

# Rural Transportation Impact Fee for Eastern Plains of Arapahoe County

BOCC Public Hearing -Adoption

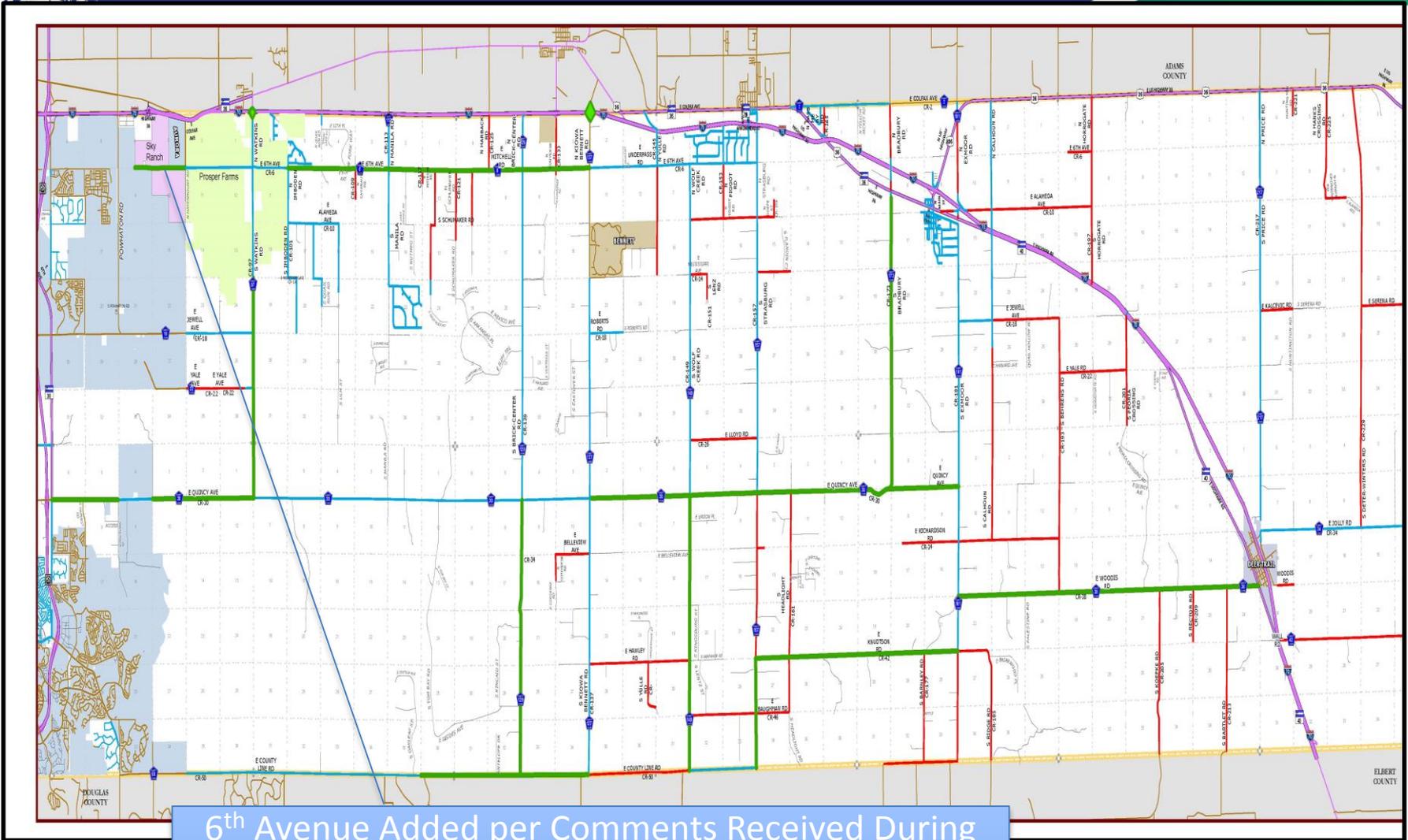
Arapahoe County Admin

Arapahoe County, CO

November 22, 2016



# Fee Area & Roadways



6th Avenue Added per Comments Received During Public Meeting. Also Added Lane Mileage to Account for Potential Undesignated Roadways that May Warrant Improvements.



