The Economics of Land Use

Final Report

Archuleta County/Pagosa Springs Joint Impact Fee Analysis

Prepared for:

Archuleta County
Town of Pagosa Springs

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1. EXECUTIVE SUMMARY

Purpose

Town of Pagosa Springs and Archuleta County have experienced substantial growth over the last 20 years, growing from approximately 5,300 local residents in 1990 to nearly 13,000 in 2009. In addition to its residential growth, the community has experienced strong growth in tourist visitation and commercial development. These trends first prompted the County and Town in 2005 to evaluate how best to provide services and facilities for future growth.

At the time, community leaders identified three goals that were central to the effort. The first was to establish a method to accommodate growth in a fiscally responsible manner. The second was to establish a consistent set of expectations across jurisdictional boundaries and provide uniform standards to developers regardless of annexation status. The third was to maintain high levels of service for residents and businesses and require new development to pay its fair share. Impact fees are one of several funding mechanisms that can help communities achieve these goals.

The County and Town have developed a joint impact fee program that would be applied consistently to new development in both the County and Town. The joint effort remains the preferred solution, as it will prevent competitive entitlement processes that could erode funding for public infrastructure. As part of the process of developing the fee program, the two jurisdictions considered a range of fee programs including roadways, public facilities, parks, trails, water storage, fire protection, water storage, and school land.

In this update to the 2006 joint impact fee study, Economic & Planning Systems (EPS) is providing the County and Town with updated potential fees based on changes in economic and market fundamentals such as development momentum, cost of services and materials, as well as updated agency capital improvement needs. The issues prompting the update are summarized by the following questions:

- What are reasonable growth projections and given the current economic contraction, what should the community expect in terms of additional residential and non-residential development?
- How can visitation/second homeowners be accounted for more transparently?
- What is reasonable set of fees that communities of Pagosa Springs/Archuleta County could adopt? Based on comparable examples, how does the total fee package and the composition of fees compare to the proposed fees under consideration locally?

The report addresses these questions here in the Executive Summary, which describes impact fees in general, how they can be used, and a summary of the study's findings and in the following five chapters. Chapter 2 outlines the basis for an impact fee program. Chapter 3 provides the methodology and development projections utilized in the analysis. Chapter 4 details each fee program, outlining the facility needs, capital costs, apportionment of costs, and the maximum fee calculation. Chapter 5 provides administrative guidelines. Finally, Chapter 6 provides a detailed discussion of comparable communities and how the proposed fee program aligns with the existing fees of other communities.

Recommended Fees

The recommended fees, summarized in **Table 1**, are shown here to provide an overview of the program, document how each fee relates to the others, and provide a basis for comparing the recommended Archuleta County/Pagosa Springs program to comparable communities. A basis for each fee is provided in detail in Chapter 4.

Table 1
Proposed Fees
Joint Impact Fee Analysis

	Residential Fees		Non-Residential Fees		
	Single-Family	**Multi-Family**	**Lodging**	**Retail**	**Office / Ind. / Flex**
Roads	$1,073	$754	$2,105	$4,816	$1,916
Public Facilities	$1,378	$1,378	$1,249	$1,249	$1,249
Park Land Dedication	$674	$674	N/A	N/A	N/A
Trails	$351	$351	N/A	N/A	N/A
Subtotal	**$3,476**	**$3,157**	**$3,354**	**$6,065**	**$3,165**
Fire Protection	$664	$664	$1,563	$1,563	$1,563
Water Storage [1]	$508	$508	Varies	Varies	Varies
School Land (Fees -in-lieu) [2]	$251	$251	N/A	N/A	N/A
Subtotal	**$1,423**	**$1,423**	**$1,563**	**$1,563**	**$1,563**
Total	**$4,899**	**$4,580**	**$4,916**	**$7,627**	**$4,727**

[1] Fees for residential use reflects 1 EQR. Fees for commercial development will vary based on type of use.
[2] Fees-in-lieu of school land dedication are authorized pursuant to C.R.S. 30-28-133 and 31-23-101 et. seq, not Senate Bill 15. While fees-in-lieu function similarly to an impact fee program, they are not technically impact fees.

Source: Economic & Planning Systems

H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees-020710.xls]Summary of Fees

2. BACKGROUND

An impact fee is a "one-time charge assessed against new development that attempts to recover the costs incurred by a local government in providing the public facilities required to serve new development."[1] An impact fee program enables a local government to collect revenue from a developer to cover capital costs that are directly related to the impacts generated by a proposed development.

The benefits of an impact fee program include the following:

- Requires growth to pay its own way and prevents existing residents from subsidizing costs generated by new development.
- Provides consistent, clear standards for developers and increases the predictability in the approval process.
- Enables communities to provide the facilities and infrastructure needed to keep pace with growth. The result is an improved quality of life for the entire community.

Motivation for Communities to Adopt Impact Fees

Impact fees are one method local governments can use to ensure that adequate public facilities are provided concurrent with new development. Most communities require developers to provide all on-site public infrastructure (or bonds to ensure future construction) as part of subdivision approvals. These can include roads, parks, school sites, drainage facilities, sidewalks, wet and dry utilities, and other types of infrastructure.

Most development generates off-site impacts and the mitigation requirements. Depending on the size and nature, the associated improvements can, in some cases provide benefits to the new development as well as the existing community. Determining the portion that is attributable to a specific development has been historically challenging and sometimes contentious. Moreover, the scale of some community facilities (i.e., a library) is such that the threshold for mitigation is rarely reached by individual development proposals.

Impact fee programs are an outgrowth of the development approval process that enables local governments to ensure that the cost of needed facilities is borne proportionately by each new development proposal. Thus, an impact fee program can be viewed as a comprehensive system that reduces but does not necessarily eliminate the need to develop exactions for individual projects.

Legal Standards for Impact Fees

Impact fees have become increasingly popular as communities look for ways to expand infrastructure to accommodate growth. The U.S. Supreme Court has established a dual test for

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[1] Colorado Municipal League, *Paying for Growth*, Carolynne C. White, 2002

land use exactions, commonly referenced as Nollan/Dolan, which requires a "rational nexus" and "rough proportionality" between the proposed use and the exaction. While the development community has historically looked for these requirements for impact fee programs, the State of Colorado clarified the issue and adopted a slightly different standard with the adoption of Senate Bill 15, following a Colorado Supreme Court decision addressing the issue.

In 2001, the Colorado Supreme Court ruled in Krupp v. Breckenridge Sanitation District that the District could assess an impact fee based on a set of development characteristics that reflect the general performance of a proposed use, rather than the specific conditions of an individual proposal. While traditional exactions are determined on an individual basis and applied on a case-by-case basis, an "impact fee is calculated based on the impact of all new development and the same fee is shared to all new development in a particular class."[2] The finding of the court distinguishes impact fees, as a legislatively adopted program applicable to a broad class of property owners, from traditional exactions, which are discretionary actions applicable to a single project or property owner.

In addition to this judicial clarity, in 2001 the State legislature provided specific authority in adopting Senate Bill 15 that "provides that a local government may impose an impact fee or other similar development charge to fund expenditures by such local government on capital facilities needed to serve new development." The bill amends Title 29, the section of Colorado statutes that govern both municipalities and counties, and defines "local government" to include a county, home rule, or statutory city, town, territorial charter city, or city and county."[3]

Senate Bill 15 states that local governments must "quantify the reasonable impacts of proposed development on existing capital facilities and establish the impact fee or development charge at a level no greater than necessary to defray such impacts directly related to proposed development." Rather than using the tests related to Nollan/Dolan, the standard that must be met within the State of Colorado requires mitigation to be "directly related" to impacts. This test has been used consistently to establish impact fee programs and has not been legally challenged to date.

The standards set forth in Senate Bill 15 further stipulate that the program be:

- Legislatively adopted,
- Applicable to a broad class of property, and
- Intended to defray projected impacts on capital facilities caused by development.

Key Elements of an Impact Fee Program UNDER SENATE BILL 15

- **Capital Facilities** – Fees may not be used for operations or maintenance. Fees must be spent on capital facilities, which have been further defined as directly related to a government service, with an estimated useful life of at least five years and which are required based on the charter or a general policy. For some of the programs under consideration, it will be important for the County and Town to include them in the Comprehensive Plan under consideration or previously adopted Community Plan, or to otherwise adopt a formal policy related to the facilities and services to be funded by the fees.

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[2] Colorado Municipal League, *Paying for Growth*, Carolynne C. White, 2002.
[3] Ibid.

- **Existing Deficiencies** – Fees are formally collected to mitigate impacts from growth and cannot be used to address existing deficiencies. In the analysis used to establish an impact fee program, the evaluation must account for existing uses and deduct this segment of the community from build-out estimates to identify the net new users.

- **Credits Must be Provided** – In the event a developer must construct off-site infrastructure in conjunction with his or her project, the local government must provide credits against impact fees for the same infrastructure, provided that the necessary infrastructure serves the larger community.

- **Timing** – The County and Town must hold revenues in accounts dedicated for the specific use. Funds must be expended within a reasonable period or returned to the developer. The State enabling legislation does not specify the maximum length of time to be used as a "reasonable period." Because different types of improvements can vary in their size and cost, a "reasonable period" represents different lengths of time that correspond to the complexity of the improvement. For example, a trail system can be built incrementally and the engineering required to construct the segments is relatively simple. Alternatively, a water reservoir involves a significant level of planning and engineering, and by definition addresses a regional planning area. Thus, the reasonable time period to hold and expend funds differs according to the type of infrastructure.

- **Accounting Practices** – The County and Town, as well as any districts that participate in the program, must adopt stringent accounting practices as specified in the State enabling legislation. Funds generated by impact fees may not be commingled with any other funds. If any entity collects fees on behalf of another, Intergovernmental Agreements (IGA's) with necessary indemnification language must be adopted.

Other Important Factors

- Districts – Senate Bill 15 does not specifically authorize metropolitan or special districts to establish impact fee programs. However, local governments may impose impact fees for "any service that a local government is authorized to provide." To the extent that such services are provided by other entities, such as a special district, it is appropriate for a city or county to collect an impact fee to offset the costs of capital improvements directly related to providing that service. In Pagosa Springs and Archuleta County, special districts provide services such as water and fire protection. The local water conservation and fire districts expressed interest in cooperating with the County and Town in developing impact fees for capital improvements. At this time the school district expressed a desire to implement a program for fees in-lieu of land dedication that functions in a similar fashion, but has a distinct legal basis. The County and Town can collect these fees, but must also establish procedures to ensure accurate transfer of fund and compliance with applicable legal requirements.

- Pending or Previously Approved Development – Colorado statutes exempt from impact fees developers that have submitted "complete applications" to a local jurisdiction prior to adoption of a fee program. In the case of Pagosa Springs and Archuleta County, this could apply not only to applications in the development review process, but also to the numerous vacant platted lots within existing subdivisions, depending on when the impact fee is collected. Senate Bill 15 states that impact fees may be assessed as a condition of issuance of a "development permit." While a building permit is not expressly listed in the definition of a "development permit," it seems clear that a building permit is an application for new construction within the meaning of the statute. Thus, if the program is established to trigger payment with a completed building permit application, "an impact fee….could probably be assessed against projects for which complete subdivisions applications were filed before the fee was adopted, but which have not filed complete building permit applications."[4]

- Impact Fees relative to Exactions – Once the Town and County establish an impact fee program, either entity remains able to include exactions in future development approvals as long as the impacts addressed through the exaction are distinct from the impacts addressed by the fees. Many cities employ both tools in their development approval process. The key issue is to ensure that the mitigation addressed by an exaction does not re-address the improvements used as a basis for an impact fee. One of the benefits of an impact fee program is a potential reduction in the need to negotiate site-specific exactions, with particular benefit regarding regional needs and the process used to determine the appropriate share to be borne by individual development proposals. While the community should benefit from a simplified development review process, an impact fee program itself does not preclude the Town or the County from requiring exactions.

