown filled with the arts, shopping, and nightlife. The surrounding area has some of the best mountain biking in the southwest with hundreds of miles of mountain trails nearby. There were also abundant opportunities for skiing, hiking, white water rafting, kayaking, hunting, and fishing. The city's outdoor recreation opportunities and the surrounding mountain scenery were its greatest attributes. Some worried that growth in the size of the community would destroy the essential character that formed the bedrock of the residents' quality of life.

In addition to - and sometimes in conflict with - Durango's image as an outdoor mecca was its status as a major employment, medical, shopping and banking hub. Indeed, Durango was referred to by some as the "Manhattan" of southwest Colorado. There was beginning to be a tension between those two visions of Durango. On one hand, many in the community viewed Durango's primary attribute to be its bucolic small-town charm. On the other hand, many people thought of Durango as a working community where people had good paying jobs that

enabled them to raise their families in a manner unavailable in other Colorado towns. That view of Durango necessarily led to growth: houses were built to accommodate new arrivals.

**Exhibit 1. Biker using a Trail in the Twin Buttes Development**



As Cecil walked home from yet another public hearing on the Twin Buttes development, he pondered the community's sentiment regarding this particular development and development in general. Durango had experienced growth that, while nothing like Las Vegas or central Florida, was more rapid than many in the community could accept. In fact, the last three City Council elections had turned on the issue of growth.

Six years earlier two new councilors had been elected in large part due to the public's belief that they would oppose a development north of town called River Trails Ranch. Four years ago Lucy Ludlum had been elected principally due to her leadership of the anti-River Ranch group "Save the Animas Valley." In addition, Ludlum led an effort to pass a ballot initiative that would have subjected all but the very smallest developments to a public vote. This resolution did not pass (45 percent voted "yes" and 55 percent voted "no"). Finally, in the most recent election, two popular incumbents had been defeated in re-election bids. They had lost re-election to two individuals who campaigned on platforms decidedly skeptical of the fast pace of

development in Durango. Newly elected Councilmember Mark Howard was unabashedly against the Twin Buttes development. Mark had written an op-ed column in the *Durango Herald* articulating the argument for saving Twin Buttes, titled “Save Twin Buttes.”

When these two Councilmembers had been elected, the public’s expectation was that they would align themselves closely with the anti-growth Lucy Ludlum and undertake measures to stifle growth in the city of Durango. In fact, Councilor Ludlum remarked on the evening of the election, “help has arrived!” and then did sort of an odd bunny hop.

### **The “Futurespective” Living Community**

The proposed development (called Twin Buttes due to its proposed location below two large bluffs (see Exhibit 2) included 595 individual dwelling units, including townhomes and stand-alone houses. The development called for green belt and open space land designations. The plan included improving upon the appearance of a stretch of land along a major highway, sometimes considered as part of the “gateway” into the city. The development also included a community garden and nature trails. (See Appendix for a Twin Buttes Trails Map.)

**Exhibit 2. The “Twin Buttes” Overlooking the Development**



The Twin Buttes owners/developers, Glenn and Terri Pauls and Eric Flora wanted to offer a well thought out and forward thinking “living community.” Their sustainable approach to community development was based upon the “Ecovision” narrative, penned by David Barrett (<http://www.twinbuttesofdurango.com/downloads/EcoVision.pdf>).

### **Exhibit 3. Twin Buttes Development Community Garden**



The development offered a sensitive approach toward stewardship of the land and environment described as “futurespective.” The architecture proposed creative living patterns: the first living community village in Durango and an important contribution toward future development in the Durango area. The developer had given extra consideration to the forest land and wildlife surrounding the development.

The community would have mixed use buildings designed and made from natural materials, such as rustic steel, natural stone, and thick stucco and earthen walls. These materials were congruent with ancestral images and materials used historically in the southwest. Structural frames would include a historic barn, mining structures, and even a tipi. The development

would also incorporate small shops, studios, cyber-nests, hospitality, restaurants, galleries, daycare, and a variety of services.