# Planned System Improvements

Eastern Plains Roadways	Transportation System Start	Improvements End	10/28/16 Improvement	Lane Miles	Total Cost	Other Revenue	Growth Cost (impact fees)	Growth Share
Quincy Road	Kiowa-Bennett	Strasburg Road	Asphalt Pavement 2 Lanes	10.0	\$8,000,000	\$2,640,000	\$5,360,000	67%
Quincy Road	Strasburg Road	Bradbury	Asphalt Pavement 2 Lanes	8.0	\$6,400,000	\$2,112,000	\$4,288,000	67%
Quincy Road	Bradbury	Exmoor	New 2 Lanes	4.0	\$3,200,000	\$1,600,000	\$1,600,000	50%
Quincy Road	Gun Club	Watkins	Asphalt Widening to 35'	20.0	\$35,000,000	\$10,850,000	\$24,150,000	69%
Watkins Road	Mississippi	Quincy Road	Widening 2 to 3 lanes	16.0	\$28,000,000	\$4,200,000	\$23,800,000	85%
6th Avenue	Imbodin	Manila	New 2 Lanes	6.0	\$4,800,000	\$1,200,000	\$3,600,000	75%
6th Avenue	Manila	Kiowa Bennett	New 2 Lanes	12.0	\$9,600,000	\$9,600,000	\$0	0%
Brick-Center	Quincy	County Line	Gravel Pavement 2 Lanes	10.0	\$8,000,000	\$3,520,000	\$4,480,000	56%
County Line Road	Peterson	Kiowa Bennet	Gravel Pavement 2 Lanes	10.0	\$8,000,000	\$3,520,000	\$4,480,000	56%
Undesignated*				10.0	\$8,000,000	\$3,520,000	\$4,480,000	56%
6th Ave	Sky Ranch	Hayesmount	Widening (1 Lane)	1.5	\$2,250,000	\$1,170,000	\$1,080,000	48%
Wolf Creek	Quincy	County Line	Gravel Pavement 2 Lanes	10.0	\$8,000,000	\$3,520,000	\$4,480,000	56%
Strasburg	County Line	Knudtson	Gravel Pavement 2 Lanes	4.0	\$3,200,000	\$1,408,000	\$1,792,000	56%
Bradbury	US 36	Quincy Road	Gravel Pavement 2 Lanes	22.0	\$17,600,000	\$5,808,000	\$11,792,000	67%
Knudtson Rd	Strasburg	Exmoor Rd	Gravel Pavement 2 Lanes	12.0	\$9,600,000	\$3,168,000	\$6,432,000	67%
Woodis Rd	Exmoor	Deer Trail	Gravel Pavement 2 Lanes	17.0	\$13,600,000	\$4,488,000	\$9,112,000	67%
Subtotal				172.5	\$173,250,000	\$62,324,000	<b>\$110,926,000</b>	64%
*Consistent with Expenditure Guidelines.				Roadways Growth Cost per Lane Mile		\$643,000		

# Maximum and Revised Fees

## Input Variables for 2016 Transportation Impact Fee

Average Miles per Trip	4.04
Additional Lane Miles	172.5
Growth Cost per Additional Lane Mile	\$643,000
24-Year Growth Cost	\$110,926,000
VMT Increase Over 24 Years	724,519
Growth Cost per VMT	\$153.10

## Residential (per dwelling unit)

Square Feet of Finished Living Space	Avg Wkdy Veh Trip Ends	Trip Rate Adjustment	Trip Length Adjustment	Preliminary Fee
1100 or less	5.64	56%	111%	\$2,168
1101 to 1700	7.92	56%	111%	\$3,045
1701 to 2300	9.50	56%	111%	\$3,652
2301 to 2900	10.72	56%	111%	\$4,121
2901 or more	11.70	56%	111%	\$4,498

Revised Fee

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

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

Development Type	Avg Wkdy Veh Trip Ends	Trip Rate Adjustment	Trip Length Adjustment	Preliminary Fee
Industrial	3.82	50%	94%	\$1,110
Retail/Restaurant	42.70	33%	63%	\$5,490
Office & Other Services	11.03	50%	94%	\$3,206

Revised Fee

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



# Projected Impact Fee Revenue – Revised

Projected Transportation Fee Revenue - w/ Revised Fee							
24 - Year Cost of Transportation Improvements							
				Growth Cost =>	\$110,926,000	Original	64%
Est. Co		\$173,250,000			\$75,182,211	Revised	43%
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%	