Impact Fee Calculations

Within the framework described above, EPS has worked closely with the County and Town and other stakeholders to establish a set of development impact fees. Each type of capital facility has been evaluated separately with particular attention paid to the unique characteristics of each. The overall approach to each fee has been based on similar logic, as described below:

- **Growth Forecasts** – Estimate the rate of growth and the land area designated to accommodate the growth. Project the extent of development (residential and non-residential) to occur over the specified forecasting period. Determine total population (or persons served), then delineate the population related to growth from the existing population.
- **Facility Needs** – Identify new facility requirements relating to new development, County and Town goals, or subarea requirements.
- **Capital Costs** – Use existing information and supplemental research to estimate the capital costs associated with the facility needs.
- **Apportionment of Costs** – Apportion capital costs between existing and new development as well as between different land uses, based on their expected demand for/use of the new facilities.
- **Maximum Fee Calculation** – Estimate the maximum fee supportable based on costs that are directly related to the improvements.

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[4] Colorado Municipal League, *Paying for Growth*, Carolynne C. White, 2002.

3. *Projections and Methodology*

Growth Projections

For this study, the planning horizon has been set for 2030. The 21-year period spanning from 2009 through 2030 provides a reasonable length of time to plan for and construct the capital facilities under consideration. The exception is the water storage facility, discussed in greater detail elsewhere in this report, which qualifies for a longer planning period given its scale and extended planning and approval process. Over this period of time, the growth forecast calls for an additional 6,500 dwelling units and 1.2 million square feet of non-residential development. Total development within the County is estimated to have 15,500 dwelling units, 21,200 residents, and approximately 4.0 million square feet of non-residential development. One of the key assumptions used in the residential and non-residential projections is the tapering effect, shown in detail in **Table 2** below. Over time, the growth rate will flatten as the base figure becomes larger. The rate of growth is shown in five-year increments and decreases over time to reflect incrementally larger base.

Table 2
Development Projections, 2009 - 2030
Joint Impact Fee Analysis

	Factor	Base 2009	2010	2015	2020	2025	2030	2009-2030 Change Total	Ann. #	Ann. %
Residential										
Permanent Residential (Dwelling Units)		5,499	5,667	6,511	7,355	8,199	9,042	3,544	169	2.40%
Growth Rate by Period			3.9%	3.7%	3.1%	2.6%	2.3%			
2nd Homeowners (Dwelling Units)		3,503	3,645	4,351	5,057	5,763	6,470	2,966	141	2.96%
Growth Rate by Period			4.0%	3.6%	3.1%	2.6%	2.3%			
Commercial										
Inventory	2.29%	2,736,401	2,799,082	3,121,837	3,422,012	3,698,714	3,958,581	1,222,180	58,199	1.77%
Growth Rate by Period			2.3%	2.2%	1.9%	1.6%	1.4%			
Total Residential Units		**9,002**	**9,312**	**10,862**	**12,412**	**13,962**	**15,512**	**6,510**	**310**	**2.63%**
Total Non-Residential Space		**2,736,401**	**2,799,082**	**3,121,837**	**3,422,012**	**3,698,714**	**3,958,581**	**1,222,180**	**58,199**	**1.77%**
Population Projection [1]										
Local Residents	95%	12,970	13,368	15,358	17,348	19,338	21,328	8,358	398	2.40%
Second Homeowners	24%	2,088	2,172	2,593	3,013	3,434	3,855	1,768	84	2.96%
Total		**15,057**	**15,539**	**17,950**	**20,361**	**22,772**	**25,183**	**10,126**	**482**	**2.48%**

[1] Assumes the average household size of 2.48 persons per household applies to the local resident and second homeowner populations, and that it remains constant through the planning horizon.
Source: BLS; DOLA; Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]Forecasts by Use

The residential growth rate has been derived from the Colorado State Demographer's estimate for local population in the region. The residential growth will comprise of locally-occupied homes as well as second homes. The ratio for each is based on data from the Colorado Department of Local Affairs which provides two relevant data points. The first is the split of primary and second homes as of 2007, which is 62 percent and 38 percent respectively for the region as a whole and includes all residential structures regardless of date of construction.

The more relevant data point is the rate of growth. Since 2000, primary residents have occupied 54 percent of additional units, while 46 percent of new units are second homes. The projections through 2030 reflect the split of constructed homes since 2000. Accordingly, the region is expected to see an additional 3,544 primary units and 2,966 second homes based on the 54/46 spilt identified in the research. Population has been projected assuming an annual occupancy equivalency of 24 percent for second home owners and 95 percent for local households, assuming a household size of 2.47 persons per unit for both categories. It should be noted that the net new increase of 6,510 dwelling units is a reduction of approximately eight percent as compared to the projections for the 2006 impact fee study (assuming 21-year planning horizons for both).

Non residential growth has been forecast using Bureau of Economic Analysis (BEA) data for Archuleta County. The projection is based on the employment growth rate established over the past nine years. Given that the time period used to capture historical data covers a number of economic conditions (including growth and contraction), it is reasonable to use this rate as the base rate of growth for the region. To develop specific projections, the total amount of non-residential development has been calculated as of 2009 using the Archuleta County Assessor data base, augmented by community development records from the Town of Pagosa Springs and Archuleta County.

Some of the key assumptions in the non-residential forecast is that 1) rates of capture and leakage of retail sales expenditures will remain constant over the planning horizon; and 2) the growth in local employment will be proportional to the development of commercial/non-residential floor area. Applying the historic annual average growth rate of 2.29 percent, the area is expected to see an additional 1.2 million square feet of new development resulting in a total of 4.0 million square feet of non-residential floor area. Note that the current projection is approximately 50 percent less than the previous 2006 study, when both are applied to 21-year planning period.

Methodology

Calculations of impact fees are typically estimated using a marginal cost or an average cost approach. Use of these approaches depends on the data available and the type of fee being calculated. Each approach establishes the cost of facilities or improvements and allocates the cost by new demand units. "Demand unit" is a generic term for the source generating demand for additional capital facilities or improvements. Typically, demand units are such things as population growth, new residential and non-residential development, or new calls for service. The following provides a brief summary of each approach:

- **Capital Improvement Plan Approach** – This evaluates projects identified by a community plan or policy that will specifically provide capacity for new growth. This approach requires new development to contribute its share toward a new or expanded facility or improvement. The cost attributed to new growth is distributed over the identified demand units for the forecast time period to produce a cost per demand unit. If the project being evaluated benefits existing residents or development, a proportionate share factor must be developed so that the impact fee calculation only accounts for costs related to new growth.
- **Buy-in or Recoupment Approach** – This is useful for recovering the costs for facilities or improvements to be constructed with extra capacity to serve future development. It is also useful to defray costs for facilities that have been constructed and will be used by future residents and employers. In that case, future users are "buying in" to an existing system and paying their fair share for the improvements. The original cost of the facility or improvement is typically used as the project cost which is then divided by the total demand units served (including existing and new) to produce a cost per demand unit.

For the Archuleta County and Pagosa Springs impact fee program, both approaches have been used. The approach is identified for each program below in **Table 3** along with the title of the program, the overseeing jurisdiction, the benefit district, the split among residential and non-residential uses, and the source document used to determine the community goals and service level standards. Each program is grounded in an adopted plan that identifies the goal and provides a local basis of support.

Table 3
Summary of Methodology by Program Type
Joint Impact Fee Analysis

Program	Jurisdiction	Benefit District	Split	Method	Source Document
Roadways	Archuleta Co.	County-wide	Res./NR	Buy-In	*County Road Master Plan 2005 with Staff Update 2009*
Public Facilities	Town-County	County-wide	Res./NR	Cap. Plan	*Identified needs within the County and Town*
Parks	Town-County	County-wide	Res.	Buy-In	*Small Community Park & Recreation Planning Standards: 2003*
Trails	Town-County	County-wide	Res.	Cap. Plan	*Trails Plan for Archuleta County & the Town of Pagosa Springs*
Fire Protection	PFPD	Dist.boundary	Res./NR	Cap. Plan	*Pagosa Fire Protection District; 30 Year Capital Plan*
Water Storage	SJWCD	Dist.boundary	Res./NR	Cap. Plan	*Updated Environmental Accommodations Costs for Impact Fee Memo.2009*
School Land	Arch. SD 50 Joint	Dist.boundary	Res.	Buy-In	*Archuleta School District 50 Joint - Master Facility Plan: 2003*

Source: Economic & Planning Systems, Regional Governments and Agencies

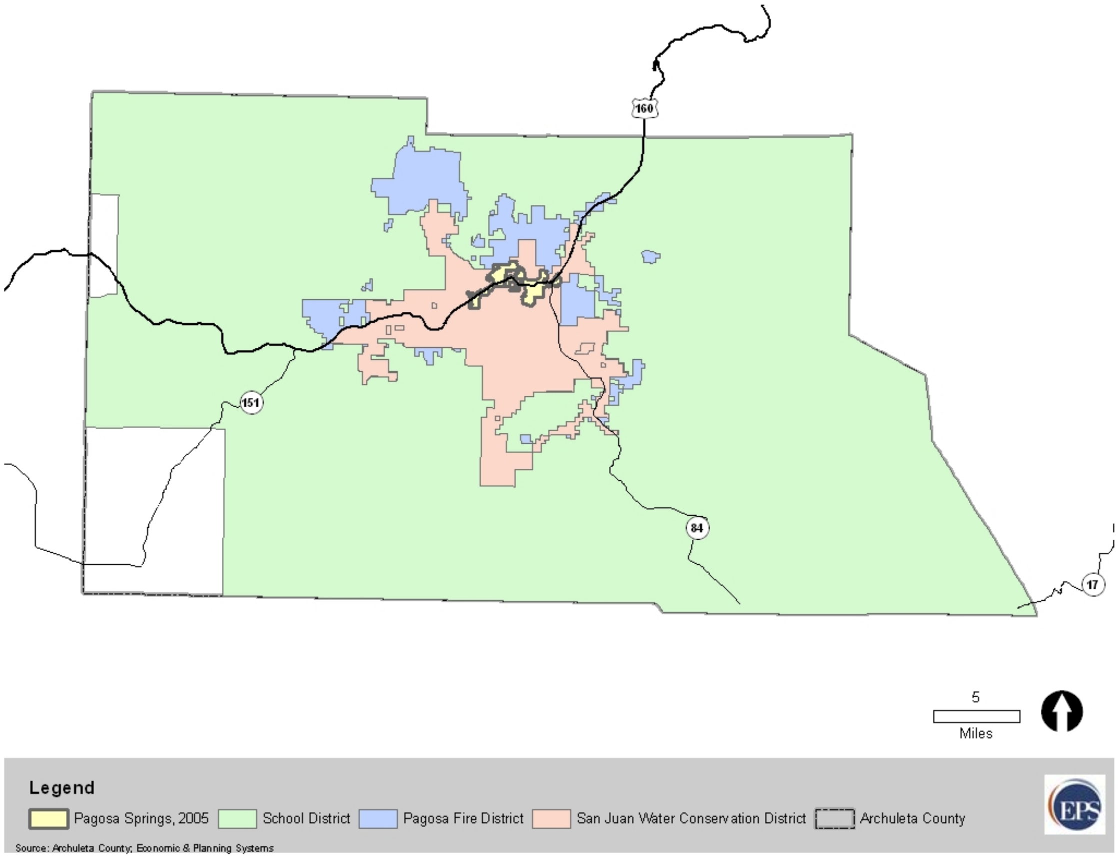
H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Sources.xls]Method

In 2005, before the completion of the original Joint Impact Fee Study for the County and Town, EPS had completed the *Pagosa Springs Economic Development Plan*, which generated a development forecast based on market demand, historical absorption rates, trends in population and households, Colorado State Demographer data, and local real estate sales activity. That study indicated that development activity was expected to be concentrated in Pagosa Springs and the area within the County immediately adjacent to Pagosa Springs. This and other salient findings remain relevant and are considered in this update.

The map provided below in **Figure 1** shows the boundaries of Archuleta County, the school district, the water conservation district, the fire district, and the Town of Pagosa Springs. The purpose of showing the map is to identify the portion of growth that is projected for the County that can be expected to fall within the boundaries of each jurisdiction. Based on the analysis of market conditions, as reflected in *Economic Development Plan,* nearly all growth is likely to occur within the general vicinity of the existing Town of Pagosa Springs due in part to federal land holdings, tribal land holdings, water availability, and proximity to services.

The Pagosa Fire Protection and San Juan Water Conservancy Districts are estimated to have 95 percent of the County's existing and future development and the Archuleta School District 50 Joint is estimated to have 98 percent. The ratios between the County and the districts are based on the estimated location of future residential and commercial growth and the percent of total County growth that is likely to fall within the corresponding jurisdictional boundary. These figures, as illustrated in **Figure 1**, will provide the demand unit basis for the impact fee calculations.

