

**Lucky 8 Ranch Special Use Permit Application
Temporary Workforce Housing
Written Narrative**



Description of Use:

Our primary mission for our land use is and will always be:

The revival of a once endangered species and the reclamation of the American farmland, by providing a safe work environment and practicing Holistic Land Management while being environmentally conscious and involving the community. We will provide the highest quality Original American Red Meat and educational agritourism activities!

Currently we raise about 500 head and growing of Bison. We use the approximate 3,000 acres we manage primarily for agriculture use. We graze and hay on all our properties, owned & leased. We also provide agriculture and construction services on other properties in the Routt County area. We also share our ranch with the public for various exciting and educational agritourism activities.

The reason for this Special Use Permit application for Temporary Workforce Housing is to continue to work on finding a solution for a multi generation issue that has been in Routt County since the 1980's and probably beyond. A lack of affordable housing for our local workforce. According to the current Routt County Masterplan, this is an important issue to try and find a solution to in our county. Will it ever be solved? Probably not. By approving more permits like this one we can pave the way to a more affordable solution for our declining agriculture heritage and those newer operation like our that lack the infrastructure of homesteaded ranches to be able to offer our employees cost effective housing solution.

The requested permit has successfully been unanimously granted 2 times by former Routt County Commissioners. There was a stipulation give after the last approval in 2020 that it would

be the final time for extension. However, we are seeking another extension due to various reasoning given below. Since 2020 the socio-economic climate has seen significant changes from record high inflation, interest rates, construction costs, rental prices, gas prices, and much more. We have also seen a significant decrease in farm earnings nationwide as well as a loss of agriculture lands.

In the past we had potential employees turned away from us due to our lack of employee housing with the high prices of long-term rental housing options in the surrounding area, that seem to keep reaching record high. We have also lost potential employment prospects that didn't want our employee housing option, for personal reason, that wanted to live in town, but as an agriculture operation it is very difficult to match the private sector wage rates. We would like to continue to have temporary workforce housing units on our ranch to offset the lack of affordable housing options in our surrounding area. This is a very cost-effective way, as an agriculture property owner, to not spend the enormous capital and time it takes to construct new buildings.

The temporary workforce housing units, similar to that of the oil & gas industry, on our property allows our employees to live on site and not have to travel to work every day. We currently have three wellsite trailers, also known as man camps, to house employees. Each wellsite trailer has 2 separate living quarter, 2 bedrooms, 2 kitchens, and 2 bathrooms. These trailers are self-contained with utilities, except for sewage. They each have a 400-gallon fresh water holding tank. They use propane for forced air furnace heater. The electrical source is connected to the grid via Yampa Valley Electric Association. NWCC designed and approved a septic system for the units which was constructed in 2018.

What is a well site trailer? They are practically a nearly indestructible mobile home designed to withstand interstate travel and being pulled on uneven off-road terrain by bulldozers to remote locations for oil and gas well pads. Each unit is built on an extremely heavy-duty frame/sled negating the need for a foundation at whatever location they are used on, designed to be placed directly on the soil surface. The company Alta-Fab that designed and built these units is world known and they are designed for the rigors of the Northern Territories of Canada and Alaskan climates. Each unit has a stamp of the codes used to build the units at the time.

Why haven't they been able to be permanently permitted with Routt County Building department? Our county building department refuses to permit these units because they are not registered with the state of Colorado HUD. However, the state does not require the registration of every unit brought into the state at the state level, the state allows a regional building department to approve permitting on a case-by-case basis. The only option the building department has given us to permit these units would require us to practically gut the units and rebuild the interior to current building codes that Routt County uses. This would be at an estimated cost of \$100,000 per unit based on what upgrades are needed. As well as the loss of

use per unit to allow employees to live in the units. So far these units have been able to withstand the Routt County climate for 6 years with 1 year of a near record snowfall at the Canadian Building Codes they were constructed to.

Reasons as to why we haven't been able to build or afford constructing a new dwelling with similar attributes of offering our employees private living quarters. We received an estimate for constructing a 6 bedroom, 6 bathrooms, and 6 kitchen dwelling, similar to the accommodation they receive now, of \$1.5 million dollars. As an agriculture operation earning less than \$1 million per year and 50% of our revenue goes towards payroll. Building this structure is unfeasible and unaffordable, especially due to the statistics below.

- Inflation Rates have increase to record highs since the extension in 2020 from 1.2% to 4.7%, 8.0%, and 4.2% from 2021 to current, respectively.
- Construction Materials and Services rates have increase 44% per usable square foot since 2017.
- Loan interest rates have recorded record high and are forecasted to be over 6% in 2024 from 3.10% in 2020
- CO Farms Earning have decreased 16.8% since 2020 with a major decrease of 55.8% year to year in 2022.
- CO Farms Cash receipts have increase by 6.2% since 2017 not outweighing the increase in expenses which has increase by 7.4% since 2017.
- Routt County Real Estate sale prices for a single-family residence has increased by 163% since 2017 with the current average sale price being \$1.85 million.

