

Mining Gypsum

Developers, foreseeing gold in tiny town west of Vail, plan Costco, mixed-used project, large gated community

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Gypsum - Eagle County's boom times have driven large-scale development down valley to tiny Gypsum, population 5,200.

The old mining town, 35 miles west of Vail, is home to several major new projects, including a Costco warehouse, a 121-acre mixed-use development and a 963-acre, \$950 million gated community targeting second-home-buying baby boomers.

The latter, called Brightwater Club, led the charge. Construction is underway on the private development, which soon will hold 535 single-family homes, a Robert Trent Jones Jr. golf course, 27 acres of lakes and a village that will offer restaurants, a gourmet market, and a fitness center and spa.

Brightwater's two main selling points: ease of access, thanks to its proximity to Eagle County Airport, and, at an altitude of 6,334 feet, a mild climate.

"People said Beaver Creek was too far, Red Sky Ranch was too far - and they were wrong," said Russ Hatle, a partner in Clearwater Development Inc., Brightwater's developer. "Certainly there was a time when it wasn't right to do this here. But the time is right now."

With homesites starting at \$300,000, more than 120 lots have sold to date and 45 more are under contract, totaling more than \$80 million in sales.

The average Brightwater home ranges from \$1.1 million to \$2.1 million, according to Wells Marvin, another partner.

For more than 50 years, Betty Lou Albertson's family owned the ranch where Brightwater is being built. The family felt squeezed out by all the nearby development, she said.

"Ranching isn't profitable now, it's hard to stay in business," said Albertson, who now lives in New Castle. "We knew that we had prime property, so we had to sell."

The land came with senior water rights that were transferred to the town. "It's a big benefit," said Gypsum senior planner Lana Gallegos.

Even so, some locals are beginning to express concern about traffic congestion and the affordability of housing.

"We're embracing the residential cautiously," Gypsum Town Manager Jeff Shroll said. "People certainly don't want the town to get ahead of itself. But commercially, there tends to be a little bit more positive buzz in the air, just because (we) have had to travel so many places for so long just to get basic services."

A 155,000-square-foot Costco store, scheduled to open Oct. 20, expects to draw shoppers from as far as Vail, Aspen and Steamboat Springs, according to manager Ken Wadsworth.

"It's kind of a new thing for Costco to come into a remote area like this, but the demographics really support it," he said. "Just look at the area. It definitely has the income, and this is a good central location."

Eagle County has exploded in recent years, doubling in population from 1990 to 2000, and reaching an estimated 47,530 people in 2005, according to the U.S. Census Bureau. Gypsum has mirrored that trend, growing from 1,750 residents in 1990 to more than 5,200 today.

The Costco store will employ 160 people and is expected to generate more than \$3 million in annual sales-tax revenues, Shroll said.

Gypsum also recently approved plans for a mixed-use project, called Tower Center, to be built by Next Realty Development of McLean, Va.

Plans call for 475,000 square feet of retail, including at least two big-box stores, 330 housing units and at least one hotel.

"The whole valley is filling in," Next Realty principal Richard Kabat said. "Gypsum alone is not large enough to support this kind of development, but it's not geared to serving only Gypsum. The trade area we're going to serve is in excess of 50,000 people, and it's an area that is growing very rapidly."

Tower Center is expected to generate at least \$5 million in annual sales-tax revenue for Gypsum.

The town's coffers have been swelling for several years. Gypsum's real estate transfer tax grew from \$704,800 in 2004 to \$1.48 million last year. Sales-tax revenues grew from \$1.46 million in 2004 to \$2.33 million last year.

Sales-tax revenue from the new projects will help Gypsum pay off its new \$12.2 million recreation center - scheduled to open in November - in less than 10 years, Shroll said.

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