# Revised 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	

\$1,604,313





# Resolution Summary (1 of 2)

## Implementation Date – April 1, 2017

### Land Use Definition

**Residential** (1<sup>st</sup> & 2<sup>nd</sup> Floors, Exclude Unfinished Basement)

#### **Office/Other Services**

Entertainment, Lodging, Auto Repair, Fitness, Office, health Care, Personal/Prof Services, Bank Day Care, Educational, Religious

#### **Commercial (Retail/Restaurants)**

Retail, Restaurants, Shopping, Auto Sales, Supermarket, Discount Store, Building Materials/Nursery, Furniture

#### **Industrial**

Light, Industrial Park, Manufacturing, Warehouse, Storage





# Resolution Summary (2 of 2)

## Ancillary Uses Not Charged, Gross SF Charged Not Leasable

### Building Expansion > 50%

#### Eligible Improvements

- Carrying Capacity to Arterial
- Constructing Rural Arterial Travel Lane
- Gravel – Pavement
- Intersection Improvements

#### Review Period

- Evaluate Every 2-years
- Rate of Development, System Needs, Colo CPI
- Interest Collected on Dollars





# Recommended Impact Fee Schedule

## RECOMMENDED UPDATED FEE

<u>Resident Size</u>	<u>Residential (per SF Living)</u>	<u>Commercial (per 1000 SF)</u>	<u>Office (per 1000 SF)</u>	<u>Industrial (per 1000 SF)</u>
		\$3,806	\$2,223	\$769
1100 or Less	\$1,503			
1101 to 1700	\$2,111			
1701 to 2300	\$2,531			
2301 to 2900	\$2,857			
2901 or More	\$3,118			



## 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





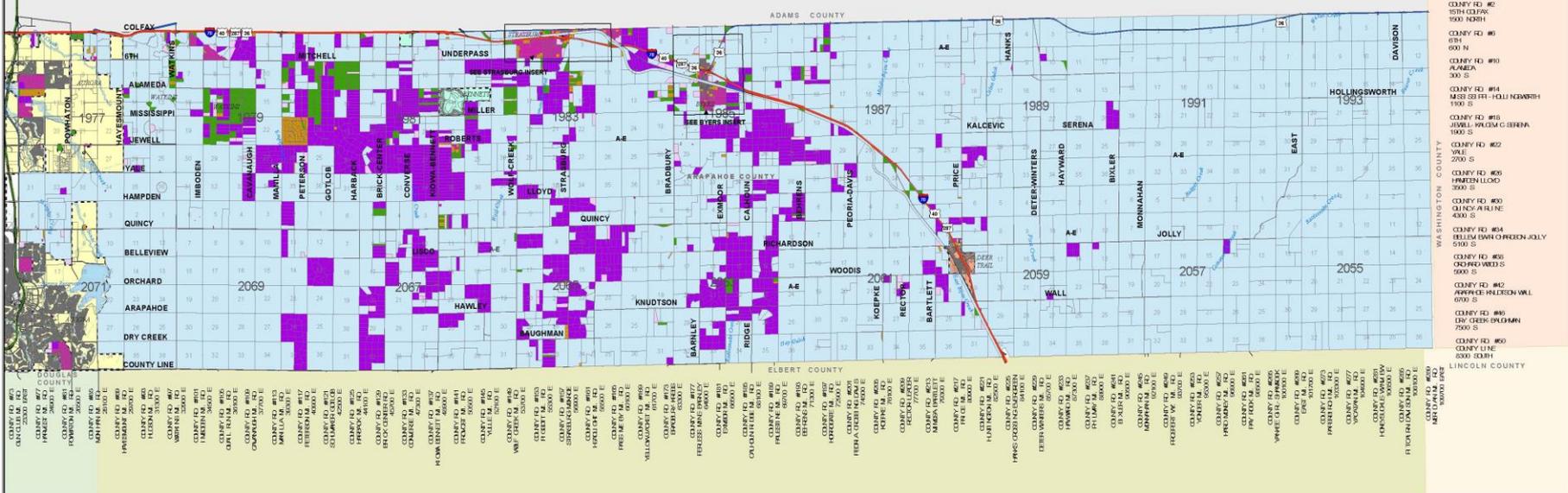
# Eastern Arapahoe County Lot Sizes No.s