Reasons why this is a logical temporary solution to help reduce the need for employee housing in Routt County. We want to continue to use the benefits of the Temporary Workforce Housing permit while our operation continues to preserve the rural agriculture heritage of Routt County and works towards building permanent infrastructure such as a bunk house to house our employees.

- Residential Rents have increase by 23.6% since 2017.
- Over 50% of Routt County residents live above the housing burden threshold of more that 50% of their income is spent on housing.
- Routt County is currently in a seller's market with record high interest rates which doesn't allow the common workers to be able to afford buying a house.
- A single-family household needs to make over \$200k per year to be able to afford housing at the current market value. Where the current median household earns \$95,144.
- The local short term rental market has eclipsed the long-term rental market.

Beside statistics that have been constantly reported over the years. We started this ranch in 2013 with a vision of reclaiming and improving the American farmland and keeping rural area in Routt County from being subdivided. According to the 2017 USDA agriculture census Routt County agriculture land acreage had decreased by 24% since 2012. The average Net income from those ranches also decreased by 156%. It will be interesting to see what the trend is from 2017 to 2022 when the report comes out in 2024. With stats like this it's no wonder why so many ranches are selling their properties to developers. An unknown fact about the land Lucky 8 Ranch occupies is that prior to L8R acquiring the land it had plans for a large subdivision.

Hours of Operation:

The temporary housing units will be used to house employees and/or family of the ranch entity. They will not be rented out to others therefore will not have business hours of operation.

Anticipated number of employees:

Lucky 8 Ranch currently has 2 full time members on staff (2 Ranch Hand). We anticipate hiring seasonal and full-time employees for various positions at the ranch.

Projected 2024 Positions Available:

2 – 5 Ranch Hands

2 – 3 Agritourism Tour Guides

We are not looking to house families in these units. We are expecting 2 tenants per trailer for a total of 6 persons in the housing camp. If a potential employee does however have a family, we would allow that person to stay in the unit with their family and probably occupy and entire trailer.

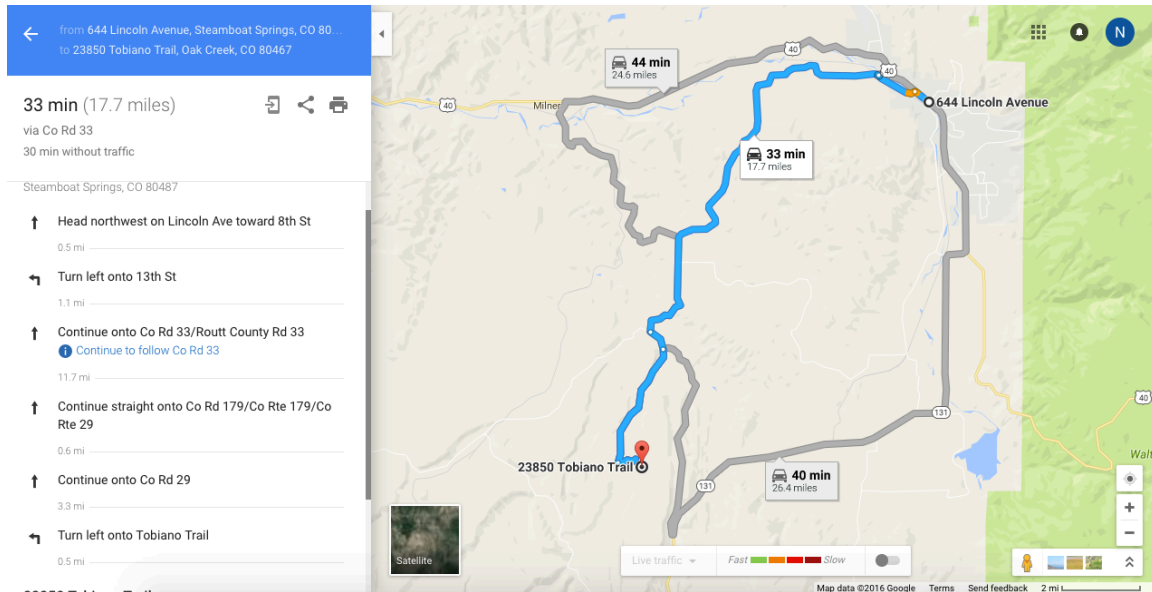
Anticipated Traffic:

By adding these units, we anticipated less traffic traveling to the ranch. With them being housed at the ranch, there will be no need for them to drive in and out daily.

