

# Transportation Impact Fee for Eastern Plains of Arapahoe County

Public Meeting  
Arapahoe County Fairgrounds  
Arapahoe County, CO  
October 19, 2016



# Purpose of Public Meeting

- **Introduction**

Arapahoe County – Bryan Weimer, PWLF Transportation  
– Larry Mugler, Planning

TischlerBise – Dwayne Guthrie, PhD, AICP

- **Background and Future Demands in Eastern Arapahoe County**
- **Transportation Impact Fee Methodology & Calculations**
- **Next Steps**



## Platting vs 35 Ac

### Disproportionate Transportation Impact Responsibilities

Platting – 2-lanes, C/G/SW where applicable,  
Turns Lanes

35 Ac – Access Only (typical)

### Arapahoe County 2035 Transportation Plan

\$700 - \$900 Million (2010 \$\$) - \$300M (Eastern)

Not all Eastern Roadways Paved/Improved





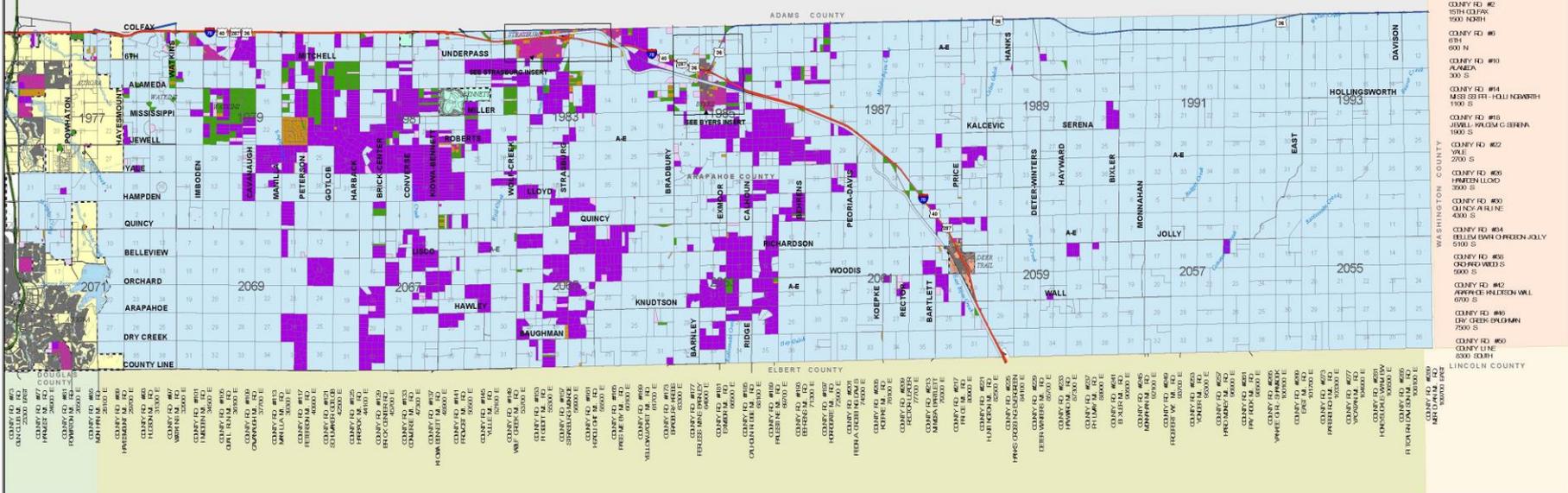
# Eastern Arapahoe County Lot Sizes No.s

<u>Parcel Size</u>	<u>Total</u>
40 + Acres	1,199
35 to 40 Acres	1,113
20 to 35 Acres	102
10 to 20 Acres	279
5 to 10 Acres	247
Less Than 5 Acres	1,858
<b>Total</b>	<b>4,798</b>