<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>

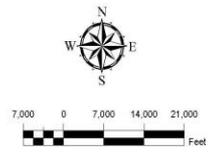
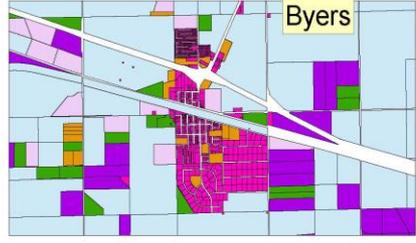
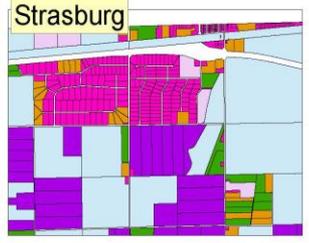


# Eastern Arapahoe County Lot Sizes No.s

## 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



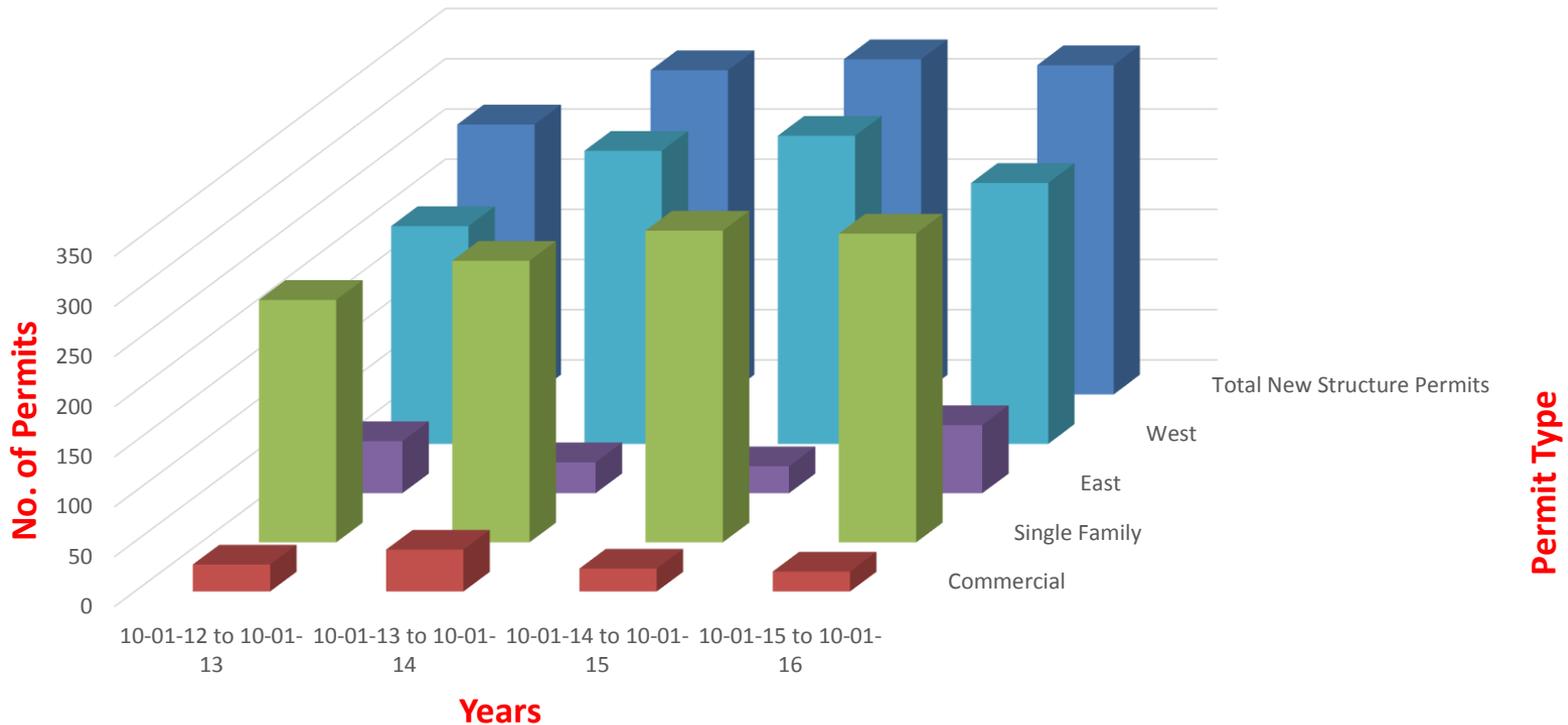
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6024 S. Lewis St.  
Colorado Springs, CO 80912  
719.574.6988  
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# Building Permit History

