ARAPAHOE COUNTY
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Board Summary Report

Date: November 15, 2016

To: Board of County Commissioners

Through: David M. Schmit, Director
Public Works

From: Bryan D. Weimer, PWLF, Division Manager
Transportation Division

Subject: **C11-006; ARAPAHOE COUNTY RURAL TRANSPORTATION IMPACT FEE STUDY, ADOPTION OF A RURAL TRANSPORTATION IMPACT FEE**

REQUEST AND RECOMMENDATION

Adoption of the Rural Transportation Impact Fee as presented below and describedin the draft implementing resolution.

REVISED UPDATED FEE

Resident Size	Residential (per SF Living)	Commercial (per 1000 SF)	Office (per 1000 SF)	Industrial (per 1000 SF)
		$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			

Links to Align Arapahoe

Service First –
Implementation of a fee helps in addressing the traffic impacts of development in eastern Arapahoe County to improve or at-least keep the same level of service to those citizens that reside and/or use the transportation network.

Quality of Life –
The fee will provide the citizens of eastern Arapahoe County with a safer driving situation through the improvement of the roadway network.

Fiscal Responsible –
The fee helps with the increasing demand on the County's roadway and helps leverage additional funding from those creating the impact going forward. Currently, the County through property taxes is the only funding source for roadway improvements in this area. While some believe that fees are a hindrance to development and economic viability,

numerous studies show the opposite and that fees not only are not a hindrance, but can enhance development by helping in providing the necessary infrastructure to support such growth.

BACKGROUND

Rural Transportation Impact Fee

The primary goal of the project is to evaluate a realistic range of financing options for some, but not all, rural roadway improvements as identified in the County's 2035 Transportation Plan. This effort will build upon the previous work performed and presented in the Impact Fee and Maintenance Funding Options Report prepared in conjunction with the 2035 Transportation Plan. That report and plan were the impetus for the development of this project, and performed initial evaluations of various funding mechanisms. In addition, the financing mechanisms need to be stable and there needs to be user equity based on the impacts created. Finally, the financing mechanism needs to be able to be implemented by the County legally, as well as administered easily and have user acceptance.

Arapahoe County has experienced a large number of new residential development in the form of 35 acre or greater parcel creations in the eastern portion of the County in previous years. These types of parcels have been created without the requirement for any land-use approval from the County and therefore, the County currently does not have a way to have these new developments pay for the impacts they create, as well as for the services needed once such residential development is constructed. Furthermore, there are perceptions that there are disproportionate responsibilities for transportation improvements allocated to single family homes that are required to be processed through the County's land use process versus the 35 acre (and above) parcels. Moreover, it is expected that this and other types of new residential development, as well as associated new non-residential commercial and industrial development, will continue to increase between now and 2040. This new development likewise will drive transportation system needs for capital improvements to serve the increasing demand.

Financing of rural roadway improvements currently comes from developer contributions associated with impacts created by their developments, which are reviewed through the County's land-use process. Currently, the County's requirements for subdivision and planned unit developments are two lanes of pavement, accel/decel lanes as required, curb/gutter/sidewalk where required, etc. along the frontage of the property being processed. In rural areas, the cost of the frontage improvements are often in excess of the property value being developed and therefore become burdensome and creates unintended consequences of the proliferation of 35 acre or greater parcels being created. The other forms of funding rural roadways come from the use of County Road and Bridge Funds or CIP funds. Both of these County funds are from property tax revenue. The amount of taxes collected are not adequate to provide funding for rural roadway improvements or maintenance as it relates to the amount of tax collected from an individual property versus the need or impact created. The County's intent, and as the proposed impact fees have been calculated, is to apply the recommended rural transportation impact fee mechanism to both County regulated and non-regulated land uses in an equitable manner.

Arapahoe County adopted land development codes currently permit mitigation of transportation oriented impacts within certain land use zone districts. The County has identified a greater need for a method of funding transportation impacts in eastern Arapahoe County, which may include a transportation impact fee or other methods of financing transportation improvements. The method of funding that would be developed and adopted would be for the purposes of recouping a proportionate share of the capital costs required to accommodate new development (single home, subdivision, commercial, etc.) and their associated impacts.