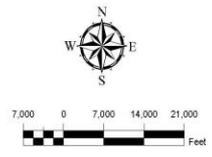
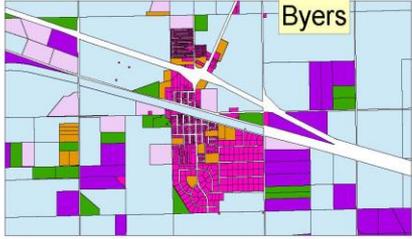
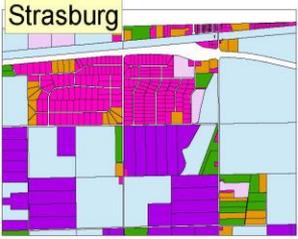


# Eastern Arapahoe County Lot Sizes No.s

## Parcel Size Rural Portion of Arapahoe County, Colorado



- Legend**
- More than 40 Acres = 1199 Parcels
  - 35 to 40 Acres = 1113 Parcels
  - 20 to 35 Acres = 102 Parcels
  - 10 to 20 Acres = 270 Parcels
  - 5 to 10 Acres = 247 Parcels
  - Less than 5 Acres = 1858 parcels



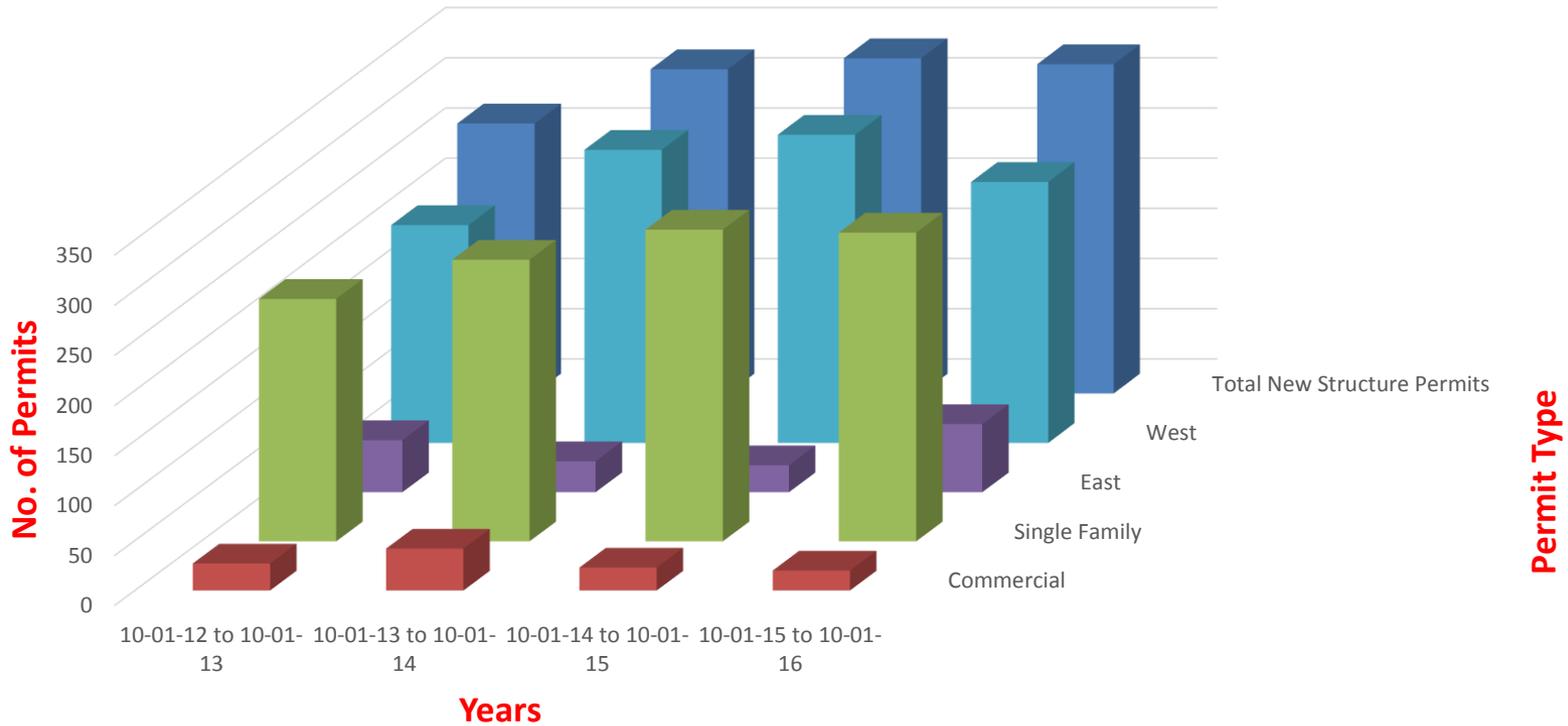
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# Building Permit History