## 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**



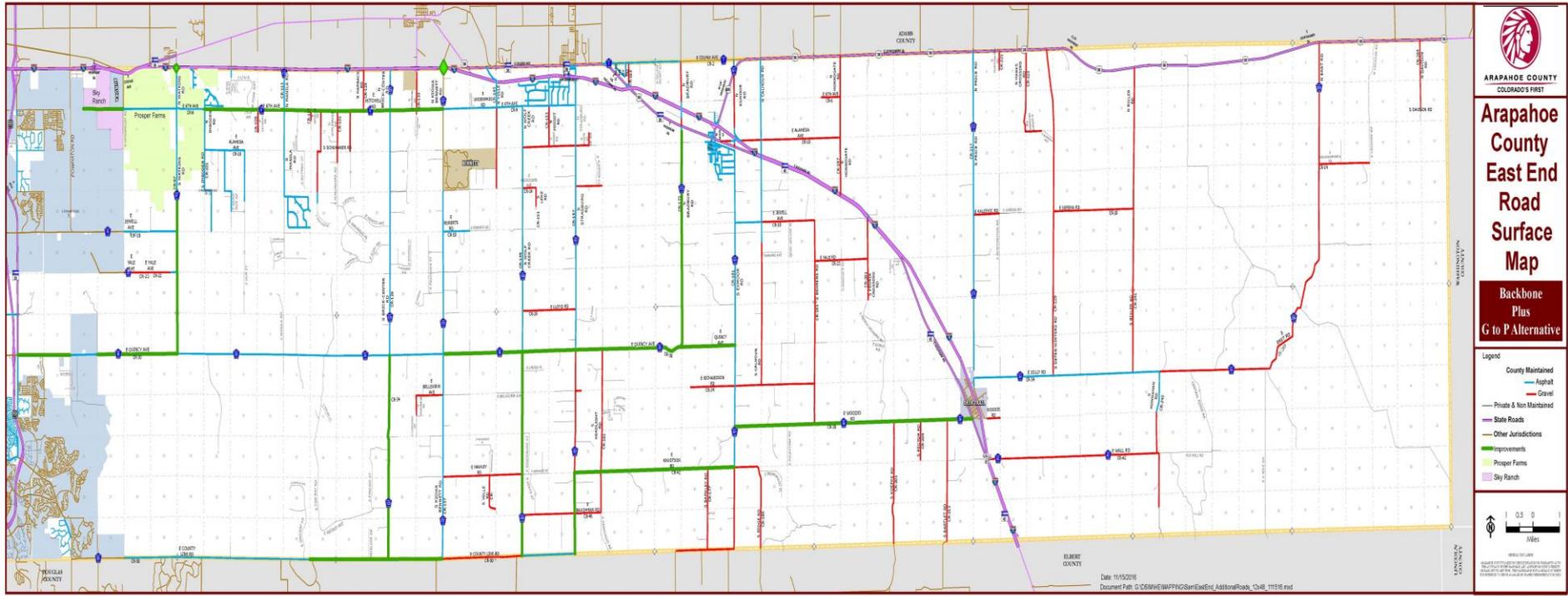


# Key Findings of Study

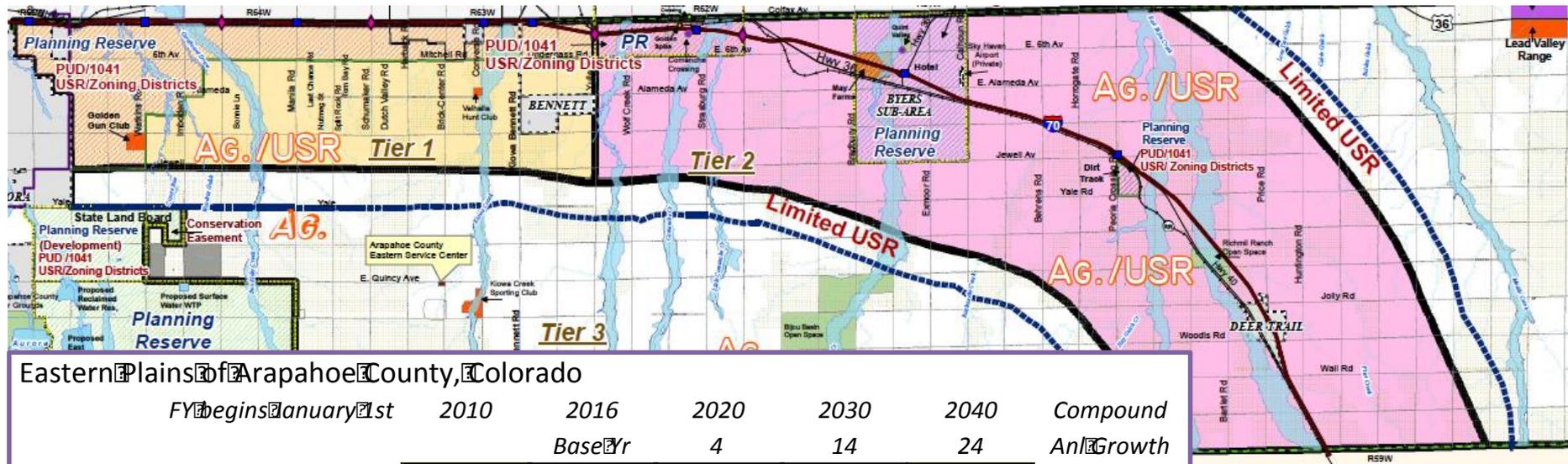
- **There will be Substantial Growth east of Gun Club Road thru 2040**
- **New Development will Create Demand for Transportation Capital Improvements**
