

1 INTRODUCTION: MCCALL SMART GROWTH IMPLEMENTATION ASSISTANCE

More and more people are discovering the scenic beauty and small town charm of McCall, Idaho. Between 2000 and 2005, the population of McCall increased 41 percent. The recent opening of Tamarack, the nation's newest ski resort just 15 miles south of McCall, is also fueling real estate demand. Alongside this incredible growth, the city recently opened the East-West Loop Road with hopes of reducing downtown congestion and giving truck traffic the option to avoid the pedestrian-friendly downtown. Because the new road is providing access to the state highway, and given the intensity of the growth, the city anticipates that there will be considerable development pressures along the Loop road. The city is concerned that this pressure could create development that is inconsistent with McCall's character and that could cause congestion on the newly built road.

In response to these concerns, the city applied to the Environmental Protection Agency's Smart Growth Implementation Assistance Program. The city requested assistance to develop options for responding to growth along the new East-West Loop Road that would meet community goals. EPA assembled a Smart Growth Implementation Assistance Team (Team) to work with city officials, local leaders, community representatives, and others to create a vision for the development at two sites along the road. The Team's site visit occurred October 24-27, 2005.

As part of those meetings and consultations, the Team prepared concept plans illustrating approaches that would help produce the results that McCall is seeking near the Loop Road. The Team then developed options for actions that the City could take to begin implementing the concepts.

This Final Report to the City of McCall:

1. Summarizes the Team's work with the City and citizens;
2. Presents the resulting Concept Plans; and
3. Presents options the City could use to move toward implementing the Concept Plans.

2 BACKGROUND: THE SMART GROWTH IMPLEMENTATION ASSISTANCE PROGRAM

Communities around the country want to foster economic growth, protect environmental resources, and plan for development and in many cases they may need additional tools, resources or information to achieve these goals. In response to this need, the Environmental Protection Agency's Development, Community, and Environment Division (DCED) has launched the Smart Growth Implementation Assistance Program to provide technical assistance—through contractor services—to selected communities.

The goals of this assistance are to improve the overall climate for infill, brownfields redevelopment, and the revitalization of non-brownfield sites—as well as promote development that meets economic, community, and environmental goals. EPA, with its contractor ICF Consulting, assembles teams whose members have expertise that meets community needs. While engaging community participants on their aspirations for development, the team can bring their experiences from working in other parts of the country to provide best practices for the community to consider.

Communities around the country are looking to get the most from new development and to maximize their investments. Frustrated by development that gives residents no choice but to drive long distances between jobs and housing, many communities are bringing workplaces, homes, and services closer together. Communities are examining and changing zoning codes that make it impossible to build neighborhoods with a variety of housing types. They are questioning the fiscal wisdom of neglecting existing infrastructure, while expanding new sewers, roads, and services into the fringe. Many places that have been successful in ensuring that development improves their community, economy, and environment have used smart growth principles to do so (see box). Smart growth describes development patterns that create attractive, distinctive, and walkable communities that give people of varying age, wealth, and physical ability a range of safe, convenient choices in where they live and how they get around. Growing smart also ensures that we use our existing resources efficiently and preserve the lands, buildings, and environmental features that shape our neighborhoods, towns, and cities.

Principles of Smart Growth

1. Mix land uses
2. Take advantage of compact building design
3. Create housing opportunities and choices
4. Create walkable communities
5. Foster distinctive, attractive communities with a strong sense of place
6. Preserve open space, farmland, natural beauty, and critical environmental areas
7. Strengthen and direct development toward existing communities
8. Provide a variety of transportation choices
9. Make development decisions predictable, fair, and cost-effective
10. Encourage community and stakeholder collaboration in development decisions.