**Exhibit 4. Construction Site in the Twin Buttes Development**



The village would be a diverse, all-inclusive community not limited to the wealthy or those with higher social standing in the community. The community would include a forward thinking variety of housing choices that recognized that one design or model did not fit all. This was a break from the traditional development currently found in the Durango area.

The following links provide pictures and detailed information about the development:

<http://www.twinbuttesofdurango.com>

<https://www.facebook.com/pages/Twin-Buttes-of-Durango/144081562328123>

**Exhibit 5. Historic Barn in the Twin Buttes Development.**



### **The Controversy**

The controversy was evidenced by a steady stream of “Letters to the Editor” published in the local newspaper, the *Durango Herald*. From the tone of the letters, there could be no doubt that community sentiments ran strong on both sides of the question. Leading up to the final city council vote, the local newspaper published approximately 28 letters against and 23 letters in favor of the city annexing the Twin Buttes development. There were also a couple of letters that were just informative and didn’t take a stand on the issue. This resulted in a total of about 53 “Letters to the Editor” over an approximate 6 month time frame. An unfiltered sample of quotations from actual letters is provided in Exhibit 6.

The citizens of Durango not only expressed their opinions through their letters to the local newspaper, but many also expressed their views during the 90 hours of public meetings and hearings that were held to discuss the Twin Buttes development.

**Exhibit 6. Sample Quotations from Letters to the Editor Supporting and Opposing  
Twin Buttes Planned Development**

*Source: The Durango Herald, Letters to the Editor, July-Dec. 2008.*

<b>Support</b>	<b>Opposition</b>
“The Twin Buttes project is an example of healthy, responsible, conscientious growth.”	“What developers . . . don’t understand is that we like Durango the way it is. What these developers don’t understand is that we love our black bears more than we love their right to make a million dollars.”
“Numerous acres are dedicated to organic farms, cultivating an opportunity for community members of all ages to engage in the stewardship of our natural environment.”	“Think of the footprint (and regular footprints) on our society of 1,500 new commuter people west of town everyday driving into town. . . . Think of the added congestion.”
“Now it’s [growth] a dirty word and if the ‘nimbys’ prevail, and ‘smart growth,’ like Twin Buttes, is stopped, this community will truly become too expensive for the working man and the spirit and diversity we have enjoyed to now will be gone as only the rich will be able to buy the half-million dollar in-fill lots that are so ‘sustainable.’”	“Every other house in this county has a for sale sign on it. There is housing in many price ranges. We don’t need a new development.”
“Once again, Durango is growing, whether we like it or not. Twin Buttes is close to downtown . . . and will definitely be needed 15 to 30 years from now.”	“But the 95 affordable homes and the 500 unaffordable homes don’t justify the traffic increase on an already dangerous road, sacrificing wildlife, and difficult city services that must be provided because of the annexation.”
“This is our opportunity to set the bar higher and ensure that all development that occurs meets this level of intelligence and sustainability. Affordability happens with greater density. Greater density and close-in development preserves open space.”	“. . . residential development (perhaps excluding very high-end development) does not pay its way. That means that for every development like Twin Buttes, taxpayers have to pony up more taxes.”
“Eighty percent of the 597-acre Twin Buttes tract, including the higher ground that includes the two Buttes, will be devoted to open space.”	“I would like to preserve one of the most pristine areas remaining close to downtown Durango for open space, and I think many Durango residents would agree with me given the chance to voice their opinions.”



Citizens were free to speak their minds to the City Council and other members of the community. For example, one outspoken opponent of the development claimed, “This development will create so much traffic coming into Durango that we might as well be living in Denver.” On the other hand, a young father expressed his view in this way, “I am trying to buy a house for my family here in Durango. This development will add to the options that will be available to me and, I hope, help bring down the high housing prices that I now face.”