- **2035 Trans Plan Est. Cost - \$700 - \$900M**
  - \$450M Est. to be County Responsibility
  - Remainder (Developer, Local, State, Federal)
- **County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



# Fee Area & Roadways



# Service Area and Growth Projections



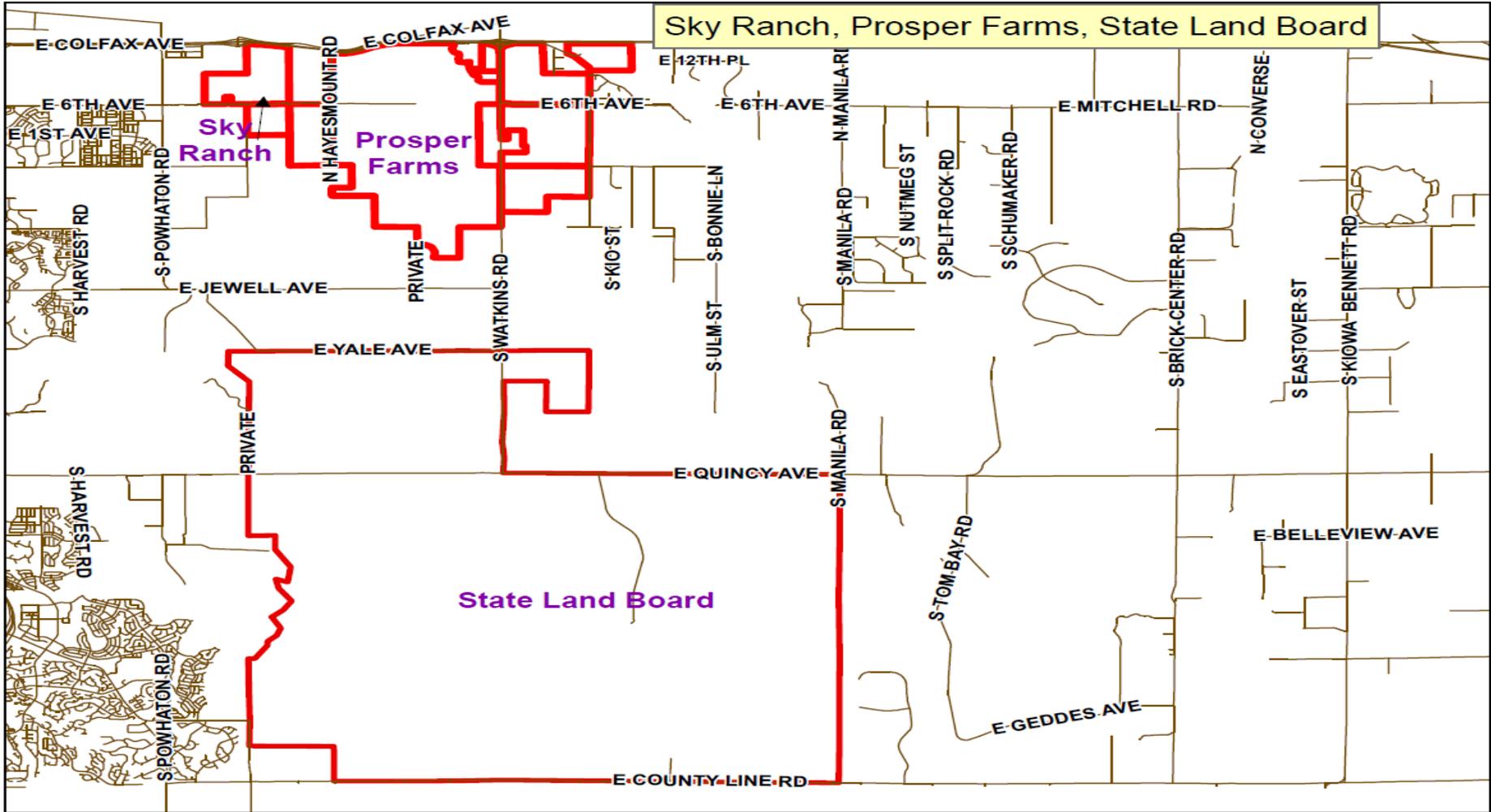
## Eastern Plains of Arapahoe County, Colorado