From: The Smart Growth Network.
www.smartgrowth.org

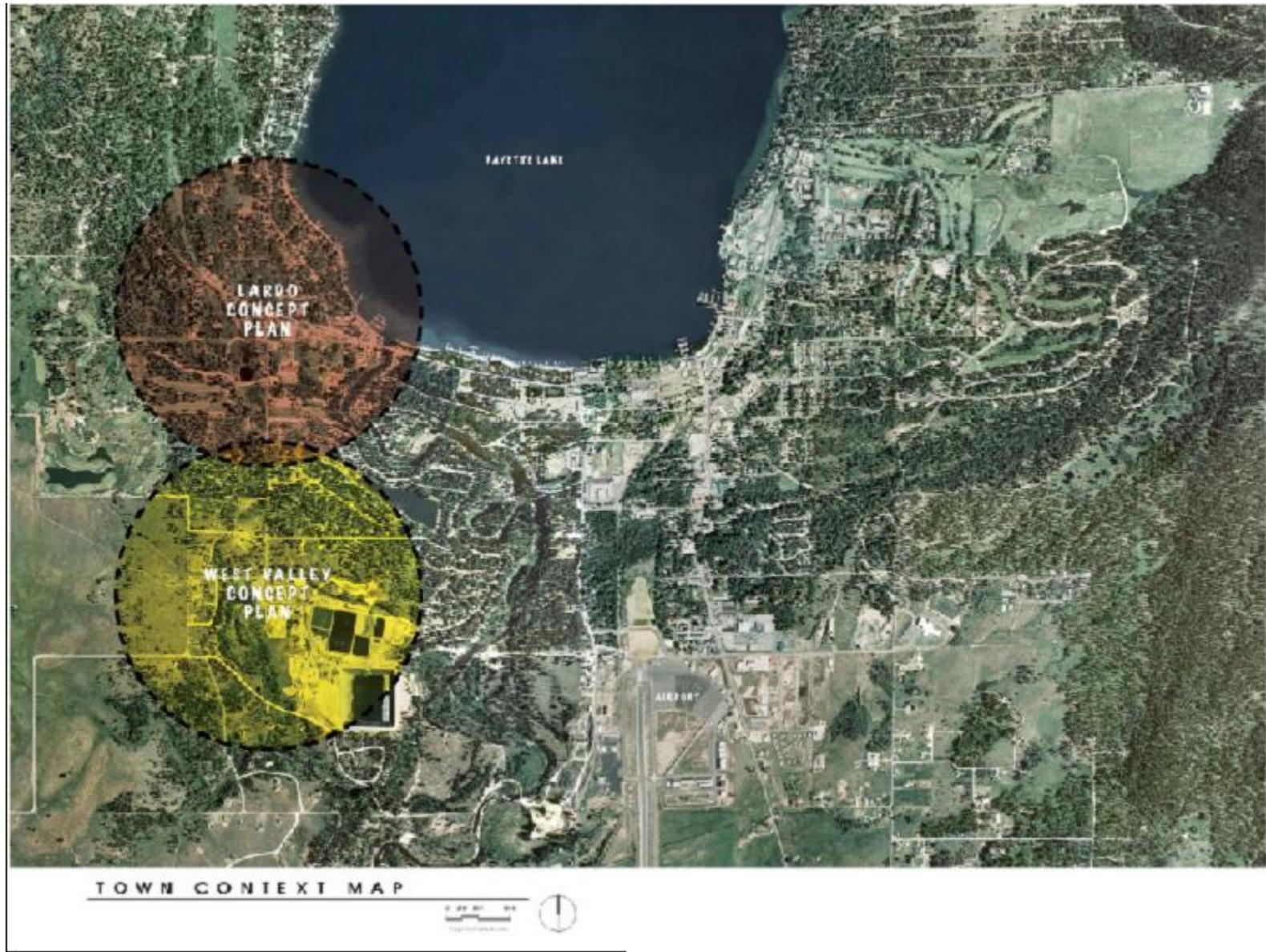
3 CHARGE TO THE TEAM

Concerned with growth pressures and the potential for development inconsistent with McCall’s character along the new East-West Loop Road (Loop Road), the city applied to EPA’s Smart Growth Implementation Assistance program. The city requested support to create a vision for development at two sites along the road. Instead of allowing for strip development along the Loop road that would take away from the city’s character and have the potential to clog the road with traffic, the city sought to proactively plan for attractive and functional development that could serve the surrounding neighborhoods.