Figure 1
Benefit Districts – Fire, Water Storage, School, Town, and County
Joint Impact Fee Analysis



4. FEE PROGRAM

This chapter provides details relevant to the calibration of each fee, its purpose, the associated capital needs over the planning horizon, and an explanation of how each fee is developed.

Roadways

The need to ensure quality roads is a key concern in the County and Town at this time. Because impact fee programs cannot address existing deficiencies, funds collected through the proposed fee will be used to address impacts created by new growth. To determine the share attributable to growth, the program is based on a buy-in approach working with the existing network of roads.

County staff developed a typology for all public roads, categorizing more than 600 roads into tiers. The top tier includes approximately 10 percent of the total and is the focus of the impact fee study. This tier represents the primary roads of the County. The methodology used above has been applied to County roads and will be applied to Town roads.

County staff evaluated road construction costs for each road, based on section, usage, and location. Using the corresponding construction standards, staff estimated the life cycle of each road, then estimated the years of remaining use based on the total life of the road and its current condition. The years of consumed life cycle was applied as a percentage to total road construction costs to develop a total cost of establishing a new road network. The total cost is viewed as the amount that every dwelling unit and non-residential use, in aggregate, should pay into the system to reflect the comprehensive quality that would be achieved if the funds were available to bring each road to the beginning of its lifecycle.

Based on comments from community members, there is a need for the County and Town to collect fees for land uses that are in proportion to the corresponding road impacts, and that some uses generate particularly high impacts not represented by the Institute of Transportation Engineers (ITE) data. To address this issue, it is recommended that the land use regulations for the Town and County specifically cite the uses falling within the stated range of impacts and state that uses not identified be subject to a site- and use- specific transportation study. The findings of the study would be provided in terms of the numbers of trips generated, which can be correlated to the standards shown below to determine a dollar value of the impact fee.

Capital Costs

Using the methodology described previously, the 67 primary road segments equate to a total of 99.9 miles, as shown in **Appendix Table 4**. The cost of $20.9 million reflects the funds needed to bring the existing road network to a year-one condition, and the cost of $5.5 million reflects the County Public Works estimate of the cost to recondition the six identified bridges. It should be noted that the buy-in methodology for the roadway network has been used in place of more conventional capital improvement program standards. The County has retained a consultant to estimate the condition of its entire roadway network, and the study is not anticipated to be released until early 2010.[5] The County has, however, provided information regarding several of its recently resurfaced roads, including two primary roads (Park Avenue and Pinion Causeway) that are a part of the capital costs below, and one secondary road (Holiday Drive) that is not included in these capital cost needs.

Apportionment of Costs and Fee Estimate

Costs are apportioned by five uses that have been provided to allow for trip generation analysis. The 2009 base inventory of non-residential development is 2.7 million square feet and 9,002 dwelling units. By 2030, development is expected to grow by 1.2 million square feet of non-residential uses and 6,510 dwelling units. The trips generated by the growth equate to 88,326. These categories have been disaggregated by use, as shown in detail in **Appendix Table 5**, with a corresponding number of trips generated by each use. Based on the total number of trips, 62 percent of road use at 2030 is attributed to existing development and 38 percent is attributed to growth occurring between 2009 and 2030. Total costs have been allocated accordingly and the resulting $9.9 million in fees has been distributed among three commercial uses and two residential uses, according to the level of trips generated by each.

The average cost per trip, aggregating all uses, would be $112.15 ($9.9 million divided by 88,326 new trips). This factor can be used to determine appropriate impact fees for uses that fall outside the categories used in the analysis. In Table 5-5 of the Pagosa Springs land use regulations, the Town has already delineated uses that fall within standard expectations concerning parking impacts and those requiring a higher standard. A similar approach should be used to separate common uses from those that trigger an individual transportation study.

[5] A follow-up detailed transportation element is needed to identify specific improvements required to accommodate growth and their costs. When that is completed, total road costs will increase and a reapportionment to planned growth should be performed.

The recommended fee program is shown in **Table 4**, with commercial fees ranging from $1,916 to $4,816 per 1,000 square feet, depending on use. Residential fees are $754 for multifamily units and $1,073 for single family units.

Table 4
Roadway and Bridges Fees
Joint Impact Fee Update

	Factor	Value
Trip Generation		
Existing Development (2009)		
Non-Residential	2,736,401 sqft	64,731 trips
Residential	9,002 units	82,158 trips
Total		**146,890 trips**
as % of 2030 trips		62%
2030 Development		
Non-Residential	3,958,581 sqft	93,643 trips
Residential	15,512 units	141,573 trips
Total		**235,216 trips**
as % of 2030 trips		100%
Development between 2009-2030		
Non-Residential	1,222,180 sqft	28,912 trips
Residential	6,510 units	59,415 trips
Total		**88,326 trips**
as % of 2030 trips		38%
Allocation of Costs[1]		**$26,379,165**
Existing Development Trip Generation	62%	$16,473,500
2009-2030 Development	38%	$9,905,665
2009-2030 Development[2]		**$9,905,665**
Lodging	5%	$537,908
Retail	14%	$1,415,879
Office/Indust/Flex	13%	$1,288,604
Single Family	60%	$5,900,089
Multi-Family	8%	$763,186
Proposed Fees		
Lodging	per 1,000 sqft	$2,105
Retail	per 1,000 sqft	$4,816
Office / Industrial / Flex	per 1,000 sqft	$1,916
Single-Family	per unit	$1,073
Multi-Family	per unit	$754

Source: Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]Road Fee

Public Facilities

The impact fee program includes two general public facilities: a County administration building and capital facilities for Town parks. The County administration building is needed to address the expanding requirement for provision of County services and necessary staff. The County has recognized the current building as insufficient and has purchased a vacant parcel of land with the goal of constructing a new administration building on it. The County has completed preliminary programming work with an architectural firm to understand how to include specific offices and functions in the development. While the site selection and building program have not been finalized, the County's general policy goals recognize the need for a new administration building. Concerning Town facility needs, Town staff has estimated the cost for restroom facilities in Town parks.

As all Archuleta County residents, employees, and business owners require and benefit from County administration services (regardless of their location in or outside Town limits), the fee has been structured to cover all new development in the County. Similarly, it is expected that households residing in both the Town and the unincorporated areas will use the parks located within the municipality and the fee has been based on county-wide usage. It is assumed that the correct proportion of fees collected under this program will be forwarded to the appropriate governmental entity to support costs related to these improvements.

Capital Costs

Using data provided by Archetype Design, the consultants and architects recently retained by the County to evaluate building programs and costs, the 132,000 square foot County administration facility would cost an estimated $25.7 million if constructed in 2010[6], as shown in **Appendix Table 6**.

Apportionment of Costs and Fee Estimate

The services to be provided by the proposed facilities will benefit both existing and future residential and non-residential development. Therefore, the costs were allocated initially on the basis of new versus existing development, as shown in **Table 5**. As a result, new development was responsible for approximately 40 percent of the total costs. These costs were then further allocated between residential and non-residential development. Most other fees in this study can split the allocation of residential and nonresidential uses by service records (i.e., fire responses, water consumption, and trip generation). In the absence of specific data regarding usage of general County administration services or Town parks, the split between residential and non-residential uses reflects the average of these three programs and shows that non-residential accounts for approximately 15 percent of demand and residential accounts for 85 percent of the total.

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[6] If the facility were constructed in 2013, the estimated cost of construction would be $29.5 million for the same size facility; this higher cost used in the analysis is Archetype's escalated construction cost estimate for construction three years later, reflecting the contingency that the facility might not be constructed in 2010.

Based on the need previously outlined and the associated cost allocation in the preceding sections, there will be approximately $10.5 million in costs. These costs were allocated by the new development anticipated for the future, resulting in a maximum fee potential of $1,378 per residential unit and $1,249 per 1,000 square feet of non-residential development.

Table 5
Public Facilities Fee
Joint Impact Fee Update

Description	Factor	Amount
Proposed Facilities		
County Administration Building (Sqft)		132,342
Estimated Cost		$25,714,343
Public Restroom Facilities Cost		$300,000
Total Public Facilities Capital		**$26,014,343**
Development		
Existing Residential (Sqft)		13,503,000
2009-2030		9,765,000
Residential, Subtotal	85%	**23,268,000**
Existing Non-Residential (Sqft)		2,736,401
2009-2030		1,222,180
Non-Residential, Subtotal	15%	**3,958,581**
Total		
Existing	60%	16,239,401
2009-2030	40%	10,987,180
Total Development	**100%**	**27,226,581**
Allocation of Costs [1]		**$26,014,343**
Existing Development	60%	$15,516,357
2009-2030	40%	$10,497,986
2009-2030 Development [2]		**$10,497,986**
Residential	85%	$8,971,642
Non-Residential	15%	$1,526,344
Fee per Dwelling Unit		**$1,378**
Fee per 1,000 sqft of Non-Residential Development		**$1,249**

[1] Cost allocation based on split between existing development and future development.
[2] Cost allocation based on existing composition of constructed buildings within the County.
Note: Assumed benefit district would be all of Archuleta County.
Source: Archetype Design; Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]Public Facilities Fee

Park Land Fee In-Lieu

Part of the community's vision for the future is to provide a full range of community amenities such as high quality parks, as well as public facilities. Creation and implementation of these fees could provide the financial vehicle to achieve this vision. Based on the regional nature of park land benefits for residents in both the Town and unincorporated areas, the benefit district for this fee program was assumed to be Countywide. Options for using the funds include the County and Town collecting and using the fees within each respective jurisdiction. Alternatively, the County and Town could pool the funds, as currently occurs, and have a single entity address park needs throughout the County.

Capital Costs

EPS used the *Small Community Park & Recreation Planning Standards: 2003*, which provided research and recommendations based on survey work completed in small communities throughout the State of Colorado. The park standards provide a standard level of service for rural communities like Pagosa Springs of 14 acres of park land for every 1,000 residents.

EPS researched the current price of vacant land for parcels from 2 to 20 acres in size and found that vacant land was selling for an average of $30,967 an acre. This figure varied depending on site characteristics such as location, access to existing infrastructure, and scenic views.

Apportionment of Costs and Fee Estimate

Community residents are typically the primary beneficiaries of access to park land. Therefore, the park land impact fee was only allocated to future residents of the County and Town. From 2009 to 2030, it is anticipated that an additional 10,126 residents will live in the Town or in unincorporated portions of the County.

Table 6 details the maximum fee potential for the park land. Based on the level of service standard and population growth outlined in the preceding sections, approximately 70 acres of park land will be needed from 2009 to 2030 to accommodate new demand in the future. Applying the capital acquisition cost of $30,967 per acre, this equates to $4,389,885 in total capital costs. These capital costs are allocated by the residential development anticipated to generate the demand for this land, resulting in a maximum fee potential of $674 per residential unit.

Table 6
Park Land Fee
Joint Impact Fee Update

	Factor	Amount
Future Level of Service		14 acres per 1,000 residents
Population Growth 2009-2030		10,126 residents
Total Park Land Requirement		**142 acres**
Total Cost	$30,967 / Acre	$4,389,885
New Dwelling Units by 2030		6,510
Fee per Dwelling Unit		**$674**

Note: Assumed benefit district would be all of Archuleta County.
Source: Small Community Park & Recreation Planning Standards: 2003; Economic & Planning Systems

H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]Parks Fee

Trails

As discussed with park land dedication, developing a full range of recreation amenities is integral to achieving the future vision of the community. The County has adopted the Trail Plan for Archuleta County and the Town of Pagosa Springs to provide trails throughout the community. The creation and implementation of a trails impact fee could provide the financial vehicle to achieve this vision. Based on the regional benefits of trails, the benefit district for this fee program has been allocated on a Countywide basis.

EPS used the Trail Plan for Archuleta County and the Town of Pagosa Springs to quantify the magnitude of the community's desired trail system. This plan was the basis for determining which trails were designated as primary and secondary infrastructure, as shown in detail on **Appendix Table 4**. In addition to primary and secondary infrastructure levels, the Trail Plan also shows a range of trail priorities. The fee reflects only the cost of the highest priority category that includes a total of 35.4 miles of new trails and one bridge.