DISCUSSION

Key Findings

The general conclusions for the 2035 Arapahoe County Transportation Plan and the analysis performed for this fee are:

- There will be new growth in eastern Arapahoe County east of Gun Club Road between now and 2040.
- The new growth and development will generate a significant demand for construction of capital improvements to the County Roadway Network if the desired level of service is to be maintained.
- The 2035 Arapahoe County Transportation Plan indicates a need for approximately $700 to $900 million in capital roadway improvements out to 2035. Of this total, roughly $450 million is anticipated to be County responsibility with the remaining portion of the total coming from private sources (developers), local governments, State, and/or Federal sources. The portion in the service area for the fee is estimated to be approximately $300 million.
- The County's current fiscal structure cannot adequately fund the road capital improvements needed to accommodate the expected growth and development without either increasing in the Capital Expenditure Fund or establishing a new funding source for roadway improvements.

A legally defensible and rational nexus between land use and impacts created by such has been established with the work performed to date in the 2016 Eastern Plains Transportation Impact Fee Study prepared by consultant Tischler Bise and as presented at previous Study Sessions. This Board Summary Report summarizes the findings of the previous work.

Impact Fees

Local governments in Colorado have powers granted to them via state enabling legislation (Sections 29-20-102 through 204 Colorado Revised Statutes). While the County has the ability to institute a Transportation Impact Fee, they have limitations and therefore should not be regarded as the total solution for infrastructure financing needs. Impact Fees should be considered as a component of a comprehensive portfolio to ensure adequate funding for public facilities. By law, Impact Fee Legislation has several requirements, which are:

- Impact fees must be legislatively adopted and apply to a broad class of properties.
- Impact fees must be directly related to the impacts of the proposed development.
- Impact fees may only be used to fund capital facilities, meaning facilities with a useful life of five years or longer, that are required by local ordinance or policy. They cannot be used for maintenance, to repair infrastructure, or correct an existing deficiency.

- Impact fees may only be used to fund existing and future capital improvements and may not be used to remedy and deficiency in capital facilities that exists without regard to the proposed development.

- Developers may not be charged impact fees to fund facilities to which they have already contributed fees through another mechanism and no individual landowner can be required to provide any site specific dedication of improvement to meet the same need for capital facilities for which the impact or similar development charge is imposed (unless a credit is given for any duplicate costs).

- The accounting for impact fees must be the same as for all other development charges (i.e., they must comply with the requirements of C.R.S. 29-1-801 through 804).

- Impact fees may be waived for affordable housing or employee housing developments, as determined by the governing agency.

Fee Methodology

Since the last time Staff presented to the BOCC, the Consultant looked at the different fee methodologies to determine what might be the appropriate approach for the proposed County Fee. These methodologies include:

Cost Recovery (past improvements)
The rationale for recoupment, often called cost recovery, is that new development is paying for its share of the useful life and remaining capacity of facilities already built, or land already purchased, from which new growth will benefit. This methodology is often used for utility systems that must provide adequate capacity before new development can take place.

Incremental Expansion (concurrent improvements)
The incremental expansion method documents current level-of-service (LOS) standards for each type of public facility, using both quantitative and qualitative measures. New development is only paying its proportionate share for growth-related infrastructure needed to maintain current standards. Revenue will be used to expand or provide additional facilities, as needed to keep pace with new development.

Plan-Based (future improvements)
The plan-based method allocates costs for a specified set of improvements to a specified amount of development. Improvements are typically identified in a capital improvements plan and development potential is identified by land use assumptions. There are two options for determining the cost per service unit: 1) total cost of a public facility can be divided by total service units (average cost), or 2) the growth-share of the capital facility cost can be divided by the net increase in service units over the planning timeframe (marginal cost). Option 2 is used in the 2016 Eastern Plains Transportation Impact Fee Study.

All the above methodologies recognizes three elements of rational nexus: “Need”, “Benefit”, and “Proportionality”. The need was established in the County’s 2035 Transportation Plan. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate impact fees for various types of facilities and categories of development (in this case vehicle miles of travel associated with typical land uses). Benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged, which is similar to what the County does already with the existing RTIF collected in the Smoky Hill Road area.

Regardless of the methodology, a consideration of "credits" is integral to a legally defensible impact fee study. There are two types of "credits" with specific characteristics, both of which should be addressed in studies and ordinances.

- First, a revenue credit might be necessary if there is a double payment situation and other revenues are contributing to the capital costs of infrastructure to be funded by transportation impact fee revenue. This type of credit is integrated into the transportation impact fee calculation, thus reducing the gross amount. In contrast to some studies that only provide general costs, with credits at the back-end of the analysis, Arapahoe County's transportation impact fee study uses growth shares to provide an up-front reduction in total costs. Also, the study provides transportation impact fee revenue projections to verify that new development will fully fund the growth cost of future infrastructure (i.e., only transportation impact fee revenue will pay for growth costs).