The Team narrowed its focus to two areas along the corridor, shown in Figure 1:

1. Lardo, located at the western edge of McCall where the Loop Road (as Boydston Street) intersects with State Highway 55 and,
2. West Valley, located near the junction of West Valley/West Mountain Road and the Loop Road.

Figure 1: Focus areas



In order to create concept plans for these sites, the City's application called for holding a multi-day planning "charrette" or workshop to generate development ideas for Lardo and West Valley.

The Team consisted of:

- Tim Van Meter, Architect, Van Meter Williams Pollack
- Jim Charlier, Transportation Planner, Charlier Associates
- Dena Belzer, Economist, Strategic Economics.

Additional support was provided by William Schroerer, ICF Consulting, and Mary Kay Bailey and Geoffrey Anderson of EPA.

4 CONTEXT AND INPUTS

The Team drew on information from: a detailed site visit, planning documents posted on the city's web site, input from community meetings, and an analysis of development economics in the city and the area.

4.1 Economic Analysis

McCall is a rapidly growing small town that has shifted from a resource-based economy to one centered on tourism. The city's abundant natural beauty, proximity to resorts, and role as the largest town in Valley County has fueled much of this growth. Many of the city's homeowners are part-time residents who have second homes in McCall. With the arrival of Tamarack resort, fifteen miles south of the city, it is expected that growth pressures will continue. The new Loop road is creating key connections to State Highway 55 and West Mountain Road, opening up more potential development opportunities. These factors have implications for McCall's economy and how it deals with future development.

Understanding the local real estate market as well as demographic and economic trends is crucial to developing options that are realistic and respond to the local situation and community needs. This section reviews the economic, demographic, and market trends and characteristics of McCall.

Trends

McCall's demographics are in transition. Between 2000 and 2005, McCall's population increased by 41%, growing from 2,175 people in 2000 to 2,524 people in 2005¹. In 2000, McCall accounted for almost one-third of Valley County's total population. Although comparable numbers are not available for 2005, given McCall's growth, the city is likely to be increasing its share (percentage) of County population.

Particularly significant is that only 40 percent of the housing units in both the city and the county are occupied year-round. This has significant implications for the city's economy, especially its retail sector.

¹ Source: 2000 Census and Rees Consulting.

Figure 2: Housing profile

	Valley County	Percent of Total	McCall	Percent of Total
Year-round Occupied Units	3,208	40%	924	41%
Second Homes / Vacation Housing	4,876	60%	1,341	59%
Total	8,084	100%	2,265	100%

Source: 2000 Census

McCall accounts for over half of all building permits issued in Valley County since 2001 and 100 percent of all multifamily units, although the number of multifamily units is actually insignificant as a percent of the overall total. This lop-sided development reinforces the importance of the steps that McCall is taking to increase the number of units being built and offered at prices that McCall’s workers can afford.

Figure 3: Recent development activity

Year	McCall			Unincorporated Valley County		
	SF	MF	Total	SF	MF	Total
2001	63	2	65	76	0	76
2002	84	2	86	89	0	89
2003	91	3	94	109	0	109
2004	109	3	112	247	0	247
2005	87	1	88	229	0	229

Source: Census Bureau

Despite the growth in the number of units constructed, housing prices have increased substantially recently, as seen in Figure 4.

Figure 4: Median Sales Price, 2004 and 2005 Active Listings

	2004 Sales	2005 Active Listings	% Increase
Cascade Area	\$130,000	\$219,900	69.2%
Donnelly Area	\$165,000	\$287,000	73.9%
McCall Area	\$199,000	\$389,500	95.7%
Council Area	\$90,250	\$194,500	115.5%
New Meadows Area	\$199,500	\$295,000	47.9%
All Areas	\$180,000	\$295,000	63.9%

Source: Mountain Central MLS

This increase in housing prices in one year further reinforces the point that the housing market has shifted very rapidly towards a higher-income buyer, putting greater upward pressure on all segments of the market, not just the high-end units.