In discussions with County and Town staff, EPS understands that the Town currently requires developers to provide sidewalks abutting their property and to construct trail segments if identified trail alignments cross their property. The County has required developers to construct sidewalks in adjacent rights-of-way as part of the approval process. Many county developers opt out of construction, citing a lack of pedestrian traffic in the rural parts of the county, and instead elect to pay an in-lieu fee.

Based on preliminary direction from the County and Town, it appears that the requirements will change. The County would likely remove its sidewalk requirement because the new program would generate funds to construct an integrated regional trail system. It has been suggested that in the recent past, in-lieu fees have been used for the purpose of constructing trails.

If the new impact fee is adopted, the Town plans to waive requirements to construct segments of trails that fall on a developer's property as the funds would be provided for the Town, or another public agency, to do so. It is likely that more trails will be constructed as all developers will contribute to the regional effort, rather than just those with trails crossing their property. Regarding sidewalks, the Town will continue requiring developers to provide public sidewalks in rights-of-way adjacent to their property. Pedestrian traffic volume within the Town is sufficiently high and the historic ability of cities to require public improvements such as sidewalks is well established. The use of the Town sidewalks and regional trails are sufficiently distinct to allow the Town to continue requiring both.

Capital Costs

Based on the Trail Plan, the primary trail system is design to be constructed from asphalt or concrete. As a result, the construction of the highest priority primary trails is estimated to cost $5.4 million.

Apportionment of Costs and Fee Estimate

Residential development is typically the primary beneficiary of recreation trails. Therefore, the trail impact fees were allocated only for residential development in the County and Town. By 2030, there will be approximately 15,512 residential units in the County and Town. From 2009 to 2030, it is anticipated that an additional 6,510 residential units will be constructed, representing 42 percent of the Countywide total by 2030.

Table 7 details the maximum fee potential for the trail system. Based on the level of service standard outlined in the Trail Plan and residential development outlined in the preceding sections, there will be approximately $3.2 million in costs. These costs were allocated by the new residential development anticipated for the future, resulting in a maximum fee potential of $351 per residential unit.

Table 7
Trails Fee
Joint Impact Fee Update

	Factor	Amount
Unit of Measure		
Existing Dwelling Units	58%	9,002
New Dwelling Units by 2030	42%	6,510
Total Dwelling Units by 2030	**100%**	**15,512**
Total Miles of Trail by 2030		**35.4**
Total Capital Cost		**$5,437,385**
Existing Dwelling Units	58%	3,155,450
New Dwelling Units by 2030	42%	2,281,935
Fee per Dwelling Unit		**$351**

Note: Assumed benefit district would be all of Archuleta County.

Source: Trail Plan for Archuleta County and the Town of Pagosa Springs; Economic & Planning Systems

H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]Trails Fee

Fire

The Pagosa Fire Protection District (PFPD) elected to participate in the Joint Impact Fees Study to determine the applicability and to quantify the potential for using impact fees as a financing tool to address future capital fire protection needs. Although as previously noted, Senate Bill 15 does not provide express authority for fire districts to establish their own impact fee programs, fire protection is clearly a service which the County and Town are authorized to provide. Therefore, the current proposal is for the County and Town to adopt an impact fee to offset the costs of capital improvements required for fire protection services, and to arrange sharing these funds with the fire protection district through an appropriate intergovernmental agreement in exchange for the provision of fire protection services. Note that the benefit district for this fee program was assumed to be the existing boundaries of the district, which encompass approximately 95 percent of the County's existing and future development.

The PFPD currently operates and maintains seven stations in the County. This provision of capital and equipment for fire protection equates to one station with three bays and standard engine and tender equipment per 2.2 million square feet of residential and non-residential development. According to the PFPD's plans for providing service over the planning horizon, there will be 14 stations inside the County. Because many of the proposed stations will be in more remote locations throughout the County, the provision of 14 stations implies a slightly higher level of service standard of one station per approximately 1.9 million square feet of residential/non-residential development.

Capital Costs

The PFPD's plans assume that the additional seven stations by build-out will be implemented with greater cost efficiency. That is, the stations will contain an average of two bays, not three, whereby lowering overall costs, and the stations will be equipped with a combination engine-tender and a brush rig, also at lower overall costs. Based on data provided by the PFPD, a typical two-bay station with equipment would cost approximately $846,000 as shown in detail in **Appendix Table 7**. This cost excludes the cost of land acquisition, which is assumed will be dedicated or provided.

Apportionment of Costs and Fee Estimate

Between 2001 and 2008, the district received an average of 304 calls for service annually. The distribution of calls for service by residential and non-residential has been utilized to distribute capital costs. **Table 8** details the maximum fee potential for fire protection. Based on the level of service standard previously outlined, development growth outlined in the preceding sections, and based on PFPD plans, the additional 7 stations needed by 2030 are estimated to cost approximately $5.9 million. Because service demand from residential differs from non-residential, two maximum fees have been calculated. These costs are allocated to new residential and non-residential development based on their respective portion of total calls for service. As a result, the maximum fee potential per dwelling unit is estimated to be $664 per unit and $1,563 per 1,000 square feet of non-residential development.

Table 8
Fire District Fee
Joint Impact Fee Update

	Factor	Amount
Existing Service Standard		
Residential Development [1]	95%	12,827,850
Non-Residential Development [1]	95%	2,599,581
Total		**15,427,431**
Stations		7
SF of Development/Station		2,200,000
Development in 2030		
Residential Development		22,104,600
Non-Residential Development		3,760,652
Total		**25,865,252**
Required Stations [2]		14
Change in Development		
Residential Development		9,276,750
Non-Residential Development		1,161,071
Total		**10,437,821**
Required Stations		**7.0**
Future Station Needs [3]	7.0	**$5,919,200**
Residential	69%	4,104,886
Non-Residential	31%	1,814,314
Fee per Dwelling Unit	6,185 new units	**$664**
Fee per 1,000 sqft of Non-Residential Development	1,161,071 new sqft	**$1,563**

[1] The Fire District geography is established as 95 percent of the total development of the County.
[2] Total stations at build-out provided by PFPD.
[3] Cost allocation based on a four year average split of calls for service between residential and non-residential.

Source: Pagosa Fire Protection District 30 Year Capital Plan; Economic & Planning Systems

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Water Storage

The San Juan Water Conservancy District (SJWCD) and Pagosa Area Water and Sanitation District (PAWSD) elected to participate in the Joint Impact Fees Study to determine the applicability and to quantify the potential for using impact fees as a financing tool to address the community's projected water storage needs.

Although Senate Bill 15 does not expressly authorize districts such as these to establish their own impact fee programs, the current proposal is for the County and Town to adopt the impact fee on behalf of the SJWCD. The funds collected based on this analysis would be used by the SJWCD to address impacts from growth. Although as previously noted, the statute does not provide express authority for water conservancy districts to establish their own impact fee programs, water storage is clearly a service which the County and Town are authorized to provide. Therefore, the current proposal is for the County and Town to adopt an impact fee to offset a portion of the costs of capital improvements required for water storage and to arrange sharing these funds with the SJWCD through an appropriate intergovernmental agreement (IGA). The existing SJWCD boundary was utilized as the benefit district for this fee program.

Capital Costs

The Districts have jointly assessed the community's future needs for raw water, and the Districts' recent 2009 update report is used as a basis for this impact fee analysis[7]. This assessment evaluated needs through 2055 and considered several alternative plans. It projected a need for a water storage facility of 19,167 acre-feet to accommodate future growth, which equates to 36,413 equivalent units through 2055. Because current litigation involving approval of the SJWCD request for unappropriated water rights is unresolved[8], this analysis and impact fee calculation is based upon a reservoir size determined by existing and approved water storage rights. A 1968 Water Court decree granted water rights sufficient to construct a project of 6,300 acre-feet. A water storage facility of this size is estimated to meet the demand of 15,795 equivalent units[9]. After previous efforts to have impact fees based on the larger reservoir, it has

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[7] "Current Projections for Future Growth, Water Demand and Storage Needs: a report of the Pagosa Area Water and Sanitation District and San Juan Water Conservancy District. February 23, 2009."

[8] While the fee calculated in this report is reasonable and consistent with the approach used for other agencies, a recent court ruling must be taken into account, given its focus on the proposed 19,167 acre-feet water storage facility. Senate Bill 15, now codified at C.R.S. § 29-20-104.5, requires that, in setting an impact fee, a local government must "quantify the reasonable impacts of proposed development on existing capital facilities and establish the impact fee at a level no greater than necessary to defray such impacts directly related to proposed development." In Krupp v. Breckenridge, 19 P.3d 687 (Colo. 2001), the Colorado Supreme Court has also held that the amount of the fee must be "reasonably related to the overall costs to provide the service." Recently, in a case involving water rights for the 19,167 acre-feet water storage project proposed to be financed in part through the impact fees studied in this report, the Colorado Supreme Court ruled that the evidence supporting water rights claims made by the Districts related to the amount of development and growth anticipated over the planning period to 2055 was not reasonable, and remanded the case back to water court for further proceedings related to the water rights claims reasonably needed to support the projected growth. See, *Pagosa Area Water and Sanitation District and San Juan Water Conservancy District v. Trout Unlimited,* No. 08SA354, November 2, 2009.
Specifically, although the court found that the 50-year planning horizon adopted by the Districts was reasonable, the court also found that the water rights claims projected by the Districts were not "reasonably necessary" to serve the "reasonably anticipated needs" during such period. While typically, a governmental determination such as the projected water rights diversion and storage amounts for a proposed reservoir would be entitled to a presumption of validity under Colorado case law, in this case the Colorado Supreme Court has issued a decision expressly finding that such determination was not reasonable based on the facts in evidence.

[9] According to data and information received in a memo from Harris Water Engineering, Inc.., dated June 21, 2010.

been requested that the smaller reservoir, for which water rights have been adjudicated, be used in the analysis.

The SJWCD recommends that the impact fee program, implemented by the Town and the County, cover environmental accommodations costs for the water storage facility related to wetlands replacement, a boater bypass, and a fish bypass, while costs related to other capital improvements, such as a dam, be covered through other revenue sources. According to information provided, environmental accommodations costs for a water storage facility of either 19,167 acre-feet capacity or 6,300 acre-feet capacity will be identical[10]. Note that the impact fee analysis is based on representations made by each entity regarding future capital costs, and have not been independently verified. In an initial estimate of environmental accommodations costs from Harris Engineering[11], these costs were estimated at $10,027,000, as shown in **Appendix Table 8** (including wetlands replacement, boater bypass, a fish bypass, and environmental permitting, of which the $2,000,000 environmental permitting costs were not applicable to the impact fee study).

Apportionment of Costs and Fee Estimate

The water services to be provided from the proposed facility will benefit both the existing and future residential and non-residential development. Future residential demand was estimated based on the number of local and second homeowner residential units to be built between the 2009 to 2030 time period, assuming one equivalent unit per housing unit. The time frame used to calculate the impact fee for water storage is consistent across all entities considered in the impact fee study and reflects an appropriate horizon for planned capital improvements for most agencies. Non-residential demand was estimated based on the existing relationship of residential to non-residential equivalent units of demand, applying water usage data provided by the Districts.

Overall, it is projected that there will be an estimated 8,222 more equivalent units by 2030. Of these projected new equivalent units, an estimated 79 percent are attributable to residential demand and an estimated 21 percent is estimated to be related to non-residential demand, as shown in **Table 9**. These projections have been informed by the Colorado State Demographer's forecasts, as well as an in-depth trend analysis of the growth of primary residents and second home-owners in the County. It should be furthermore noted that this study has used SJWCD methodology for determining the split between equivalent units for residential and non-residential development.

The environmental accommodations costs apportioned to the water storage facility impact fee area estimated by the portion of the 6,300 acre-feet facility that will serve the estimated new equivalent units by 2030. As such, the estimated 8,222 new equivalent units account for approximately 52 percent of the capacity of the 6,300 acre-foot facility, which is estimated to serve 15,795 equivalent units. Thus, 52 percent of the costs are eligible for an impact fee program.

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[10] According to data and information received in a memo from Harris Water Engineering, Inc.., dated June 21, 2010.

[11] According to data and information received in a memo from Harris Water Engineering, Inc.., dated November 11, 2009.