- Second, a site-specific credit or developer reimbursement might be necessary for construction of system improvements to be funded by transportation impact fee revenue. This type of credit is addressed in the administration and implementation of the transportation impact fee program.

After evaluating and comparing the methodologies, it was determined that the Plan Based method was best for Arapahoe County's situation and resulted in the lowest per service unit cost.

Rural Road Impact Fees

The first step with the Impact Fee is establishing the **Service Area**. For this Transportation Impact Fee, the Service Area will be eastern Arapahoe County between Gun Club Road and the eastern Arapahoe County Boundary. The roadways that would be eligible for the fee are represented below.

Eastern Plains Transportation System Improvements 10/28/16				*Lane*	*Total*	*Other*	*Growth Cost*	*Growth*
Roadways	*Start*	*End*	*Improvement*	*Miles*	*Cost*	*Revenue*	*(Impact fees)*	*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 2 to 6	20.0	$35,000,000	$10,850,000	$24,150,000	69%
Watkins Road	Mississippi	Quincy Road	Widening - 2 to 6 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 and Pavement - 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	**$110,926,000**	64%
			Roadways Growth Cost per Lane Mile =>				$643,000	

** Consistent with Expenditure Guidelines.*

Note: Roadways within the boundary of Prosper are project-level improvements and will be funded 100% by Prosper, per the Development Agreement with Arapahoe County. Also, Prosper development will pay impact fees for the system improvements listed above.

Impact fee revenue from the original recommended fee schedule set forth in the 2016 Study would cover 64% of the planned transportation improvements, with other revenues totaling more than $62 million required for the non-growth share over 24 years (i.e. roughly $2.6 million annually from other revenue sources).

The basic transportation impact fee formula is shown in the upper portion of the following graphic. Also, shown is the additional "drill-down" details (see lower boxes below).

Vehicle Miles of Travel (VMT) Per Development Unit	**X**	Growth Cost Per VMT
⇩		⇩
Average Weekday Vehicle Trip Ends Per Development Unit **Multiplied By** Tripe Rate Adjustment **Multiplied By** Average Miles per Trip **Multiplied By** Trip Length Adjustment		24-Year Growth Cost of Transportation Improvements **Divided By** 24-Year VMT Increase

<u>Vehicle Miles of Travel</u>
VMT is a measurement unit equal to one vehicle traveling one mile. In the aggregate, VMT is the product of vehicle trips multiplied by the average trip length. For the transportation impact fee study the average trip length is calibrated to the planned increase in paved arterial lane miles within the Eastern Plains of Arapahoe County (i.e. 171 lane miles as shown in the above table).

<u>Vehicle Trip Generation Rates</u>
The transportation impact fee study is based on Average Weekday Vehicle Trip Ends (AWVTE). A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate transportation fees, trip generation rates require an adjustment factor to avoid double counting each trip at both the origin and destination points. Therefore, the basic trip adjustment factor is 50%. The transportation impact fee methodology also includes additional adjustments to make the fees proportionate to the infrastructure demand for particular types of development.

<u>Trip Length Weighting Factor by Type of Land Use</u>
The transportation fee methodology includes a percentage adjustment, or weighting factor, to account for trip length variation by type of land use. Trips associated with residential development are approximately 111% of the average trip length, primarily due to longer journey to work travel on a regular basis. Conversely, trips associated with commercial development (i.e. retail and restaurants) are approximately 63% of the average trip length because people tend to shop and dine close to where they live. For other types of nonresidential development trips lengths are 94% of the average for all trips.

The growth projected via the County's Comprehensive Plan is identified in the table below, which generally shows an annual growth rate of nearly 9% through 2040.

Eastern Plains of Arapahoe County, Colorado						
FY begins January 1st	*2010*	*2016*	*2020*	*2030*	*2040*	*Compound*
		Base Yr	*4*	*14*	*24*	*Anl Growth*
Eastern Plains Population	6,879	11,379	15,916	36,824	85,200	8.75%
Eastern Plains Housing Units						
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	
Eastern Plains Jobs (place of work)						
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%
Total	1,700	2,188	2,588	3,941	6,000	4.29%
Jobs-Housing Ratio	0.64	0.50	0.42	0.28	0.18	
Eastern Plains Nonresidential Floor Area (square feet in thousands - KSF)						
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%
Total	789	1,015	1,200	1,828	2,782	4.29%

Using the Plan Based methodology described above, the formula shown, and the variables for various land uses, the calculated Arapahoe County Transportation Impact Fee is depicted below.