## Building Permit Issued



Date Range	Total New Structure Permits	Commercial	Single Family	East	% of total	West	% of total
10-01-12 to 10-01-13	269	27	242	52	19.3%	217	80.7%
10-01-13 to 10-01-14	323	42	281	31	9.6%	292	90.4%
10-01-14 to 10-01-15	334	23	311	27	8.1%	307	91.9%
10-01-15 to 10-01-16	328	20	308	68	20.7%	260	79.3%



## Transportation Plan Evaluated Funding Mechanisms Options

- Impacts from Growth Exists & Will Continue No Matter Plat vs 35 Ac (Capital and Maintenance)
- Option Needs to Be Stable & Related to Growth
- Legally Implementable

**Cost of Frontage Improvements Often In Excess of Property Values**

**Current County Funding Not Adequate to Keep Pace with Transportation Impacts**





# Key Findings of Study

- **There will be Substantial Growth east of Gun Club Road thru 2040**
- **New Development will Create Demand for Transportation Capital Improvements**
- **2035 Trans Plan Est. Cost - \$700 -\$900M**
  - \$450M Est. to be County Responsibility
  - Remainder (Developer, Local, State, Federal)
- **County Funding Alone Cannot Fund Demands**





# Fee Area & Roadways



# Service Area and Growth Projections



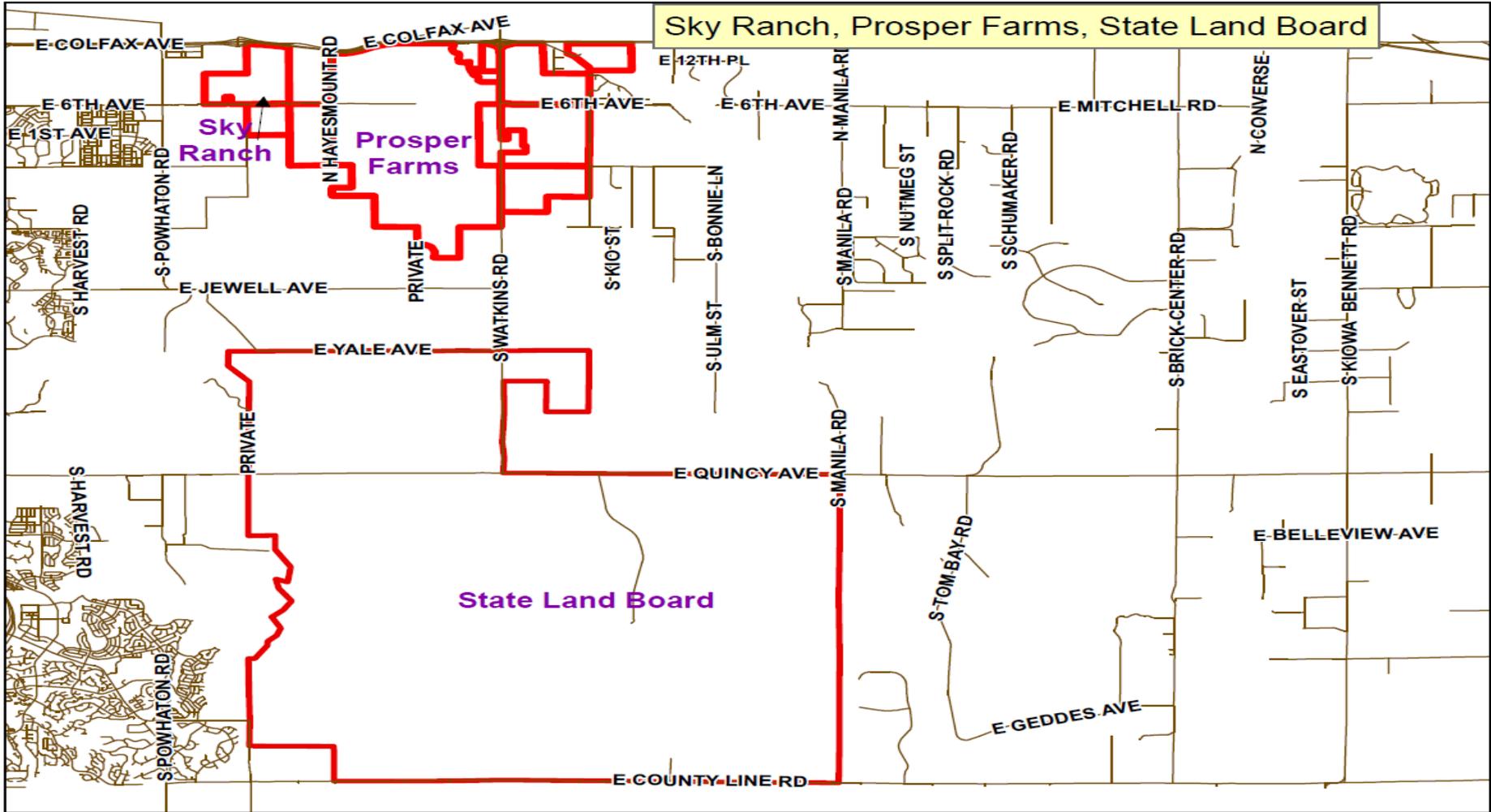
## Eastern Plains of Arapahoe County, Colorado