Another commenter noted: “I congratulate them on this enormously terrific plan. It really conceptually covers everything you could possibly want for a development. The plan has been really well thought out and incorporates everything you would dream for the ideal community. However, I have discovered one of the things that I know is that a good plan is not always a good idea. You can have a foolproof plan to rob a bank but robbing a bank is not a good idea and I really want to ask if we think this is a good idea for Durango.”

In reference to the estimated 1,200 additional cars the project would bring to the community and their impact on traffic, another speaker posed the hypothetical question “Would you allow 1,200 cows in Durango? What kind of chaos would that create?” Like many of those offering public comment, the speaker had been in Durango for about five years. Another speaker decried some of the negative commentary by observing, “It’s easy to vilify a person if we don’t consider them a person – if we just label them The Developer.” This person went on to observe that in the greater scheme of traffic in Durango, 1,200 cars was not very much and traffic was not really that bad anyway.

The prevailing themes expressed in most of the letters and in the comments made at the City Council meetings are summarized in Exhibits 7 and 8. These summary exhibits reflect language taken directly from the actual letters and also from the words of the people who spoke at the City Council meetings and offer a meaningful and inclusive representation of the thematic core variations. The themes capture the emotions and issues contained in the letters to the editor

and the public comments either opposing or supporting the vote on the annexation of the Twin Buttes planned development.

**Exhibit 7. Key Points from Letters to the Editor and from Comments at Public Hearings and Meetings Opposed to the Twin Buttes Planned Development**

- More development will bring more people, changing the “community character” of our small city.
- The development will create a great deal of traffic congestion coming into the city.
- The development will harm the environment through more traffic.
- The development will disturb important natural wildlife habitat/corridors.
- The development will take away highly valued natural scenery, open space and recreational area.
- The development is not necessary, there is already a housing glut in the city.
- The development will require more city services and therefore, more taxes; it will not pay for itself.
- It is not clear if the commercial space included in the development will be occupied by local businesses or by national chains.

**Exhibit 8. Key Points from Letters to the Editor and from Comments at Public Hearings and Meetings Supporting the Twin Buttes Planned Development**

- The development will set a standard for “green building” and for community village living in the city.
- The development will create much-needed jobs in the community.
- The development will contribute to the income of community members.
- The development will create a recreational area, including community gardens, while minimizing the impact on wildlife.
- The development will include affordable housing units and a transfer fee that will provide revenue for the local Housing Authority.
- The increase in housing units will keep housing prices lower.
- Growth is going to happen in the city, this development will meet the needs of this growth in a responsible way.
- The developers are donating a large amount of land that will be designated as “open space.”

### Needed Development or Too Much Development?

Supporters of the Twin Buttes development claimed it would change the way housing would be approached in the city. Many opponents felt that the development was not needed. They pointed to vacant housing that already existed in the city. Exhibit 9 provides real estate information regarding homes for sale during the timeframe of the controversy. A local economist argued, however, that although there were housing units available for purchase, the Twin Buttes development would provide a unique product that was not then available. It would also provide competition for other housing developments. As quoted in the *Durango Herald*, the economist said, "If stores in town aren't selling books," she argued, "it shouldn't mean that another bookstore shouldn't be allowed if an owner has a new idea. [...] Anyone who cares about the environment would want this developer to succeed. More resources will move into green development if he does," she wrote (Holteen, 2008).

#### **Exhibit 9. Real Estate Information for Durango**

*Source:* Durango Area Association of Realtors, Inc., 2008.

	<b>Information</b>
Average Days a House for Sale Stayed on the Market in Durango.	<b>145 days</b>
Number of Houses that Sold in Durango in 2008.	<b>126</b>
Average Price of a House that Sold in Durango in 2008.	<b>\$428,284.00</b>

#### ***Public Finance Considerations: Economic and Fiscal Impacts***

Both the developers and the city hired their own economists in order to determine the economic and fiscal impacts of the development. The economic impact included how much productivity and income the development would bring to the local economy. It also included an analysis of job creation due to the development. The fiscal impact included a cost/benefit analysis for the city's general budget. Although the outcomes determined by the economists hired by the developers and the one hired by the city were not exactly the same, the differences were small considering the size and scope of the study.