It is important to note that McCall historically has three- to four-year residential market cycles where prices will escalate year over year. At the end of these cycles, prices flatten out, but they typically do not decrease. It is currently unclear whether the current increases are just the third year of a typical cycle, or if, because of Tamarack, these price increases will continue for several more years.

McCall has historically been a more modest priced ski area than Sun Valley or some of the more famous ski areas in Colorado. Nonetheless, Figure 5 provides another way to look at the current leap in housing prices, showing that current housing prices are starting to catch up with some of these more established and wealthy areas.

Figure 5: Ski resort comparison

	McCall	Breckenridge	Aspen
Permanent population (2000)	2,175	2,408	5,914
Median home price (2004)	\$199,000	580,100	\$1,700,000
Median income (2000)	\$36,250	\$43,938	\$70,300
Cost of Lift Ticket (2005)	\$40-55	\$45-75	\$52-78

Source: Strategic Economics

Characteristics

McCall’s economy is concentrated in two areas:

- Services for the locals (health care, education, government), and
- Activities for the tourist economy: some of the retail employment, arts, recreation, accommodation

The figures below, from 2000 data sources, illustrate the key employment sectors in McCall:

- Retail trade comprises 12.7 percent of employment in McCall
- Arts, recreation and accommodation comprises 17.4 percent of total employment in McCall
- Educational and health services comprise 19 percent of total employment
- Construction jobs comprise 11 percent of total employment

See full employment figures in Figure 6. Since the data are from 2000, it is likely that they understate the current number of people working in construction. Overall, the figures clearly demonstrate that McCall is a service-based economy.

Figure 6: McCall employment

Industry	Valley County		McCall	
	Count	Percentage	Count	Percentage
Educational, health and social services	514	14.3%	216	19.9%
Arts, recreation and accommodation	452	12.6%	188	17.4%
Retail trade	469	13.0%	138	12.7%
Construction	478	13.3%	123	11.4%
Agriculture, Forestry, Mining	253	7.0%	79	7.3%
Public administration	313	8.7%	62	5.7%
Professional and administrative services	197	5.5%	60	5.5%
Other services (except public administration)	206	5.7%	59	5.4%
Transportation, Warehousing, Utilities	186	5.2%	55	5.1%
Finance, Insurance, Real Estate	174	4.8%	44	4.1%
Manufacturing	242	6.7%	34	3.1%
Information	52	1.4%	20	1.8%
Wholesale trade	63	1.8%	5	0.5%
Total	3,599	100.0%	1,083	100.0%

Implications for greater McCall

The characteristics and trends for McCall have implications for the amount and type of retail that can be absorbed by the market.

Figure 7 shows that:

- Year round residents currently support about 140,000 square feet of retail space. This doesn't count visitor spending, nor does it count people living in other parts of Valley or Adams County who also shop in McCall.
- By 2020 McCall residents alone will support more than double the amount of retail they support now. The most significant increase in demand will be for restaurants, which also serve the tourists, as well as demand for one more full-service grocery store.

The buying power analysis in Figure 7 excludes visitor spending and spending by Valley or Adams County residents from outside of McCall. As such, it is a conservative estimate of supportable square feet of retail. A conservative analysis was the most appropriate in this context because:

- There is a lack of accurate data regarding the number of annual visitors to McCall or the spending habits of other Valley County or Adams County residents.
- Including the buying power of seasonal visitors would only serve to measure the supportable square feet of retail during the high seasons. Given that currently sales decrease significantly enough during the low seasons that many retail businesses struggle to maintain profitability, aiming for the amount of square feet supportable during the high seasons would create an excess of retail space during the low seasons and could cause excess business turnover.