Input Variables for 2016 Transportation Impact Fee	
Average Miles per Trip	4.04
Additional Lane Miles over Ten Years	173
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
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

Pursuant BOCC direction at the September 26, 2016, BOCC Study Session, Staff adjusted the calculated impact fee referenced above and reduced it across the board on all land uses as follows. This adjustment made the fee for a typical 2300 SF home

$2,531, which was the desire of the BOCC. This adjustment to all land uses shows equity to all land uses and does not benefit one land use over another. The following tables show the Report Calculated Fee and the Reduced Fee, which is recommended for adoption.

ORIGINAL RECOMMENDED STUDY FEE

Resident Size	Residential (per SF Living)	Commercial (per 1000 SF)	Office (per 1000 SF)	Industrial (per 1000 SF)
		$5,490	$3,206	$1,110
1100 or Less	$2,168			
1101 to 1700	$3,045			
1701 to 2300	$3,652			
2301 to 2900	$4,121			
2901 or More	$4,498			

REVISED UPDATED FEE

Resident Size	Residential (per SF Living)	Commercial (per 1000 SF)	Office (per 1000 SF)	Industrial (per 1000 SF)
		$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			

This revised updated fee schedule represents an approximately 31% reduction across all uses from the originally proposed and calculated fee schedule.

Comparisons

The BOCC requested that Staff also look into the costs to develop within Adams County. Staff surveyed Adams County, Douglas County, City of Aurora, and City of Centennial for the cost to develop a hypothetical 333 single family DU development with a 4.97 DU/Ac development on 67 acres. This evaluation included Planning Fees, Building Fees, and Engineering Fees. Transportation Impact Fees were not included and will be discussed later. The results of the evaluation are as follows:

Jurisdiction	w/o Fee Total Amount	w/ Rvsd Fee Total Amount
Arapahoe	$887,893	1,730,716
Douglas	$1,380,021	
Aurora	$3,348,938	
Centennial	$2,038,755	
Adams	$1,071,846	1,604,313

The following table provides a comparison of Transportation Impact Fees within individual jurisdictions along the front range of Colorado.

Jurisdiction	*Average Size 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

In addition, the Town of Castle Rock has just presented an updated transportation impact fee of the following and City Council directed staff to pursue implementation of the fee by bringing an ordinance for Council approval. The fee was calculated on an average 2400-2699 SF single family home

	Current Rate	**Proposed 2017**	**Proposed 2018**
Castle Rock Fee	$2,725	$3,482	$6,104

Furthermore, the County's existing RTIF in the Smoky Hill Area has the following rates:

	Single Family	**Retail**	**Office**	**Industrial**
Arapahoe County RTIF	$1,804 (2 Car) $2,345 (3 Car)	$1,440	$1,340	$730

As a reminder, the revised updated fee being proposed is:

<u>REVISED UPDATED FEE</u>

Resident Size	**Residential (per SF Living)**	**Commercial (per 1000 SF)**	**Office (per 1000 SF)**	**Industrial (per 1000 SF)**
		$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			

As can been seen, the new revised fee schedule is in the lower portion of transportation impact fees charged along the front range by other communities. This is a function of the extent and expense of improvements necessary verses the development potential being projected. It should be noted that many of these communities have dedicated sales tax that goes towards transportation improvements as well including Adams County (through

2028, 0.75% - 0.2% Transportation, .0.3% capital facilities, 0.25% open spaces; 2015 generated $44M).

The following analysis shows an example of the dollars that could be collected based on the roadways listed above. Based on the above variables, analysis, and assumptions, the Rural Impact Fee Rates and estimated amount generated would be as follows. Obviously as the fee is adjusted up or down the dollars collected are adjusted accordingly. For the purpose of the Rural Transportation Impact Fee, it is recommended that the list of roadways in the system improvements table stated above be used for calculations since it reflects priorities of rural type of development.