FY begins January 1st

	2010	2016	2020	2030	2040	Compound Annual Growth
Eastern Plains Population	6,879	11,379	15,916	36,824	85,200	8.75%
<b>Eastern Plains Housing Units</b>						
Dwellings (all types)	2,646	4,377	6,122	14,163	32,769	8.75%
Persons per Housing Unit	2.60	2.60	2.60	2.60	2.60	
<b>Eastern Plains Jobs (place of work)</b>						
Industrial (44%)	748	963	1,139	1,734	2,640	4.29%
Retail/Restaurant (25%)	425	547	647	985	1,500	4.29%
Office & Other Services (31%)	527	678	802	1,222	1,860	4.29%
<b>Total</b>	<b>1,700</b>	<b>2,188</b>	<b>2,588</b>	<b>3,941</b>	<b>6,000</b>	<b>4.29%</b>
Jobs-Housing Ratio	0.64	0.50	0.42	0.28	0.18	
<b>Eastern Plains Nonresidential Floor Area (square feet in thousands - KSF)</b>						
Industrial KSF	417	537	635	967	1,472	4.29%
Retail/Restaurant KSF	213	274	324	493	750	4.29%
Office & Other Services KSF	159	204	241	368	560	4.29%
<b>Total</b>	<b>789</b>	<b>1,015</b>	<b>1,200</b>	<b>1,828</b>	<b>2,782</b>	<b>4.29%</b>

Eastern Plains includes all of Tiers 1, 2, and 3

# Current Known Large Developments



# Current Known Large Developments

## Prosper Development

- 5,130 Acres
- 9,000 Dwelling Units
- 8,000,000 SF Commercial/Mix Uses
- Location
  - ▶ South of I-70 Generally to Mississippi Avenue
  - ▶ Between Hayesmout Road & Imboden Road
  - ▶ Watkins Road Generally in Middle of Development

## Sky Ranch Development

- 931 Acres
- 4850 Dwelling Units
- 1,350,000 SF Commercial/Mix Uses
- Location
  - ▶ South of I-70 @ Monaghan





## Current Funding (2016)

- Property Taxes, Current Mill Levy 13.856 (\$123M)
- CEF – 0.513 Mills (\$4.5M), Between \$4-5M Annual
- R&B - 0.654 Mills (\$5.8M), Share ½ w/ Cities
- HUTF - R&B Maintenance (\$8.3M)
- Federal – Varies by Projects Eligible