Exhibit 10 highlights the findings from the study conducted by two local college professors hired by the developers (Walker & Walls, 2008). The economic and fiscal impact analyses were based on a 15 year build-out period for the development. Although there were non-fiscal costs and benefits associated with the development, they were not included in these analyses. The analysis did include, in addition to economic and fiscal impact, the in-kind and monetary donations to the city that the developers planned to make if the development were passed. For example, the developer planned to implement a transfer fee program as part of the overall project. This program would implement a 1% transfer fee paid by the sellers of the homes in Twin Buttes. The developer suggested that the revenue from the transfer fee could be paid to the Regional Housing Alliance for financing programs to make available affordable and attainable homes for local families.

### ***Effect on Wildlife***

The developers contracted a local firm to undertake an environmental impact study and to draft a wildlife management plan (*Draft Wildlife Management Plan, 2008*). The wildlife management plan proposed 52 measures that should be followed in order to minimize the project's impact on the local ecosystem. The measures ranged from posting signs informing future homeowners of the wildlife habitat to the formation of a wildlife-management team for the subdivision. Given the location of the development, it was clear that the wildlife that would be affected by the project included elk, mule deer, black bear, Merriam's wild turkey, mountain lion, bats, neotropical birds and fish and amphibians in a nearby creek.

**Exhibit 10. Summary of Economic and Fiscal Impacts***Source: Walker & Walls, 2008.*

<b>Economic Impact</b>	
Productivity	It was estimated that the increase in output generated for the local economy would be \$313,499,000.
Household Earnings	It was estimated that the increase in income generated for the local economy would be \$295,669,000.
Job Creation	It was estimated that 332 more jobs would be created due to the construction of the Twin Buttes development. This translates into approximately 22 jobs per year during the fifteen year build out period.
<b>Fiscal Impact</b>	
One-time Surplus	The development would contribute a surplus of \$2,215,381 to the city's general fund when looking at one-time, nonrecurring revenues and expenditures that the city would incur due to the development.
Annual Cost	The development would create an annual cost over revenue of \$44,550 for the city's general fund once the development was complete.
<b>In-Kind and Monetary Donations</b>	
Transfer Fee Program	It was estimated that the transfer fee program would generate annual revenue for the Regional Housing Authority <sup>1</sup> (or other use as designated by the Durango City Council) of approximately \$2,380,000 at build out (and would continue every year with home sales plus appreciation).
Land Donation for Open Space	The developers would make a donation of over 280 acres of valuable land that they purchased for dedication as open space to the city. This land donation was valued at \$5,400,000.
Bus and Transit Shelter Donations	The developers would make a donation to the local transportation (transit) network with the purchase of a bus. This bus donation was valued at approximately \$60,000. In addition, the developers would provide 2 (potentially 3) transit shelters within the development.

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<sup>1</sup> The Regional Housing Authority helps low income families obtain housing in the area.

The overall goal of the Wildlife Management Plan was to develop practical strategies for minimizing Twin Buttes impacts on area wildlife populations. The plan's key findings and conclusions (*Draft Wildlife Management Plan*, 2008) included:

- The primary impacts to wildlife were habitat loss, fragmentation, and alteration, as well as increased human-wildlife interactions;
- The development of a recreation management plan and a carefully-considered trail system would be critical to maintaining the integrity of the undeveloped areas; and
- The creation of a Wildlife Management Team was strongly encouraged to assist with long-term implementation of mitigation measures and monitoring their effectiveness, as well as management of on-going and unforeseen wildlife issues.

The plan suggested several modifications to the initial plan the developers put forth (as they related to wildlife impacts). Exhibit 11 summarizes the key modifications. The developers planned to include all of the recommended modifications in their final plan.