24-Year Cost of Transportation Improvements

Growth Cost => $110,926,000

Transportation Impact Fee Revenue

		Average-Size Residential	*Industrial*	*Retail / Restaurant*	*Office & Other Services*
		$3,652 per housing unit	$1,110 per 1000 Sq Ft	$5,490 per 1000 Sq Ft	$3,206 per 1000 Sq Ft
	Year	*Hsg Units*	*KSF*	*KSF*	*KSF*
Base	2016	4,377	537	274	204
Year 1	2017	4,760	560	285	213
Year 2	2018	5,176	584	298	222
Year 3	2019	5,629	609	310	232
Year 4	2020	6,122	635	324	241
Year 14	2030	14,163	967	493	368
Year 24	2040	32,769	1,472	750	560
24-Yr Increase		28,392	935	476	356
Projected Revenue =>		$103,688,000	$1,038,000	$2,613,000	$1,141,000
		Total Projected Revenues (rounded) =>			$108,480,000
		Res Share =>	96%	Nonres Share =>	4%

In this example, the Residential amount represents 96% of the Rural Road Impact Fee based on the new residential units projected to be built through 2040. As can be seen the fee is projected to generate over $108,000,000. Since this fee only represents roughly 64% of the total cost of the improvements, the remaining 36% ($62.3M or $2.5M annually) would also need to be generated/allocated to match these Impact Fee funds in order to build the improvements.

The above example is based on the Calculated Impact Fee. By adjusting the Fee as stated above under the revised updated schedule to those being recommended for adoption, the growth share is reduced to 43% generating roughly $75M and the County's share would increase to $98M (see Below).

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%	

Public Meeting

Staff scheduled and held a public meeting on October 19, 2016, from 6:00-7:30 PM at the Arapahoe County Fairgrounds Facility. The meeting was advertised using the following methods of communication.

- Advertisements in the I-70 Scout
- Official Press Release
- Direct Mailers to over 3000 property owners east of Gun Club Road
- Direct Email to known builders, developers, large land owners, interested stakeholders, etc.
- Direct email to the I-70 Chamber of Commerce, I-70 REAP, Aurora Chamber of Commerce and asked for them to send to their contact lists
- Announcement at the October 12 I-70 REAP Meeting
- Website and other County Social Media

Prior to the meeting, staff received 14 phone calls regarding the meeting and the fee. Over 30 people attended the public meeting. The attached presentation was presented at the meeting and a question/answer period occurred after the meeting. A comment form was provided for the public to provide their comments and of the date of this report only two written comments have been received. Both of these comments dealt with implementation time frame (ie time from adoption to when the fee would be effective), which ranged from March/April 2017 to January 1, 2018. The other comment received verbally was from a Sky Ranch representative that felt they did not receive any benefit from being within the fee boundaries. Overall the meeting and phone conversations went well and there seemed to be general support for the fee on new development to help mitigate traffic impacts from such.

Project Implementation and Resolution

Public Works Staff and the County Attorney's Office continue to fine tune the fee adoption resolution. The following are some items that have been clarified to date and incorporated into the draft resolution.

Based on feedback received at the public meeting and the November 1, 2016, BOCC Study Session direction, the implementation start dated if the fee is adopted is April 1, 2017

The following is a clarification related to various land uses and assignment of the fee is suggested.

Residential – All Based on Square Foot of Living Area per Unit (First/Second Floor) - exclude unfinished basement and garage

- Single Family
- Apartment
- Condo
- Townhouse
- Mobile Home

Note: Multi-Family fees will be assessed on size of units. Expansion on existing units would not be charged unless they are greater than a 50% increase and would be charged as follows:

If the existing home is 2000 square feet of finished living space it would be in the mid-range threshold, the owner added more than 1000 additional square feet it would be in the upper-range size threshold. Using the revised fee schedule, the new large home would owe $3,118, but they would receive credit for the old mid-size home ($2,531) and thus pay an additional $587.

Office and Other Services

- Entertainment (movie theaters, bowling alleys, etc.)
- Lodging (hotels and motels)
- Fitness Clubs
- Automotive Repair
- Office
- Health Care
  - Hospital
  - Assisted Living
  - Nursing Home
  - Congregate Care
  - Medical Office
- Personal and Professional Services
- Banks
- Day Care

Educational
- Pre-School
- Elementary
- Middle
- High School
- Higher Education

Church/Synagogue/Mosque

Commercial (Retail / Restaurant)

Retail
Restaurants (Fast Food, Sit Down)
Shopping Center
Auto Sales
Supermarket
Discount Store
Building materials/hardware/nursery
Furniture Store

Industrial (Processing, Production, Storage of Goods)

Light Industrial
Industrial Park
Manufacturing
Warehousing
Mini-warehouse
Storage Units

Note: For non-residential units, building expansion should be handled similar to that of residential (ie 50% or more increase). In addition, for ease of implementation, the fee should be assessed on gross square footage and not net leasable area.