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





# 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)



## ➤ 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



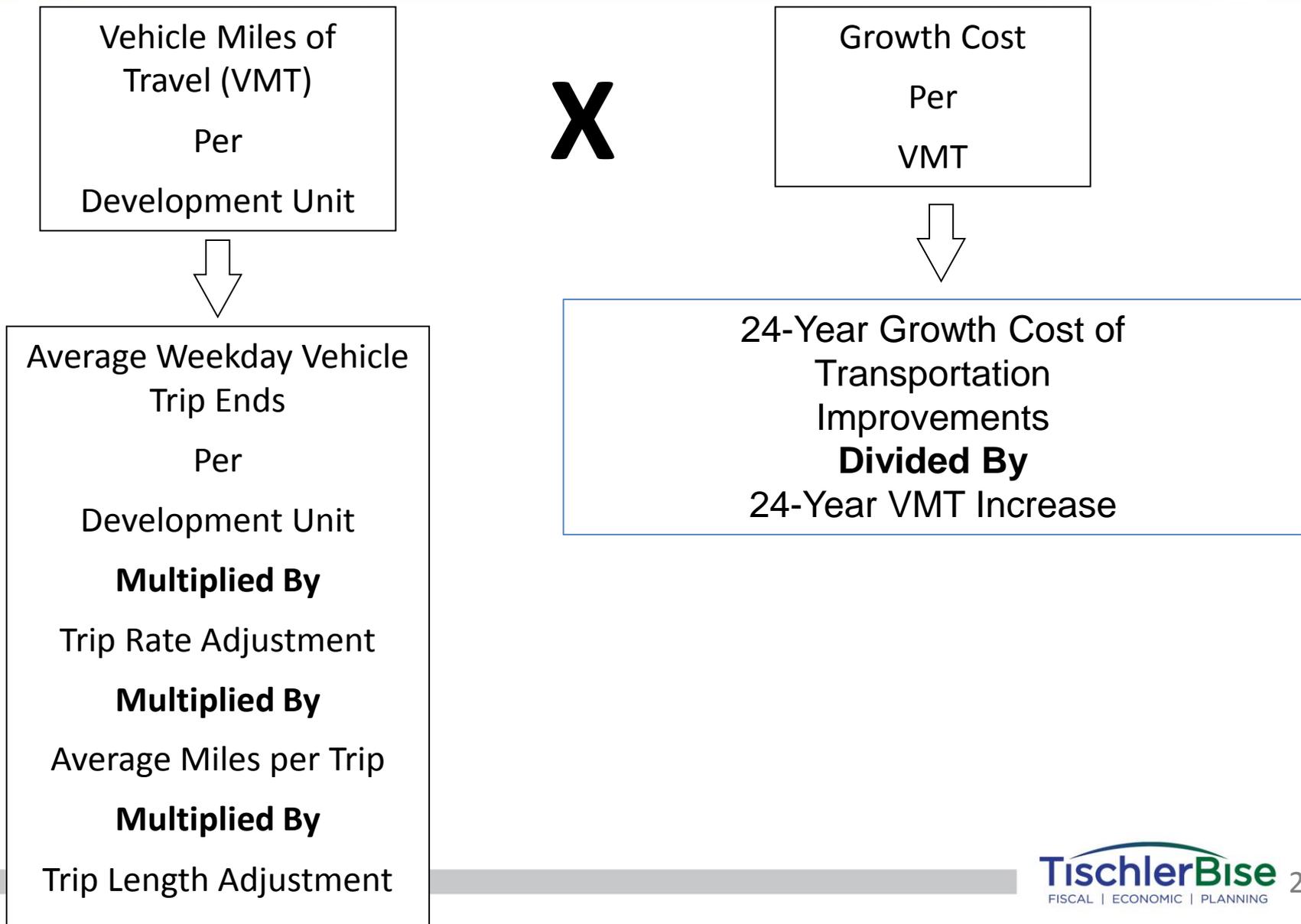


# Funding Options for Transportation Capacity

- **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**



# Basic Transportation Impact Fee Formula



# Public Meeting Summary

## Advertised

I-70 Scout, Press Release, Direct Mailers (> 3000), Direct Emails, Emails to I-70 Chamber, I-70 REAP, Aurora Chamber, Announce at Oct 12 I-70 REAP, Website & Social Media

## Public Meeting

- 14 Call Before Meeting
- 30 Attended Meeting
- After Meeting - One on One Meeting and Email





# Public Meeting Comments

## Implementation Date

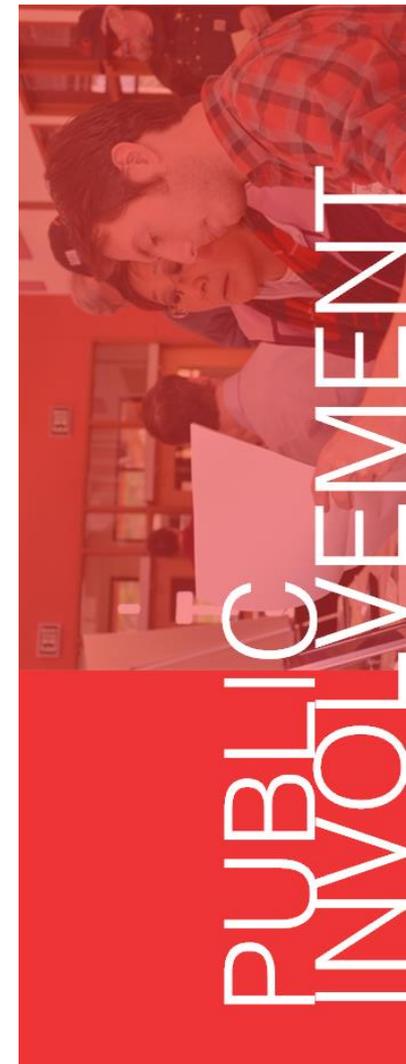
**County Not Receiving Enough for Infrastructure – Suggest Raising Taxes for Roads (Maintenance, CIP)**

## Sky Ranch Benefits

- Offsets for RTD Funding
- Offsets for Regional Funding (I-70)
- No Direct Benefit of Roadways Shown

## County Response

- Regional Transportation Funding is not Consistent w/ Fee Methodology. Did Not Try to Determine Comprehensive Set of Transportation Improvements Regardless of Jurisdiction. Much Higher Fee if this Was Done.
- Added 6<sup>th</sup> Avenue and Unidentified Lane-Mileage





# Tom Bradbury 11/21/16 Email

## Request Waiver/Variance for Bijou Knoll Not Pay Fee

8-yr Project To Date, 18 Homes Remain

Extra \$3000 Fee Have Negative on Market Position

Estimated 99% Residents Utilize I-70

Alt – Defer Fee Until Quincy Extended to Exmoor Rd

## County Staff Response

- Arapahoe County is not restricted to only collect fees for existing facilities that have been oversized for future development (i.e. cost recovery methodology). Fee is planned based methodology.
- The proposed fees assume that new development will pay for the growth share of planned improvements over the next 24 years that are necessary to accommodate new development throughout the entire service area. Arapahoe County will construct segments of the planned “backbone” road network to reduce congestion and provide a grid of alternative routes, which will benefit fee payers.
- Charging a Fee starting April 1 Is Equitable to All Applying for Permit
- Fee is Less than 1% of the Cost of Building Home



Question