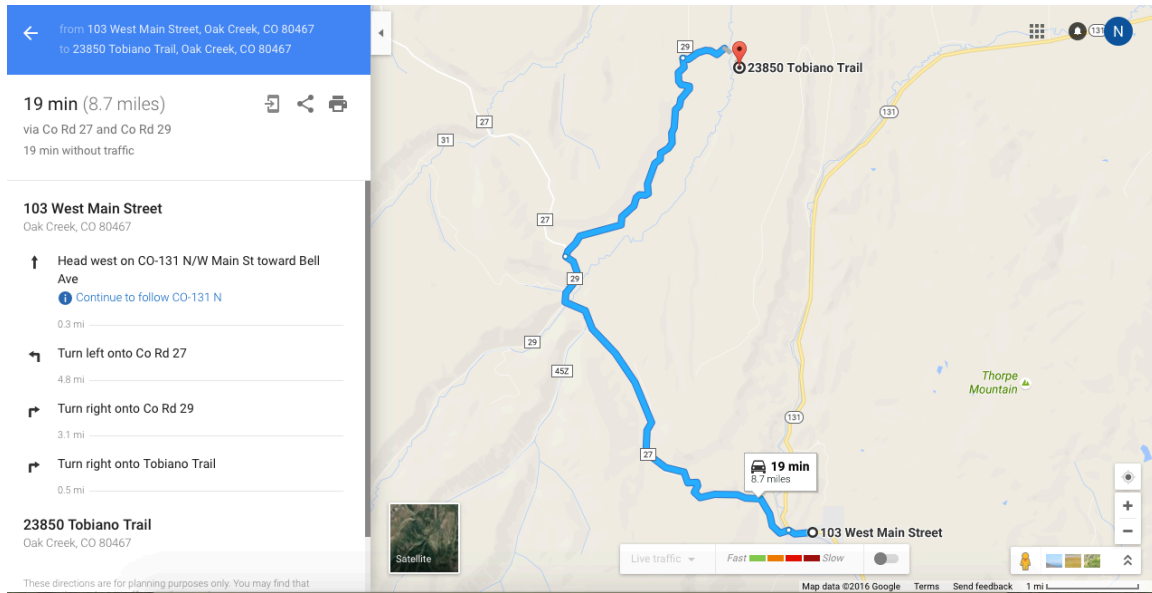
Access to the Property:

Access to the proposed units is through the barn yard at the ranch headquarters on the Homestead Ditch Road/Trail.

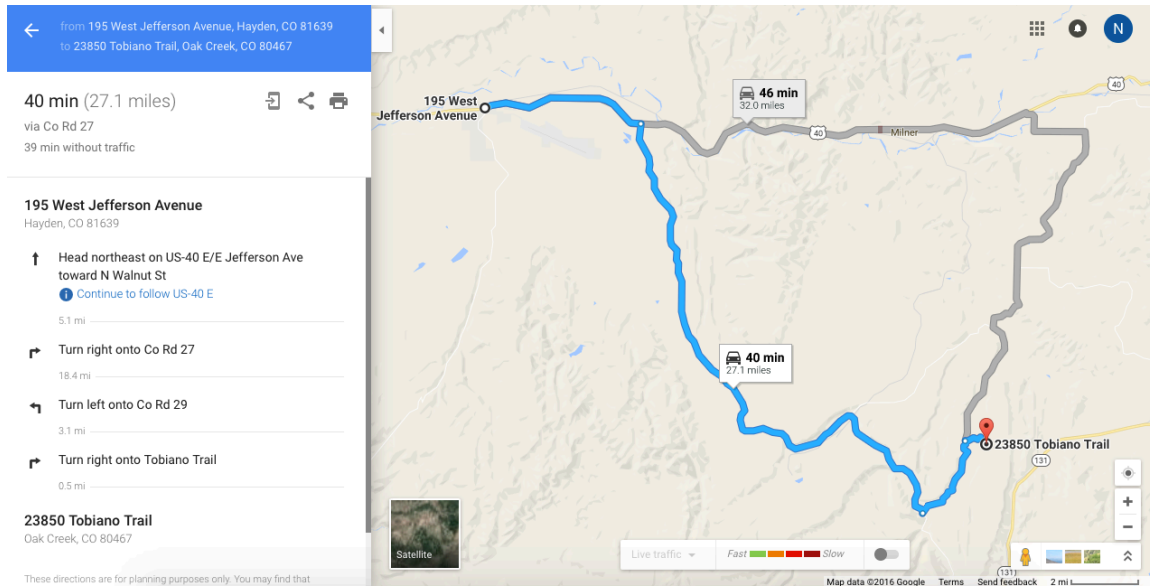
From Downtown Steamboat Springs Google Maps shows three routes.



From Oak Creek



From Hayden



Type of Equipment and Vehicles:

3 – Wellsite Trailers

Reclamation & Revegetation Plan:

After the use & removal of the temporary housing units we will put 1.5” rock as this area is our barn yard and will most likely be used for equipment and material storage.

Site Fire Safety Plan:

Attached.

Floor Plans & Elevation Drawings:

Attached.