## Example Infrastructure Costs

- Traffic Signal - \$250,000
- Intersection - \$4-18M
- Lane-Mile Average - \$800,000





# Transportation Impact Fees

- **Enable Legislation in 2001 (Sec 29-20-102 thru 204 CRS)**
- **One Time Payment on New Development Solely for Growth-Related Capital Projects**
  - System Improvements
  - Growth Proportionate Share
  - Benefits Multiple Development/Service Area
  - Useful Life of 5-Years
- **Must be Legislatively Adopted & Apply to a Broad Class of Properties**
  - Defray Capital Costs Directly Related to New Development
  - CRS Does Not Allow Admin Costs & CIP Prep
  - Not Regarded as a Total Solution





# Transportation Impact Fees

- **No Operating or Maintenance Costs**
  - Cannot Be Used to Repair or Correct Existing Deficiencies in Existing Infrastructure
- **State & Federal Courts Rulings – Legitimate Form of Land Use Regulations**
  - 5<sup>th</sup> Amendment
  - Advance a Legitimate Governmental Interest (Public Health, Welfare, Safety)
- **Cannot Charge Twice for Same Improvements**
  - Fee vs Exaction
- **Accounting Standards Followed (CRS 29-1-801)**





# Impact Fee Fundamentals

- **Can't be used for operations, maintenance, or replacement**
- **Not a tax but more like a contractual arrangement to build infrastructure, with three requirements**
  - Need (system improvements, not project-level improvements)
  - Benefit to fee payer (usually not developers/builders)
    - Short range expenditures
    - Geographic service areas and/or benefit districts
  - Proportionate (Vehicle Miles of Travel by type and size of development)





# Impact Fee Methodology

## ➤ Cost Recovery

- New Development Pays for its Share of Capacity or Remaining Life
- Provide Capacity Before new Development

## ➤ Incremental Expansion

- Document Current LOS
- New Development Pays Proportionate Share to Maintain Current Standards

## ➤ Plan-Based

- Allocates cost for Specific Set of Improvements to Specified Amount of Development
- 1) Total Cost divided by Total Service Units or 2) Growth Share divided by Service Unit Increase

## ➤ Credits – Integral to Legally Defensible Impact Fee





# Funding Options for Transportation Capacity

- **Accept lower levels of service (do nothing or do less option)**
  - Eliminate line items from list of system improvements
- **Provide funding from broad-based revenues like property tax**
- **Shift funding burden from collective system improvements to individual projects-level improvements, special improvement districts, or special assessments**