Figure 7: Buying power / retail trade potential, estimates

Type	McCall			
	Buying power		Supportable Retail Square Feet	
	2005	2030	2005	2030
Drug and Proprietary Stores	\$799,230	\$1,725,437	3,197 sf	6,902 sf
Eating and Drinking Places	\$5,509,974	\$11,895,345	22,040	47,581
Food Stores	\$7,927,695	\$17,114,902	31,711	68,460
Furniture and Home Furnishings	\$538,115	\$1,161,723	2,152	4,647
Total Retail	\$34,567,703	\$74,627,344	138,271 sf	298,509 sf

Source: Claritas, Strategic Economics

The market will respond to this coming demand; however, the market may not deliver in ways that allow McCall to get the most out of retail development. While the market will bring in the types of stores that McCall can support, the city has the opportunity to ensure that those stores are located in places and designed in ways that create synergies with other city goals. For instance, the city can designate commercial space strategically so residents can walk to stores. The city can also situate retail so that it is easier for multiple establishments to share parking. In order to maintain McCall’s unique character the city can ensure that storefronts and buildings are appropriately scaled and designed.

Implications for downtown

Although downtown was not part of the Team’s charge, discussions with the City revealed the importance of maintaining downtown’s health and vibrancy. The Downtown Master Plan calls for a central business district (CBD) that “is pedestrian oriented, physically attractive, safe and easy to navigate, whether on foot or in a vehicle, and which retains a mix of goods and services for sale which serve the resident and tourist populations.” In reviewing the existing downtown conditions, the Team found:

- The downtown lacks a critical mass of retail space.
The downtown doesn’t have enough retail space to create a significant critical mass of retail activity. Many of the storefronts in the main business district are real estate offices, breaking up the retail character of the street.
- Much of the existing space could be renovated.
The historic exteriors of the retail district are distinctive and give downtown its special character, but the interiors of many of the stores feel a bit outmoded, making them less than appealing places to shop.
- Downtown needs to reposition itself to compete in the growing resort economy.
The mix of goods in the stores is still targeted to the historic visitor, second home and resident income levels. However, as the visitors and even new residents to McCall become more upscale, the merchandise mix in the stores should adjust to meet changing

demand. Also, Tamarack is planning 300,000 square feet of retail by the time the project is complete. If McCall doesn't improve the quality of its retail, many potential shoppers could choose to spend their time and money at Tamarack, and by-pass downtown McCall.

To fulfill the vision for the CBD in the Downtown Master Plan, the city may want to examine these findings in greater detail.

4.2 Community meetings

The Team's site visit was held from Monday, October 24 – Thursday, October 27. The schedule included many opportunities for community input and feedback. An initial kick-off meeting was held on Monday night. The Team shared concepts that have been used to create village and neighborhood centers from around the country. Meeting participants were asked to share ideas for development in the Lardo and West Valley areas and to raise issues important to them.

A summary of what residents of McCall felt was important:

- Bike/pedestrian paths, parks, and open space
- Making it easier to walk to places
- Access to the river
- Protecting the things that make McCall special
- Connecting neighborhoods – providing services to neighborhoods without them now
- Creating gateways/special places when you enter neighborhoods
- Housing that families can afford
- Limiting strip development
- New development should be connected and not just pods
- Natural beauty
- Keeping McCall a real community and not just a resort town

Following the kick-off meeting, the Team held public workshops on Tuesday afternoon to discuss opportunities in Lardo and Wednesday afternoon to discuss West Valley. At these workshops, attendees provided the Team with ideas about the kinds of land uses that should be incorporated at the sites; where streets, trails and public spaces could be located; and what issues were most important to cover. The Team used this input to create draft concepts for each of the areas that were presented during each evening's public meetings. These evening meetings gave participants another opportunity to ensure that the Team's designs and concepts responded to community goals.

On Thursday the Team refined the concepts for both sites based on the input received at the public meetings. The Team presented the findings to City Council on Thursday evening. Immediately following the Council meeting, the Team held an open house at the Library where citizens could review the plans and talk with team members.

The week's agenda and attendee lists are attached as Appendix A.