Table 9 details the maximum fee potential for that portion of the 6,300 acre-feet water storage facility. Based on the water demand previously outlined and the associated cost allocation in the preceding sections, approximately $4.2 million in costs for the 2009 to 2030 time period will be apportioned to the additional 8,222 equivalent units. Allocated to the projected new residential and non-residential development up to the 2030 planning horizon, the recommended maximum fee is $508 per equivalent unit of demand, as shown in **Table 9**.

Table 9
Water Storage Fee
Joint Impact Fee Update

	Factor	Amount
Future Water Storage Demand, 2009-2030		
Residential	79%	6,510 EUs
Non-Residential	21%	1,712 EUs
Total	**100%**	**8,222 EUs**
Total Future Water Storage Demand (2055)		**15,795 EUs**
Net New Demand in 2030	52%	8,222 EUs
Estimated Capital Costs		**$8,027,000**
Cost Allocation, 2009-2030	52%	**$4,178,646**
Fee per Equivalent Unit	8,222	**$508**

Source: SJWCD; Economic & Planning Systems
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It is anticipated that upon resolution of legal issues surrounding the SJWCD request for additional unappropriated water rights, that while the environmental accommodations costs will not change. It is important to note that the number of equivalent units served by any additional capacity gained by the approval of additional water storage rights will increase and therefore reduce the percentage of total costs relevant to growth through the 2030 timeframe. Thus, a change in water right allocation will alter the water storage impact fee. At such time of approval of these unappropriated water rights, it will be necessary to recalculate this water storage facility impact fee.

School Fee In-Lieu of Dedication

The Archuleta School District 50 JT elected to participate in the current study to quantify fees in-lieu of land dedication requirements. Senate Bill 15 does not authorize impact fees for new school facilities and other statutory provisions restrict the ability of school districts to accept such funds. However, local governments have land use authority to require school land dedication and to receive fees in-lieu of land dedication at subdivision. It is important to note that the other impact fees considered in this study may be collected at time of building permit or subdivision plat; however, the school fees in-lieu can only be collected at subdivision (at least for the County) because they are authorized as part of the subdivision statute.

Because the analysis to determine appropriate fees in-lieu is similar to that for the larger impact fee program, the study also analyzes a few-in-lieu program for new school facilities. As referenced previously, the two programs are distinct and are based on different sections of the Colorado Revised Statutes. The benefit district for this fee program was assumed to be the District's boundaries, which reflects approximately 98 percent of the County, and therefore, 98 percent of its total population.

EPS used the District's existing student generation rates and square feet of land per student (Note: detailed school building and site inventory can be found in **Appendix Table 9**). The fee in-lieu program assumes a student generation rate of 0.17 students per dwelling unit and an average of 2,104 square feet of land per student. Furthermore, this analysis assumes the same average household size, and therefore student generation rate implication, for both primary full-time resident and second homeowner housing units projected over the planning horizon.

Capital Costs

As previously discussed, EPS researched the current price of vacant land for parcels from 2 to 20 acres in size and found that on average vacant land was selling for $30,967 an acre. This figure varied depending on site characteristics such as location, access to existing infrastructure, and scenic views.

Apportionment of Costs and Fee Estimate

New students are generated only by residential development; therefore, the fee was allocated only to residential development in the District's boundaries. The analysis assumes that approximately 98 percent of future residential development will occur within the District's boundaries.

Table 10 details the maximum fee potential for the school fee in-lieu of dedication program. Based on the existing level of service standard outlined and an average land cost of $30,967 an acre or $0.71 a square foot, each new student would require $1,495 to cover the land acquisition necessary to serve that student. Using the 2008 student generation rate of 0.17, each new dwelling unit would generate a fee of $251.

Table 10
School Fee
Joint Impact Fee Update

	Factor	Amount
Existing Student Generation Rate		
2008 Enrollment		1,481
2008 Dwelling Units		8,822
Students per Dwelling Unit		**0.17**
Square Feet of Land per Student		**2,104**
Land Cost per Square foot	$30,967 / Acre	$0.71
Land Cost per Student		$1,495
Fee per Dwelling Unit		**$251**

Note: Assumed benefit district would be the District's boundaries and contain 98% of the County's population.
Source: Archuleta School District 50 Joint; Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]Schools Fee

5. IMPLEMENTATION CONSIDERATIONS

To establish the County and Town impact fee program, the following actions should be taken:

- County and Town draft and adopt resolutions setting forth policies, goals, and local levels of service related to the proposed fees and recognizing that the proposed fee program is consistent with community priorities.
- Draft Intergovernmental Agreements to ensure funds collected are dispersed appropriately and that proper indemnification language is in place.
- Draft resolution (or ordinance for the Town) adopting fees. It is recommended that separate resolutions be drafted for school fees in-lieu, as the County and Town authority is based on separate sections of the Colorado Revised Statutes.
- Draft fee schedule to be adopted separately, which will enable the County and Town to update the fees without revisiting the larger impact fee program.

In addition to these steps, the following information is provided below to ensure all stakeholders are aware of the common standards for operating the impact fee program. These are provided by way of example of common features in impact fee programs. Actual incorporation of these provisions should be a thoughtful policy decision by the County and Town when drafting and adopting the actual Implementation ordinance.

Implementation

The proposed fees presented in this report are based on the current planning level improvement cost estimates, administrative cost estimates, and available land use information. The fee program should be updated if any of the following conditions or input factors change:

- If costs change significantly;
- If the type or amount of new projected development changes;
- If other assumptions significantly change, or;
- If other funding becomes available (for example, as a result of legislative action on state and local government finance).

After the proposed fees presented in this report are established, the County and Town should conduct periodic reviews of construction costs and other assumptions used as the basis of this study. Based on these reviews, the County and Town may make necessary adjustments to the fee program. The cost estimates presented in this report are in 2009 dollars. While the County or Town does not adjust the fee by reviewing facility costs or other assumptions, the County or Town may adjust the costs and fees for inflation each year as outlined in this chapter.

Implementing Ordinances and Resolutions

The proposed fee would be adopted by the County and Town by resolution or ordinance, as appropriate, authorizing collection of the fee and through one or more fee resolutions establishing the fee schedule and authorizing collection of the fee. The new ordinances and/or resolutions should reference the inflation adjustment factor discussed in this chapter.

Fee Collections

All developments shall pay the amount of the impact fee in effect at the time a building permit is issued.

Exemptions from the Fee

Impact Fee programs commonly provide that the Board of County Commissioners for the Town may waive any and all portions of the Fee if it can be determined that a proposed project will not impact any facility for which the Fee is collected. The County and Town should establish exemption criteria at the time of enactment of the fee ordinance(s) and/or resolution(s). Examples of the types of development that may be fully or partially exempted from the Fee include additions to existing residential and nonresidential structures, construction of affordable housing, replacement of damaged or destroyed structures, public facilities, and agricultural storage facilities.

Examples of instances in which the fee may be required for land uses that could be potentially classified as exempt from the fees include the following:

1. Any project listed as exempt but which nonetheless, in the opinion of the Board of County Commissioners, increases the demand upon County facilities funded by the fee. The Board of County Commissioners may pro rate the amount of the fee based upon the project's anticipated impact upon the subject facility or facilities.
2. Illegal facilities and buildings constructed prior to the adoption of the fee, which consequently obtain a building permit to legitimize the facility or building, may be subject to the applicable fee.
3. Shell buildings:
    - The full fee can be made payable at the time the building permit for the shell building is obtained.
    - The incremental difference between the intended and actual use of any shell building may be collected on any building permit for tenant improvements.
4. Accessory residential structures that are converted to a separate residential dwelling unit may be subject to the Fee as long the primary residence remains on the property.
5. Temporary buildings that are authorized for more than thirty (30) days in any calendar year may be subject to the fee when converted to permanent use.
6. Duplexes and Triplexes:
    - Duplex: each of the two units is typically subject to the multifamily fee.
    - Triplex: each of the three units is typically subject to a multifamily fee.

Administration of Fee Program

Fee Credits / Reimbursements

As is typical with development impact fee programs, many of the public infrastructure facilities are needed up-front before adequate revenue from the fee collection would be available to fund such improvements. Consequently, some type of private funding may be necessary to pay for the public improvements when they are needed. This private financing may be in the form of land-secured bonds, developer equity, or other form of private financing.

When this circumstance occurs, development impact fee programs need a mechanism to address situations in which developers privately fund public facilities that would normally be funded by the fee program. To address this issue, the impact fee analysis enables fee credits and reimbursements to provide the necessary link between collection of the impact fees and the private construction and dedication of eligible infrastructure improvements.

Implementing regulations should provide that developers/landowners who fund construction of eligible improvements will be eligible for reimbursements against the appropriate fee or fees. Fee credits/ reimbursements will be available for the facility construction cost as shown in this study. Fee credits/reimbursements will be adjusted annually by the inflation factor used to adjust the fee program. Once fee credits have been determined, they will be used at the time the respective fees would be due.

Conditions for Fee Credit/Reimbursement

Fee Credits/reimbursements for constructing eligible roadway facilities are typically provided under the following conditions:

1. Developer-installed/acquired improvements may be considered for reimbursement from the fee program. The various fee accounts shall not be commingled to reimburse a developer. For example, only funds collected from each Fee Program shall be used to reimburse a developer who builds a specific improvement identified in the study (or subsequent updates).
2. The value of any developer-installed/acquired improvements for reimbursement/fee credit purposes shall not exceed the total cost estimate (as updated) used to establish the amount of the fees.
3. The use of accumulated fee revenues shall be used in the following priority order: (1) critical projects, (2) repayment of inter-fund loans, and (3) repayment of accrued reimbursement to private developers. A project is deemed to be a “critical project” when failure to complete the project prohibits further development.

Credit for Replacement of Existing Buildings

Portions of the County and Town are already developed. New development that replaces existing development is eligible for a fee credit to the extent that the facilities to be funded by the new development are already provided to the existing development. For example, a four-unit apartment complex that is replaced by an eight-unit apartment complex could receive up to a 50-percent credit in the fee (4/8 = 50 percent). The appropriate or designated County or Town official will determine the amount of the fee credit at the time a site plan is submitted.

Implementation Process

Once all criteria are met, fee credits may be taken against fees when payable at building permit issuance. To obtain fee credits, the public facility projects must meet all criteria, and developers must apply to the County or Town official before payment of fees on the first unit associated with final development approval. The County and Town maintain the flexibility to allocate fee credits in a manner it chooses. Fee credits granted shall be on a per-unit basis for single family and multifamily development or on a per-square foot basis for nonresidential development projects.

Reimbursements will be due to developers who have advance funded a facility (or facilities) in excess of their fair share of that (those) public facility cost (or facilities costs). In this instance, developers would first obtain fee credits, up to their fair share requirement for a facility, and then await reimbursement from fee revenue collections from other fee payers.

Reimbursement priority will be determined on a “first in and first out” basis. For each public facility type, the Town Council and Board of County Commissioners anticipate prioritizing the accepted public facilities on a year-by-year basis. For example, if one roadway improvement project receives County or Town approval in the month of February while another receives approval in the month of September, each of the projects has equal weighting in terms of priority for reimbursement.

When funds are available, reimbursements will be paid to the first developer or group of developers awaiting reimbursement until that developer is paid in full. Then reimbursements accrue to the next developer or group of developers awaiting reimbursement until paid in full.

To obtain reimbursements, developers must enter into a reimbursement agreement with the County or Town. When funds are available, reimbursements will be paid quarterly, semiannually, or as otherwise determined by the County or Town. As noted, reimbursements will be paid only after the County or Town accepts public facility improvements. It is important to note that reimbursements are an obligation of the Impact Fee Program and not an obligation of other County or Town Funds.

Cost Schedule

Excluding special exceptions, developers will be eligible for fee credits/reimbursements of up to 100 percent of the fee, excluding administration. Eligible public facility costs, which are used to determine fee credits/reimbursements, will be based on cost schedules in this study or actual construction costs if the fees are updated to include the actual costs. Cost schedules may be adjusted annually by using an inflation factor chosen by the County or Town, such as the annual Consumer Price Index or the Construction Cost Index (CCI) published by the Engineering News Record.

Fee Deferral or Fee Payment Plan

At the Town’s or County’s option, the Impact Fee Program may offer fee deferrals or payment plans for nonresidential development. Conditions for these fee options would be established through fee ordinance(s)/resolution(s).