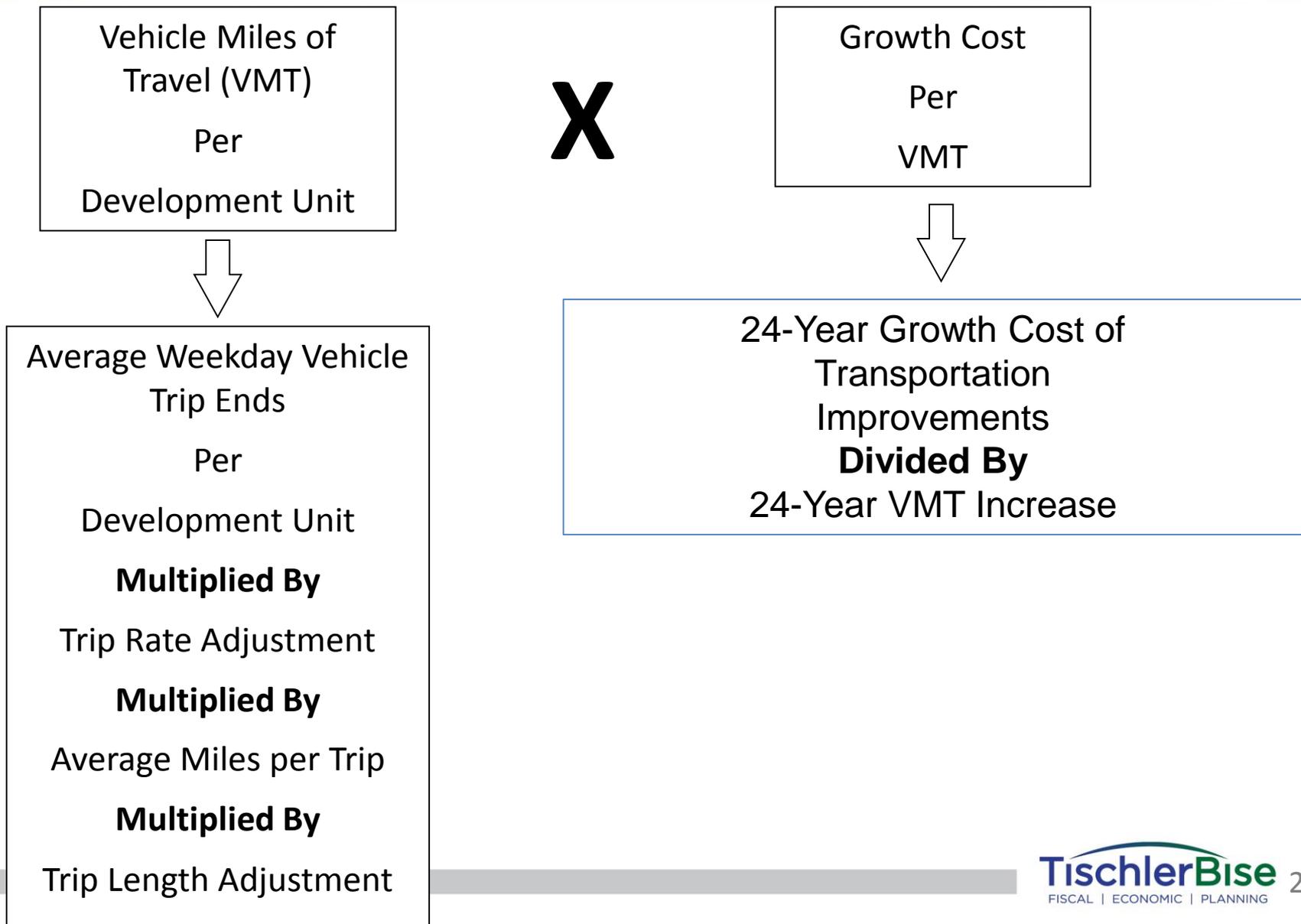


# Planned System Improvements

Backbone Roadways	Plus/Start	Minus/End	Brick-Center Improvement	Jewel Lane Miles	Total Cost	Other Revenue	Growth Cost (impact fees)	Growth Share	
Quincy Road	Kiowa-Bennett	Strasburg Road	Asphalt Pavement 2 Lanes	10	\$8,000,000	\$2,640,000	\$5,360,000	67%	
Quincy Road	Strasburg Road	Bradbury	Asphalt Pavement 2 Lanes	8	\$6,400,000	\$2,112,000	\$4,288,000	67%	
Quincy Road	Bradbury	Exmoor	New 2 Lanes	4	\$3,200,000	\$1,600,000	\$1,600,000	50%	
Quincy Road	Gun Club	Watkins	Asphalt Widening to 5	20	\$35,000,000	\$10,850,000	\$24,150,000	69%	
Watkins Road	Mississippi	Quincy Road	Widening 2 to 5 lanes	16	\$28,000,000	\$4,200,000	\$23,800,000	85%	
6th Avenue	Imbodin	Manila	New 2 Lanes	6	\$4,800,000	\$1,200,000	\$3,600,000	75%	
6th Avenue	Manila	Kiowa Bennett	New 2nd Pavement 2 Lanes	12	\$9,600,000	\$9,600,000	\$0	0%	
Brick-Center	Quincy	County Line	Gravel Pavement 2 Lanes	10	\$8,000,000	\$3,520,000	\$4,480,000	56%	
County Line Road	Peterson Mi	Strasburg	Gravel Pavement 2 Lanes	20	\$16,000,000	\$7,040,000	\$8,960,000	56%	
Wolf Creek	Quincy	County Line	Gravel Pavement 2 Lanes	10	\$8,000,000	\$3,520,000	\$4,480,000	56%	
Strasburg	County Line	Knudtson	Gravel Pavement 2 Lanes	4	\$3,200,000	\$1,408,000	\$1,792,000	56%	
Bradbury	US 36	Quincy Road	Gravel Pavement 2 Lanes	22	\$17,600,000	\$5,808,000	\$11,792,000	67%	
Knudtson Rd	Strasburg	Exmoor Rd	Gravel Pavement 2 Lanes	12	\$9,600,000	\$3,168,000	\$6,432,000	67%	
Woodis Rd	Exmoor	Deer Trail	Gravel Pavement 2 Lanes	17	\$13,600,000	\$4,488,000	\$9,112,000	67%	
Subtotal					171	\$171,000,000	\$61,154,000	<b>\$109,846,000</b>	64%
Roadways Growth Cost per Lane Mile								\$642,000	