In addition, ancillary uses will not be charged. For example a parking garage is ancillary to the main development. Also, some apartment/condos have clubhouses and fitness center space that would also be considered ancillary to the units and thus not charged.

Eligible Roadways

To address the public comments received relative to being in the fee area and not contributing traffic to eligible roadways, staff proposes modification of the eligible roadways by the following. It should be noted however, that the fee study methodology is based on inbound trips and in the case of Sky Ranch with commercial uses, they would attract inbound trip from the fee service area. Nonetheless, we have made adjustments to the eligible roadway as follows:

1. Adjust County Line Road between Peterson and Strasburg Road to between Peterson and Kiowa-Bennett thereby reducing the lane-mileage to 10 lane miles. The remaining 10 lane-miles from the original table would then be allocated to an “unidentified” roadway to provide flexibility if a demand for improvements arises on segment of roadway within the fee service area that is not identified in the fee table. The modification would not increase the lane mileage and the original fee calculations.

2. Add roadways in the vicinity of the Sky Ranch Area within Unincorporated Arapahoe County. These additional roadways would add lane mileage and cost to the overall fee area, making the calculated fee higher. However, since

the BOCC has directed staff to adjust the fee for market condition, the rate would stay the same meaning that the County's share would increase. This fee rate would again be evaluated in 2-years as directed by the BOCC.

The revised eligible roadway list is provided earlier in this report and incorporates the two items referenced above.

Eligible Improvements

Eligible improvements on the roadways identified in the fee area would include improvements that are considered capital improvements with a life of greater than 5-years. System improvements that are eligible for transportation impact fee funding and include:

- A carrying-capacity enhancement to an existing arterial, such as reconstruction to add greater depth and width, including vehicular travel lanes, bike lanes, and/or shoulders.
- Constructing rural arterial travel lanes, including widening and gravel to asphalt pavement.
- Adding intersection improvements (e.g. turn lanes, traffic signals, or roundabouts), including State Highway with a County arterial, or a County arterial with another County arterial.

Review Period

The current draft resolution, per BOCC direction, directs staff to evaluate the fee at least every 2 years following the date of adoption in order to analyze the rate of development in the service area, progress with construction of capital improvements and transportation system need, fee revenue history and projections, changes in the cost of construction as identified in the Colorado Construction Price Index, and any other relevant factors as determined by the Board or such staff, and that Public Works and Development shall make a recommendation to the Board as to whether the amount of such fees should be modified or adjusted.

ALTERNATIVES

The alternatives available in addition to the recommendations presented above include:

1. The BOCC could choose another scenario to use for the fee from the revised recommended reduction. The BOCC could also choose to eliminate roadways from the list, thus lowering the rate because less improvements are covered with the fee, but we would have to consider benefit and thus likely have to adjust the area being served, which could affect the improvements costs only being attributed to a smaller set of future growth.

2. The BOCC could adjust the fee further to an amount they feel is appropriate or what they believe the market could accommodate. However, based on the last study session with the BOCC, we believe the fee schedule recommended reflects the BOCC desires.

3. The BOCC could choose not to adopt a fee at all, thereby not enacting a Rural Transportation Impact Fee.

FISCAL IMPACTS

The fiscal implications are presented above. In addition, it should be noted that if a fee is adopted, the expectation from those paying the fee would be that the fee be used for improvements and therefore, the County will be expected to provide its matching funds to construct project, putting additional pressure on the already challenged Capital Expenditure Fund.

It should be noted that if the fee other funding increases are not pursued, the County will continue to fall further behind on the capital improvement and maintenance funding needed to support growth and their associated impacts to the County's infrastructure.

ATTORNEY COMMENTS

The Arapahoe County Attorney's Office has reviewed this BOCC Hearing topic, this report, and has drafted the adoption resolution, and has no particular comments at this point.

REVIEWED BY

Various Divisions in Public Works has reviewed the staff report and recommendations.

cc: Board of County Commissioners
David M. Schmit, Director
Brian R. Love, CIP Manager
Chuck Haskins, Division Manager – Engineering Division
Dwayne Guthrie, TischlerBise
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James Katzer, Road and Bridge
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File (Study Session Agenda)
Reader