Development Agreements

Any special reductions, exemptions, or other modifications, including application and implementation are typically negotiated and agreed to through a Development Agreement.

Fee Program Update

The Impact Fee Program is subject to annual inflation adjustments, periodic updates, and a 5-year review requirement. The purpose of each update is described in this section.

Annual Inflation Adjustment

The proposed fee may be adjusted by the County or Town annually to account for the inflation of construction, right-of-way acquisition, and environmental or design costs. It is recommended that in March of each calendar year the fee should be increased by the annual CCI published by *Engineering News Record*.

Periodic Fee Update

The proposed fee is subject to periodic update based on changes in developable land, cost estimates, or outside funding sources. The County or Town will periodically review the costs and fee to determine if any updates to the fee are warranted. During the periodic reviews, the County and Town will analyze these items:

- Changes to the required facilities listed in the study;
- Changes in the cost to update and/or administer the fee;
- Changes in costs greater than inflation;
- Changes in assumed land uses; and,
- Changes in other funding sources.

Any changes to the fee based on the periodic update will be presented to the elected boards of the County and Town for approval prior to an increase or decrease in the fee. These boards also may specify during a periodic update which improvements should receive funding from the Impact Fee Program before other improvements. Based on the location of approved new development that could add significant housing, jobs, or other considerations, the County and Town have the ability to spend the fee revenues on any of the projects identified in the impact program regardless of project location and the location of collected fees.

6. COMPARABLE COMMUNITY RESEARCH

Fees in Comparable Communities

In a competitive market, it is critical that a community's development impact fees not deter or discourage development from occurring within its boundaries. Generally, local governments that establish programs to provide high quality infrastructure create a community context in which all sectors enjoy a higher quality of life. In addition, there are many examples of fiscally responsible communities in which market demand increases proportional to the capability of the local government to address infrastructure and amenity needs.

As a part of this update, EPS has conducted extensive research on the types and amounts of impact fees in comparable western slope communities such as Eagle, Montrose, Durango, Rifle, Gunnison, Woodland Park, Bayfield, Cortez, and Ridgway, as well as several Front Range communities including Thornton, Aurora, Fort Collins, Commerce City, and Lakewood. These communities represent a broad spectrum of economies, from small to large, newer and rapidly growing to more established and slower growing. While the dynamics among the communities differ, collectively they offer a context that shows how other communities have determined an appropriate composition and cost for their impact fee programs.

The primary purpose for expanding the research of comparable communities is to enable community members to develop a sense for what is reasonable within the Pagosa Springs/ Archuleta County community. Each of the comparable communities shown in the research is unique. Each community must determine what is reasonable based on its local context. That said, the information provides a collective understanding of current industry standards relating to impact fees and other fees and can be used as objective standards to help guide local discussions about appropriate fee levels.

Residential Impact Fees

The fees from comparable communities for single family residential development are summarized below. As indicative of a community's flexibility allowed in adopting an impact fee program, these comparable programs illustrate three categories of application:

- **Established Fees with a Standard Structure**: Most communities have an established fee structure (i.e. a single "per demand unit") impact fees applied uniformly;
- **Varied Fee Structure**: In some cases, fees vary based on the size of the overall project. In other cases, where a fee in-lieu of land dedication is involved, the fee will vary from year to year and from location to location. In these instances, the fees have been adjusted based on reasonable factors, such as current market value of land, to enable a comparison.
- **Case-by-Case Structure**: In other instances, communities negotiate fees on a case-by-case basis.

Clarification Regarding School District Fees

As noted previously, Senate Bill 15 does not authorize impact fees for new school facilities. Other statutory provisions restrict the ability of school districts to accept such funds. However, local governments have land use authority to require school land dedication and to receive fees in-lieu of land dedication at subdivision. Although fees for school districts are *entirely distinct from impact fees,* the focus of this chapter is to document the total burden to developers. As such, a range of costs is accounted for (such as permit and plan check fees, use tax on permits, etc.). Thus, it is reasonable to include fees to school districts in the analysis provided that it is understood that the programs are distinct and are based on different sections of the Colorado Revised Statutes.

Overview of Fees

None of the communities surveyed applies its impact fees according to just one of these structures; most communities draw from one or more alternatives depending on the nature of the fee. The following is a summary of the research from other communities, as shown below in **Table 11**.

- Durango applies standard fees for roads and applies varied fees in-lieu for parks/open space and schools. The land dedication fees are determined by the current market value of the land.
- Town of Eagle has standard fees for roads and fire impacts, and its land dedication for parks/ open space and schools is also determined by the current value of land.
- Gunnison does not assess impact fees for roads or fire, but its fees in-lieu of land dedication for parks/open space is determined by the size of the development.
- City of Fort Collins applies standard fees to each of its capital needs including roads, a capital improvement fee, and parks/open space. School land dedication, while *not* an impact fee, is based on land dedication fees in-lieu.
- Rifle has standard fees for roads and parks/open space. Rifles' City code has a provision that enables the City to require a land dedication or fee in-lieu if another public agency submits a formal request.
- Woodland Park has standard fees for roads, regional parks, and fees in-lieu of land dedication for parks.
- None of the communities surveyed collected impact fees specifically designated for trails.

Table 11
Impact Fees in Other Communities
Joint Impact Fee Analysis

Description	Roads	Other	Land Dedication/Fee Park/Open	Land Dedication/Fee School	Total
Aurora	$1204 - Capital Improvements	$113 - Public Improvement Fee	Dedication based on size of development OR fee of $87,400 to $109,800 per acre	---	**$1,317**
Bayfield	---	---	$408 per Unit	$794 per Unit	**$1,202**
Commerce City	$1,181 per Unit	---	Land Required OR $619 per Unit	.0155 acres per Unit OR Market Value	**$2,489**
Cortez	---	---	5% of Land or Market Value	---	**$556**
Durango [2]	$1,923 to $2,308 per Unit	$300 per Unit Park Fee	10.5 acres per 312 units **OR** Market Value of Land	.016 units per acre or $945 per Unit	**$5,049**
Eagle	$1,016 per Unit	$225 per Unit (Fire)	.0145 acres per Unit **OR** Market Value of Land	.042 acres per Unit **OR** Market Value of Land	**$3,782**
Fort Collins	$2,967 per Unit	$2,626 Capital Improvement Fee	$1,459 per unit	$900 per Unit	**$7,952**
Gunnison	---	---	20% of PUD or 1/2 of market value of land for small residential PUDs or Non-residential PUDs	$100 per Unit School District Capital Improvement fee	**$100**
Lakewood	---	---	.1375 acres per Unit OR Market Value	.013 acres per Unit OR Market Value	**$6,689**
Montrose	---	---	.0178 acres per Unit **OR** $679 per Unit	.0178 acres per Unit **OR** $679 per Unit	**$1,358**
Ouray	---	---	.03 acres per Unit **OR** $1,203 per unit	---	**$1,203**
Ridgway	---	---	---	---	**$0**
Rifle [1]	$5,042 per Unit	---	.031 acres per Unit **OR** $1,743 per Unit		**$6,785**
Thornton	---	---	.025 acres per Unit OR Market Value	---	**$1,111**
Woodland Park	$650 per Unit	$815 per Unit - Storm Water Capital Fee	Land Dedication **OR** $1,188 per Unit for parks and $299 per Unit for regional park if applicable		**$2,952**

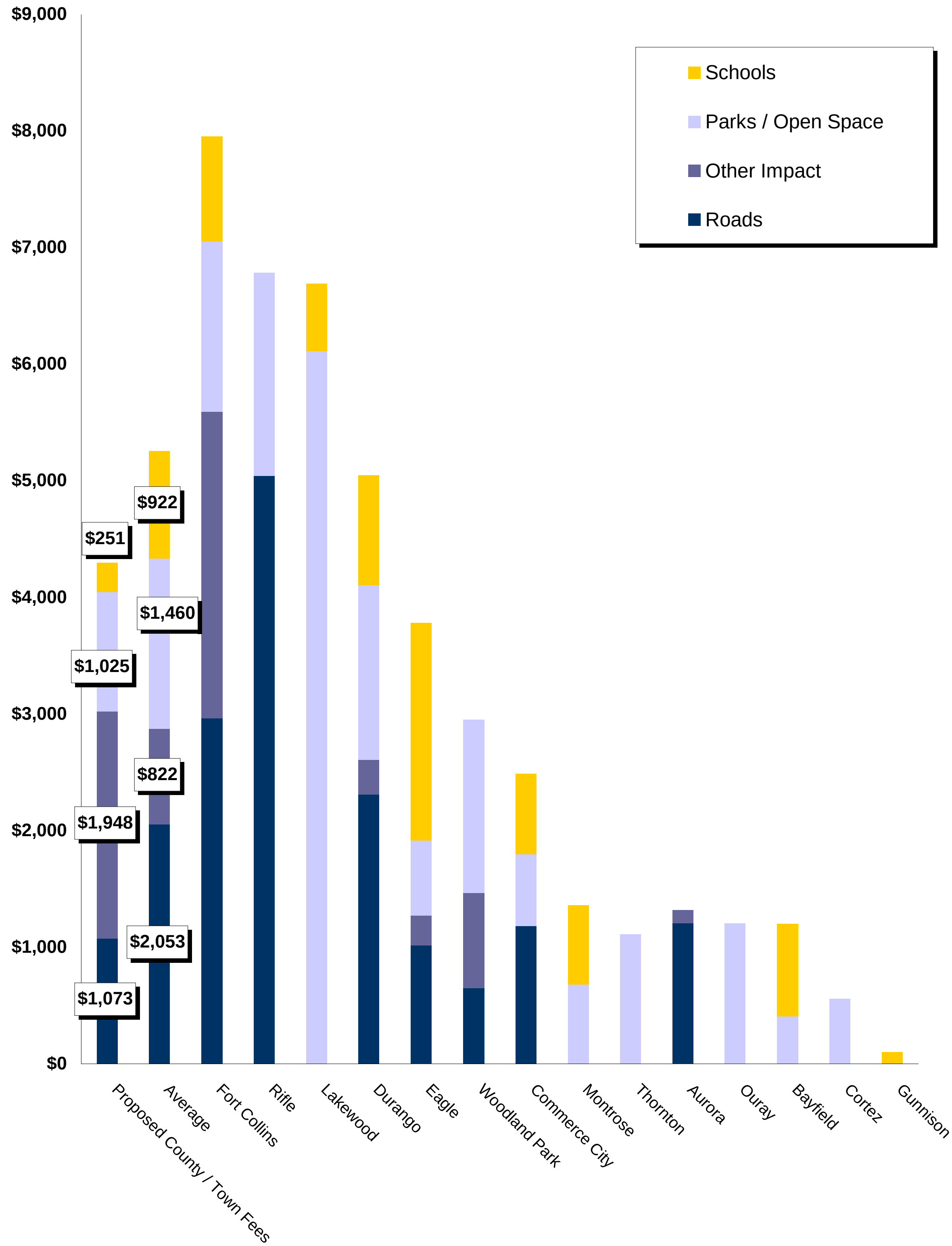
[1] Rifle's Parkland Dedication Fee applies only if part of an Annexation Agreement.
[2] The Town of Eagle requires a $300 per unit fee for Town Parks, as well as, a Parkland Dedication requirement, which allows for a fee to be paid in lieu of the dedication.
Source: Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Data\[18878-Impact Fees Comps.xls]Impact Fees

On average, the total of these types of fees—roads, other (fire and other public facilities), parks/open space, and schools, as summarized in **Table 11** and shown below in **Figure 2**, equals approximately $5,200. The average road impact fee for those communities that assess it is approximately $2,000 per single family dwelling unit. The average fee for fire/other impacts is approximately $800; the average fee in-lieu for parks/open space is approximately $1,400; and the average fee in-lieu for schools is approximately $800.

The proposed impact fees for Archuleta County and Town of Pagosa Springs are illustrated in **Figure 2** as well. By comparison, the proposed joint impact fees related to roads, fire and public facilities, parks/open space, and schools total approximately $4,300 per single family dwelling unit, approximately 18 percent less than the average total impact fees in other communities.