# Basic Transportation Impact Fee Formula



# Preliminary Fees

## Preliminary Input Variables for 2016 Transportation Impact Fee

Average Miles per Trip	4.0
Additional Lane Miles over Ten Years	171
Growth Cost per Additional Lane Mile	\$642,000
24-Year Growth Cost	\$109,846,000
VMT Increase over 24 Years	717,346
Growth Cost per VMT	\$153.12

## Residential (per dwelling unit)

Square Feet of Finished Living Space	Avg Wkly Veh Trip Ends	Trip Rate Adjustment	Trip Length Adjustment	Preliminary Fee
1100 or less	5.64	56%	111%	\$2,147
1101 to 1700	7.92	56%	111%	\$3,015
1701 to 2300	9.50	56%	111%	\$3,616
2301 to 2900	10.72	56%	111%	\$4,081
2901 or more	11.70	56%	111%	\$4,454

Revised Fee

\$1,503  
\$2,111  
\$2,531  
\$2,857  
\$3,118

## Nonresidential (per 1,000 square feet of floor area)

Development Type	Avg Wkly Veh Trip Ends	Trip Rate Adjustment	Trip Length Adjustment	Preliminary Fee
Industrial	3.82	50%	94%	\$1,099
Retail/Restaurant	42.70	33%	63%	\$5,437
Office & Other Services	11.03	50%	94%	\$3,175

Revised Fee

\$769  
\$3,806  
\$2,223



# Projected Impact Fee Revenue – Revised

		24 - Year Cost of Transportation Improvements				
			Growth Cost =>	\$109,846,000	Original	64%
	Est. Co:	\$171,000,000		\$75,182,211	Revised	44%
		Transportation Impact Fee Revenue				
		Average - Size Residential	Industrial	Retail / Restaurant	Office & Other Services	
		\$2,531	\$769	\$3,806	\$2,223	
		per Housing Unit	per 1000 Sq Ft	per 1000 Sq Ft	per 1000 Sq Ft	
	Year	Hsg Units	KSF	KSF	KSF	
Base	2016	4377	537	274	204	
Year 1	2017	4760	560	285	213	
Year 2	2018	5176	584	298	222	
Year 3	2019	5629	609	310	232	
Year 4	2020	6122	635	324	241	
Year 14	2030	14163	967	493	368	
Year 24	2040	32769	1472	750	560	
	24-Yr Increase	28392	935	476	356	
	Projected Revenue =>	\$71,860,152	\$719,015	\$1,811,656	\$791,388	
		Total Projected Revenues (rounded) =>			\$75,182,211	
	Res Share =>	96%		NonRes Share =>	4%	



# Preliminary Fee Comparisons

Jurisdiction	Average Single Dwelling	Light Industrial per KSF*	Commercial per KSF*	Office per KSF*
Adams County	\$1,599	\$776	\$2,131	\$1,178
Weld County	\$2,377	\$2,141	\$3,296	\$2,174
Loveland 2016	\$2,519	\$1,840	\$7,730	\$3,470
Fort Collins 2015	\$3,112	\$2,220	\$11,930	\$7,760
Larimer County 2015	\$3,418	\$2,894	\$8,812	\$4,726
Jefferson County	\$3,716	\$1,720	\$5,930	\$3,980
Larimer County 04/07/16 Draft	\$4,002	\$1,313	\$6,425	\$3,794
Fort Collins 06/22/16 Draft	\$4,936	\$1,879	\$9,820	\$5,823

\*Assumes 100 KSF (square feet) of floor area in thousands).