#### **Exhibit 11. Suggested Modifications to Lessen the Impact on Wildlife**

*Source: Draft Wildlife Management Plan for the Twin Buttes Development, 2008.*

<b>Preserving principal wildlife corridors and habitats</b>	The development would have clustered residential properties, smaller overall lot sizes, and would remove previously proposed large lot development in some parts of the property.
<b>Maximizing undeveloped areas</b>	The developers committed 478 acres as undeveloped areas (80% of total Twin Buttes acreage), with 68 acres in a permanent conservation easement and 80 acres as undeveloped general common elements.
<b>Decreasing total dwelling units</b>	Developers proposed a total of 833 dwelling units within the Twin Buttes project. This was reduced to 527 within the same area.

#### ***A Difficult Vote***

Councilmember Cecil Dollard's constituents were divided. Cecil found merit in their arguments, both pro and con. Did the potential benefits of Twin Buttes outweigh concerns

regarding more development in this small city? The concern of having a city subsidize development was also at issue.

**Exhibit 12. Twin Buttes Development Cow**



Cecil and his fellow City Councilmembers all faced the same decision. Each came to the table with his or her own experience and background. Cecil was a highly respected member of the business school faculty at the local college. For Cecil, it was a cost-benefit issue, but not one that could only be expressed in the traditional dollars and cents format. He first became involved in community affairs when he testified at a planning commission hearing against the River Trails Ranch project. This drew the attention of the anti-growth and anti-River Trails Ranch people including Lucy Ludlum and her supporters. Shortly thereafter, Cecil was appointed to the City of Durango planning commission where he gained a reputation as a sensible thinker who supported good development projects and from time to time voted against those that were flawed. Two years later, Cecil and Lucy were both elected to the Durango City Council. In an ironic political twist, both the development community and the anti-growth contingent of the local electorate supported Cecil. Additionally, yards throughout Durango belonging to the anti-growth portion of the electorate frequently had campaign signs for both Cecil and Lucy. This caused one sitting city councilor to exclaim: “Are they nuts?”

Cecil knew his next step was important. All the talking was over. He had listened to his fellow Councilmembers; the developers and their economic and ecological consultants; constituents; local home owners; and watched the issues play out in the local media. It was now time for him to cast his vote. He knew he could never satisfy everyone; there would be a broad spectrum of consequences and his vote would affect a diverse set of stakeholders. The best he could do was to vote his conscience. How to vote, how to vote?



**Deborah Walker** is Professor of Economics at Fort Lewis College. She earned her Bachelor degree in economics and Master in Business Administration at Arizona State University, and her Master in Economics and Ph.D. in Economics at George Mason University. Her teaching and research interests include public policy, Austrian economics, industrial organization, public choice, evolution of economic thought and economic education. She spent thirteen years teaching at Loyola University in New Orleans before going to Fort Lewis College. Her passion is teaching economics to undergraduate students.

She is a native of Colorado and loves spending time in the mountains. An avid animal lover, she often fosters for the La Plata County Humane Society.



**Doug Lyon** graduated from Fort Lewis College in 1987 with a degree in Accounting and holds a Master in International Management from Thunderbird. He also holds a Ph.D. in Management Strategy from the University of Kentucky. Doug joined the faculty of the Fort Lewis College School of Business Administration in 2002. Doug's research has been published in the *Journal of Management*, *Entrepreneurship Theory & Practice*, *Long Range Planning*, *Managerial and Decision Economics*, *Journal of Management Education*, and other outlets.

He was appointed Dean of the Fort Lewis College School of Business Administration in July, 2011. He accepted the position of Senior Corporate and Foundation Officer in January, 2105. Prior to entering academia, Doug held positions as an auditor with Price Waterhouse, and as a financial analyst with Chevron Corporation.



Appendix. Twin Buttes Development Trails Map



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