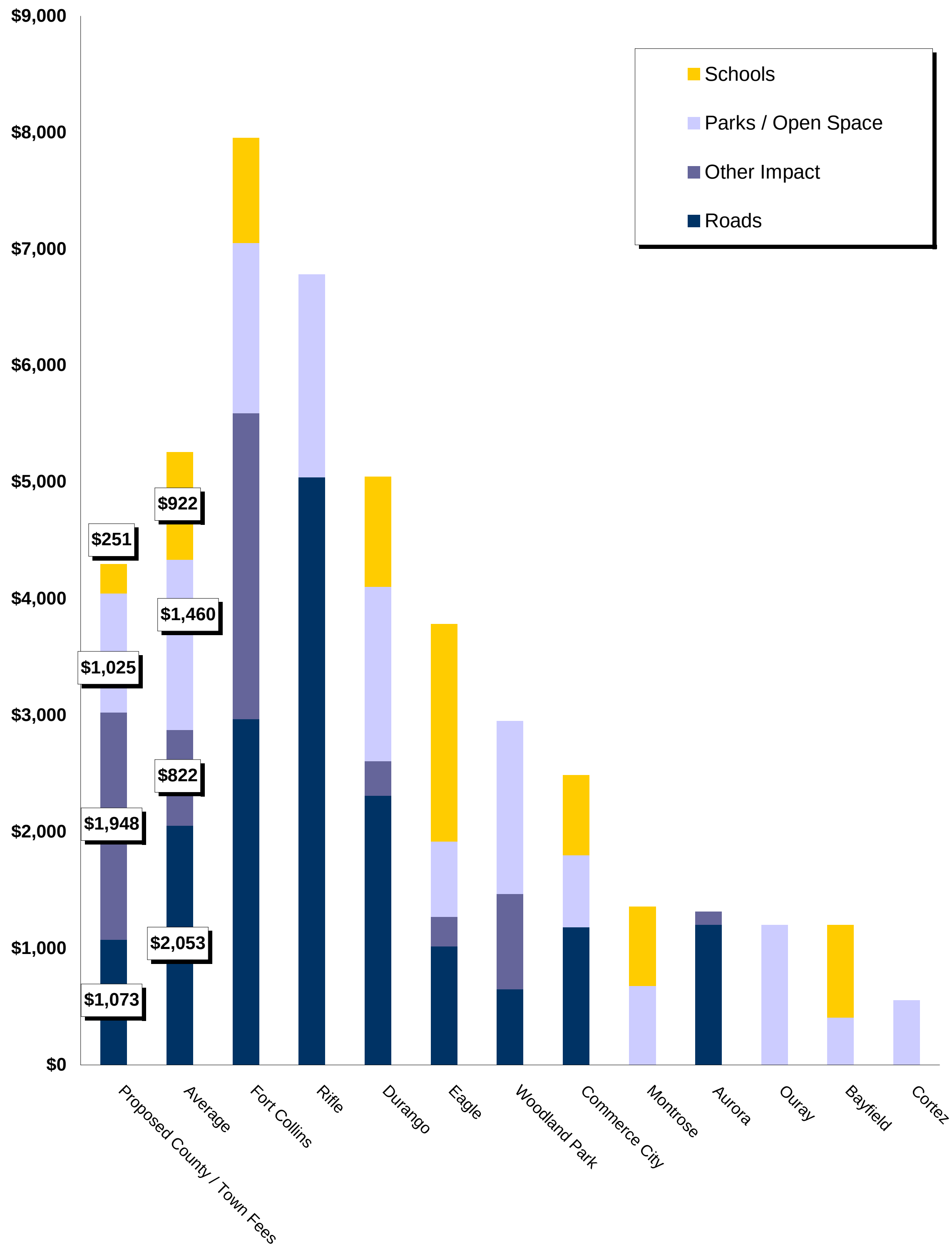
Please note that the fees used in this comparative analysis do not include those related to water storage. Because most every community has a fee structure for water and sewer facilities, some of which are impact fees and some of which have been established using a different basis, it is difficult to separate the type of fee from each of the comparable communities. Based on the data available in the research, EPS grouped all water and sewer related fees under a discussion that follows.

Figure 2
Comparison of Residential Fees
Joint Impact Fee Update



Because some of the communities in the research have substantially higher fees, **Figure 3** has been created to show how the proposed Archuleta County and Pagosa Springs fee program compare to an average derived from a more relevant pool of comparable towns and cities. The revised set has been created by eliminating the top and bottom outliers. In this scenario, the proposed fees continue to fall below the average. The communities that fall immediately above and below the proposed fees are Durango and Eagle.

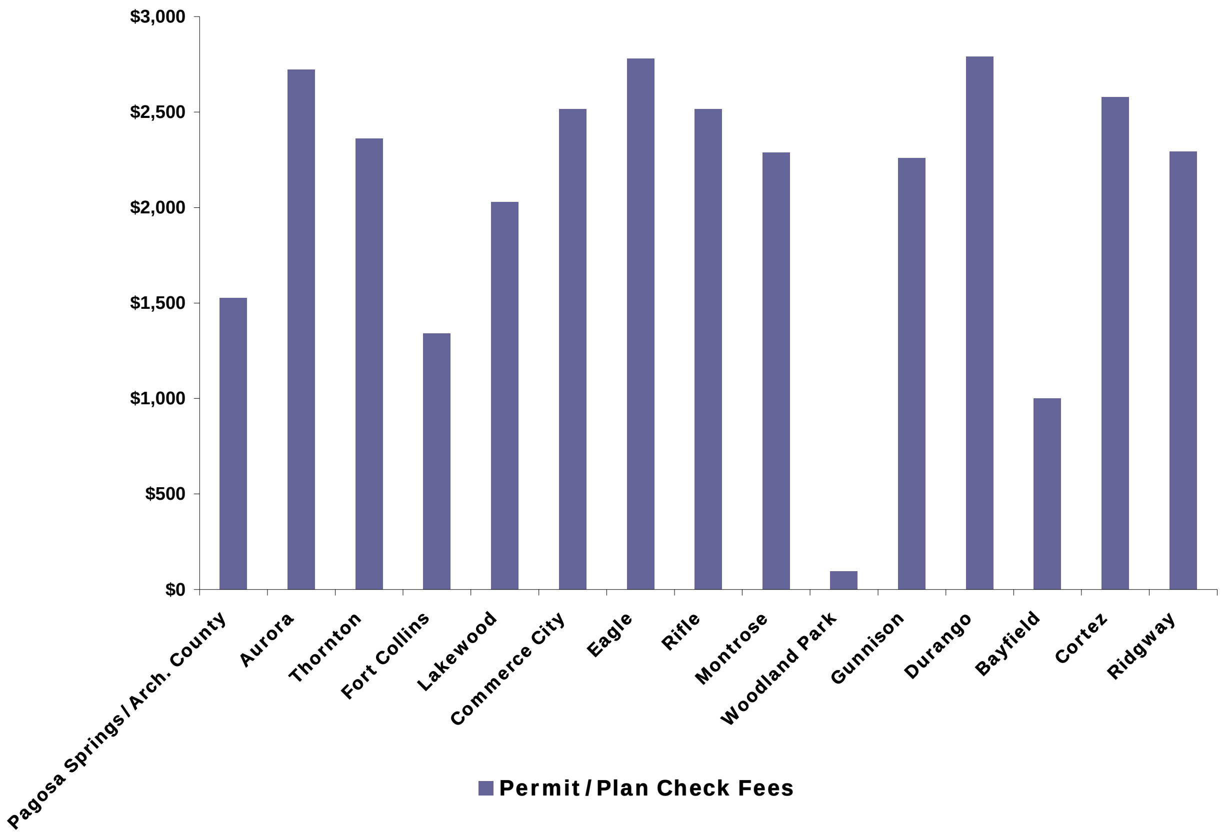
Figure 3
Comparison of Selected Residential Fees
Joint Impact Fee Update



Residential Permit/Plan Check Fees

Average permit and plan check fees for each comparable community are shown below in **Figure 4.** The fees are based on a single-family home with a construction value of $195,000. Whereas the average combined permit and plan check fee for the comparable communities is approximately $2,000 per home, Pagosa Springs' permit fee of $1,526 is lower than the average fee because the Town does not charge a plan check fee for 1- or 2-unit structures. The average plan check fee charged by the comparable communities is $765. Additional details regarding the permit and plan check fees for each community are shown **Appendix Table 1**.

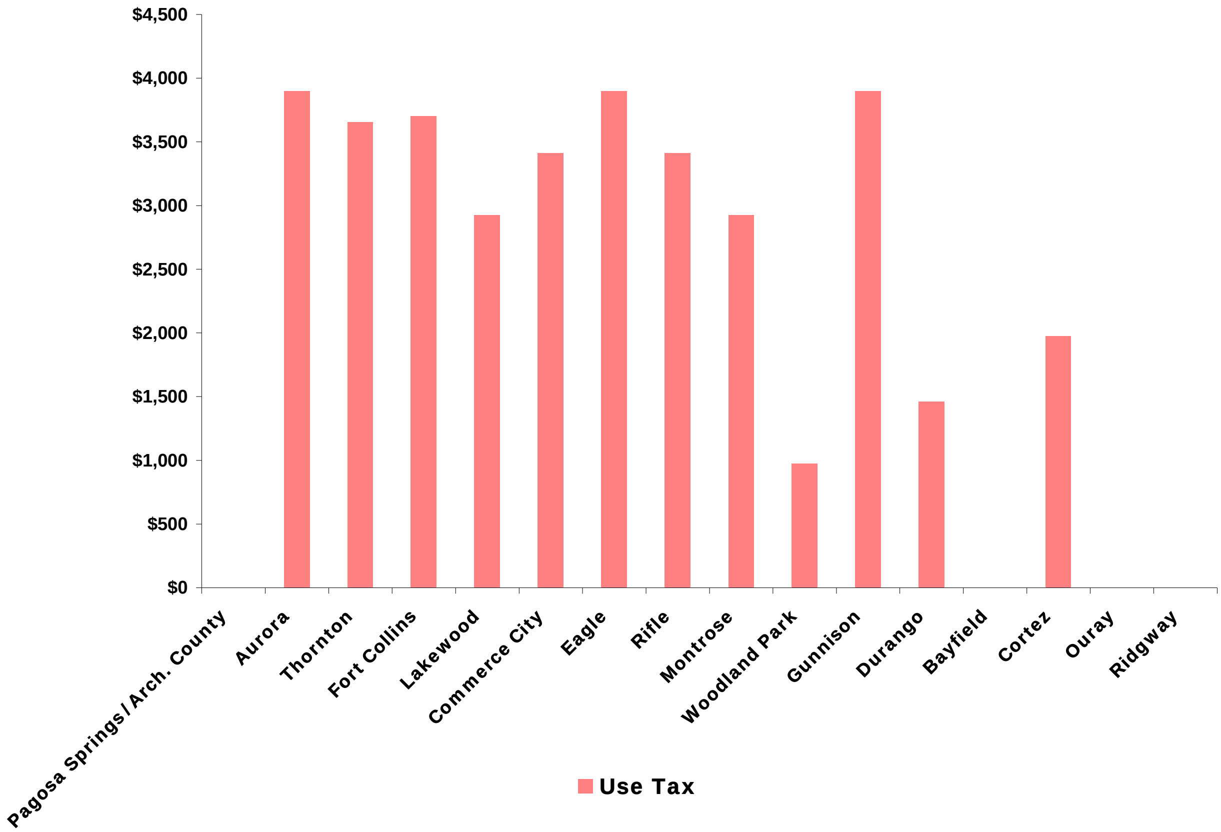
Figure 4
Peer Community Permit/Plan Check Fees
Joint Impact Fee Update



Use Tax

Though Archuleta County and the Town of Pagosa Springs do not currently assess a use tax on construction materials, the following chart illustrates the magnitude of revenue generated and an average of the communities compared. The use tax amounts for each community were based off a home with the same construction value of $195,900. The tax rates of communities that have a use tax ranged from 1.0 percent in Woodland Park to 4.0 percent in Aurora, Eagle, and Gunnison. The average amount of use tax paid for each home is approximately $2,500.