Source: Table compiled by TischlerBise (October 2015 to June 2016).

Residential  
\$2,531

Industrial  
\$769

Commercial  
\$3,806

Office  
\$2,223





# Other Comparisons

**\$175 to \$200 /SF => 0.62% to 0.55% on 2300 SF Home**

	<u>Current</u> <u>Rate</u>	<u>Proposed</u> <u>2017</u>	<u>Proposed</u> <u>2018</u>
<b>Castle Rock Fee</b>	\$2,725	\$3,482	\$6,104

	<u>Single Family</u>	<u>Retail</u>	<u>Office</u>	<u>Industrial</u>
<b>Arapahoe County RTIF</b>	\$1,804 (2 Car) \$2,345 (3 Car)	\$1,440	\$1,340	\$730

**Cost to develop a hypothetical 333 single family DU development with a 4.97 DU/Ac development on 67 acres**

<u>Jurisdiction</u>	<u>Total Amount</u>	<u>Dollar/Unit</u>	<u>W/Fee</u>
Arapahoe	\$887,893	\$2,666.35	\$1,730,716
Douglas	\$1,380,021	\$4,144.21	
Aurora	\$3,348,938	\$10,056.87	
Centennial	\$2,038,755	\$6,122.39	
Adams	\$1,071,846	\$3,218.76	
			<b>\$1,604,313</b>



# Pros/Cons to Consider

## Pro

- Raise Additional \$\$\$
- Equity Between Platted and 35 Ac Lots
- \$\$\$ to Complete Need Road Network – Capital
- \$\$\$ Addressing Impact
- Balance Across Land Uses

## Con

- Expectation to use \$\$\$ Collected
- County Dollar Match
- Only Addresses new Development
- Can't Use \$\$\$ for Maintenance
- Challenge with Start-up

PROS

&

CONS



# Public Involvement & Schedule

## If a Rural Transportation Impact Fee is Desired by BOCC, then Public Meetings

Purpose = Educate for Need, Feedback

### Public Meeting with:

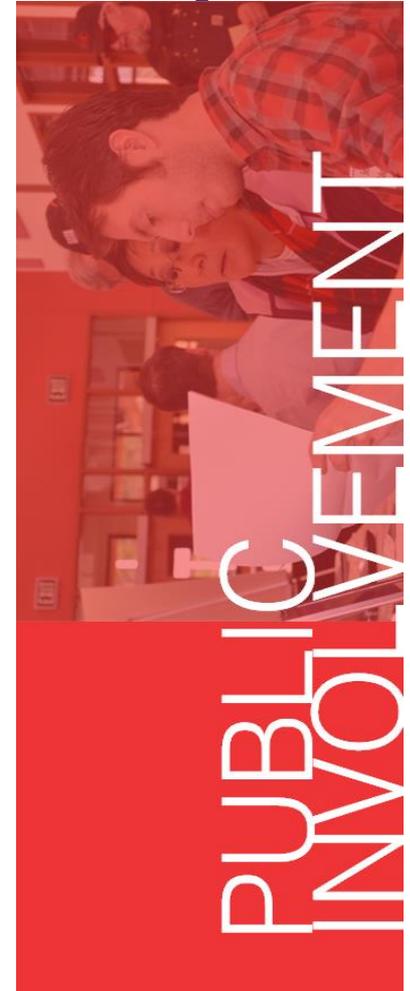
Major Property Owners/Developers/Builders  
General Public

### Study Session with:

Planning Commission 10/18/16  
Board of County Commissioners 11/1/16

### BOCC Public Hearing – 11/22/16

### Implementation – TBD (Jan 1, 2017?)





# Next Steps

1. Public Meeting
2. Post Presentation & Other Material on Website
3. Share Feedback with BOCC on Public Involvement – Study Session
4. Finalize Adoption Resolution (Fee Adj – Construction Index, Review Periodically, Etc.).
5. Once Approved Setup Accounting



Question