Figure 5
Peer Community Use Tax
Joint Impact Fee Update



Residential Water and Sewer Fees

This section outlines details of water and sewer tap fees for comparable communities, which include connection fees (in some cases, according to meter size), water and sewer infrastructure capital fees, and water rights fees or dedication requirements. In the case of water tap fees, the point of comparison for these communities is a connection fee by a specified meter size that each community has determined appropriate for a single equivalent unit. Research revealed that some communities specify a fee for various meter sizes (corresponding usually to various proportions of an equivalent unit) while some indicate a single tap size for a single equivalent unit.[12] In most cases, a ¾-inch meter is indicated for an equivalent unit, and in a few communities, a 5/8-inch meter is indicated as an option. As shown in **Figure 6** and **Table 12**, for example, Bayfield, Cortez, and Ridgway assess water tap fees of $6,600, $3,300, and $3,000, per equivalent unit respectively, and indicate that this connection fee is specified for a ¾-inch meter size. Other communities, such as Pagosa Springs/Archuleta County and Montrose have distinct fees for water connections of different meter sizes. Because of these differences, a strict comparison of fees shown in **Figure 6** and **Table 12** is limited.

Overall, water connection fees range from $123 in Durango to more than $24,000 in Aurora. Additional detail regarding the water fees for each community are shown **Appendix Table 2**.

Overall, the sewer fees are lower than water fees in a majority of communities. The exceptions include Eagle, Rifle, Montrose, Cortez and Ridgway, where the sewer fees are higher. Of communities that charged a sewer connection and other associated fees, the fees ranged from $750 per unit in Woodland Park to $10,000 per unit in Eagle. The average sewer fee for the comparable communities is $3,870 per unit. Additional detail regarding the sewer fees for each community is shown in **Appendix Table 2**.

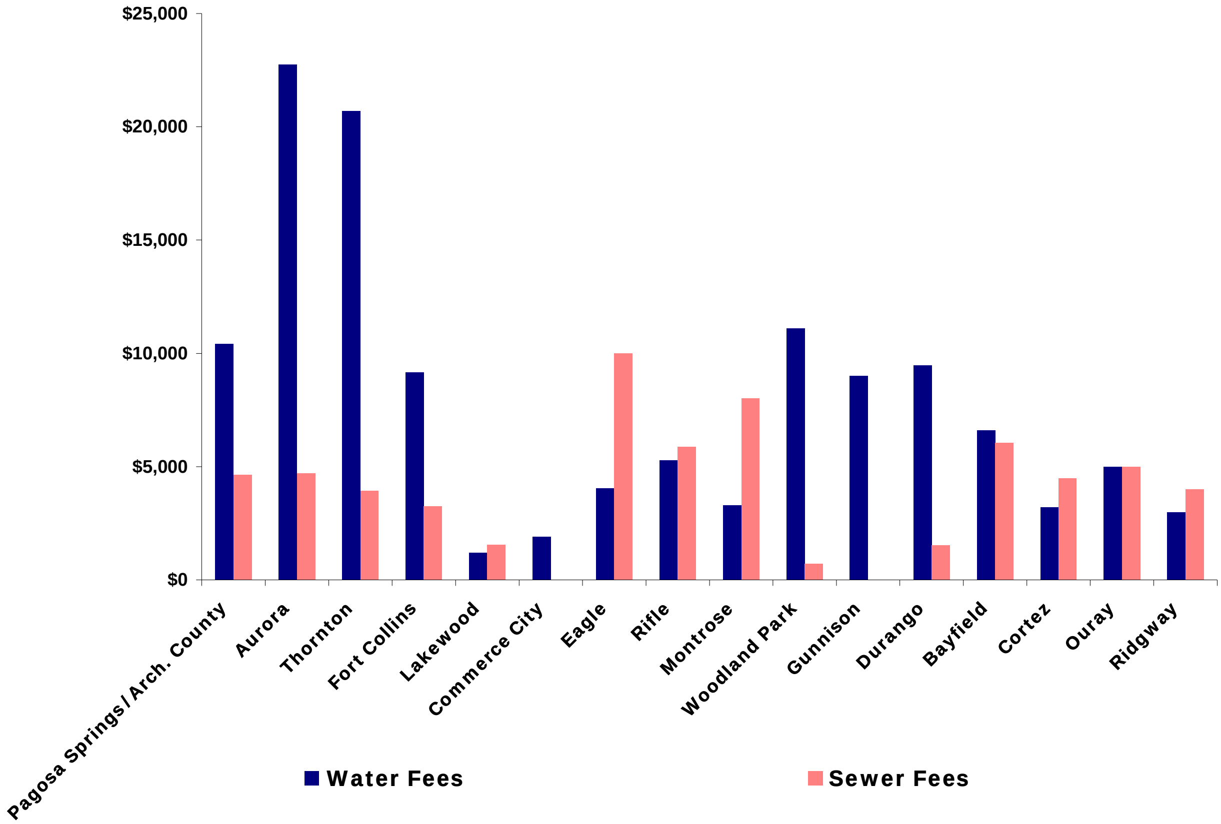
[12] Note that the research does not account for the size of district or potentials for economy of scale, the concentration (or dispersion) of the population served, the type of geographic constraints (and corresponding costs to the water and sewer infrastructure), the magnitude of property tax dedicated to addressing water or sewer needs, or other factors that affect the need for fee revenue.

Table 12
Peer Community Water Connection Fees
Joint Impact Fee Update

Location	Determining Factor(s)	Tap Size Used in Analysis	Water Connection Fee	Water Infrastructure Fee	Water Rights
Aurora	Unit Type and Tap Size	5/8" tap is used (3/4" tap fee is listed N/A)	$24,460	---	---
Bayfield	Tap Size	3/4" (5/8" tap is not provided as an option for any dwelling type)	$6,600	---	---
Commerce City [1]	---	---	---	---	$733
Cortez	Tap Size	3/4" (5/8" tap is not provided as an option for any dwelling type)	$3,300	---	---
Durango	Tap Size	Fee is for any tap size up to 3/4"	$123	$5,528	---
Eagle	Lot Size and Tap Size	3/4" (5/8" tap is not provided as an option for any dwelling type)	$4,050	---	---
Fort Collins	Unit Type (Single Family)	3/4" (Specified by City as Single Family Tap Size, 5/8" tap is not provided as an option for single family units)	$151	$3,826	$5,203
Gunnison	---	---	$9,000	---	---
Lakewood	Tap Size	5/8" tap is used (3/4" tap fee is listed $5,300)	$3,200	---	---
Montrose	Tap Size	3/4" tap is $600 and 1" tap is $800 (5/8" tap is not provided as an option)	$600	$2,500	---
Pagosa Springs/Arch. County	Tap Size	5/8" tap is used (3/4" tap fee is listed $1,270)	$1,230	$3,579	$5,617
Ouray	Tap Size	Fee same for up to 1" Tap	$5,000	---	---
Ridgway	Tap Size	3/4" tap is used (5/8" tap is not provided as an option for any dwelling type)	$3,000	---	---
Rifle	Tap Size	3/4" tap is used (5/8" tap is not provided as an option for any dwelling type)	$475	$5,209	---
Thornton	Unit Type (Single Family)	Same fee for 5/8" and 3/4" taps	$4,346	$16,350	---
Woodland Park	Per Dwelling Unit	Tap size is not indicated for fee	$649	$9,876	$575

[1] Sewer and Water Provided by South Adams County W&S District
Source: Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Data\[18878-Impact Fees Comps.xls]Water Tap Fee Comparison

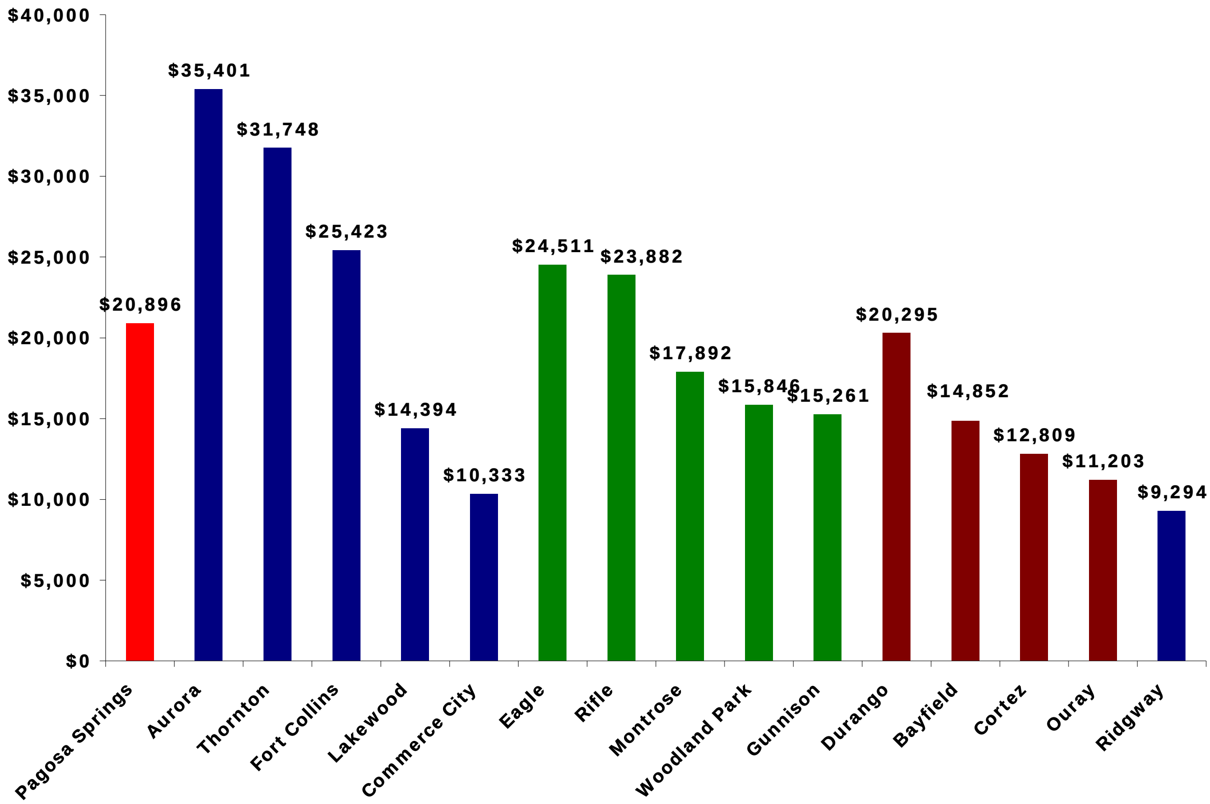
Figure 6
Peer Community Water and Sewer Connection Fees
Joint Impact Fee Update



Residential Total Development Fees

The total development fees per unit for each of the comparable communities are shown in **Figure 7.** Pagosa Springs and Archuleta County's total development fee is $20,896 per unit, assuming the fees are uniformly adopted as evaluated in this study. The total fee burden for Pagosa Springs and Archuleta County is comparable to Fort Collins, Eagle, Rifle, and Durango.

Figure 7
Peer Community Total Development Fees
Joint Impact Fee Update



Non-Residential Fees

Research collected for non-residential development documents the fees charged for every 1,000 square feet of new development. Based on impacts from comparable communities, only fees for roads and fire services are applied to non-residential development. As shown in **Table 13** below, Durango, Eagle, and Woodland Park have a standard fee schedule based on the type of non-residential use proposed. Gypsum, Montrose, and Rifle all negotiate roadway fees on a case-by-case basis. Glenwood Springs was the only community that does not currently have an impact fee program for roadways. Eagle, Glenwood Springs, and Gypsum all collect fees for the fire districts that provide services to their communities.

Road impact fees included for Durango, Eagle, and Woodland Park varied greatly according to detailed non-residential break-downs of use. For office/industrial uses, the average fees are approximately $950 in Durango, $200 in Eagle, and more than $1,100 in Woodland Park.

Restaurant uses, particularly fast food restaurants, which have high trip generation factors, have the highest impact fees: Woodland Park's fee is approximately $5,000 per 1,000 square feet and Durango's fee is more than $14,000 per 1,000 square feet of fast food development. On average, retail uses, including restaurants and convenience stores, range from approximately

$4,000 per 1,000 square feet of development in Woodland Park to approximately $9,800 per 1,000 square feet of development in Durango.

Fees for general commercial uses range from approximately $1,000 to approximately $2,100 per 1,000 square feet of development. On average, fees for road impacts by other commercial uses, including banks and general commercial uses, range from approximately $1,500 in Woodland Park to approximately $4,300 in Eagle.

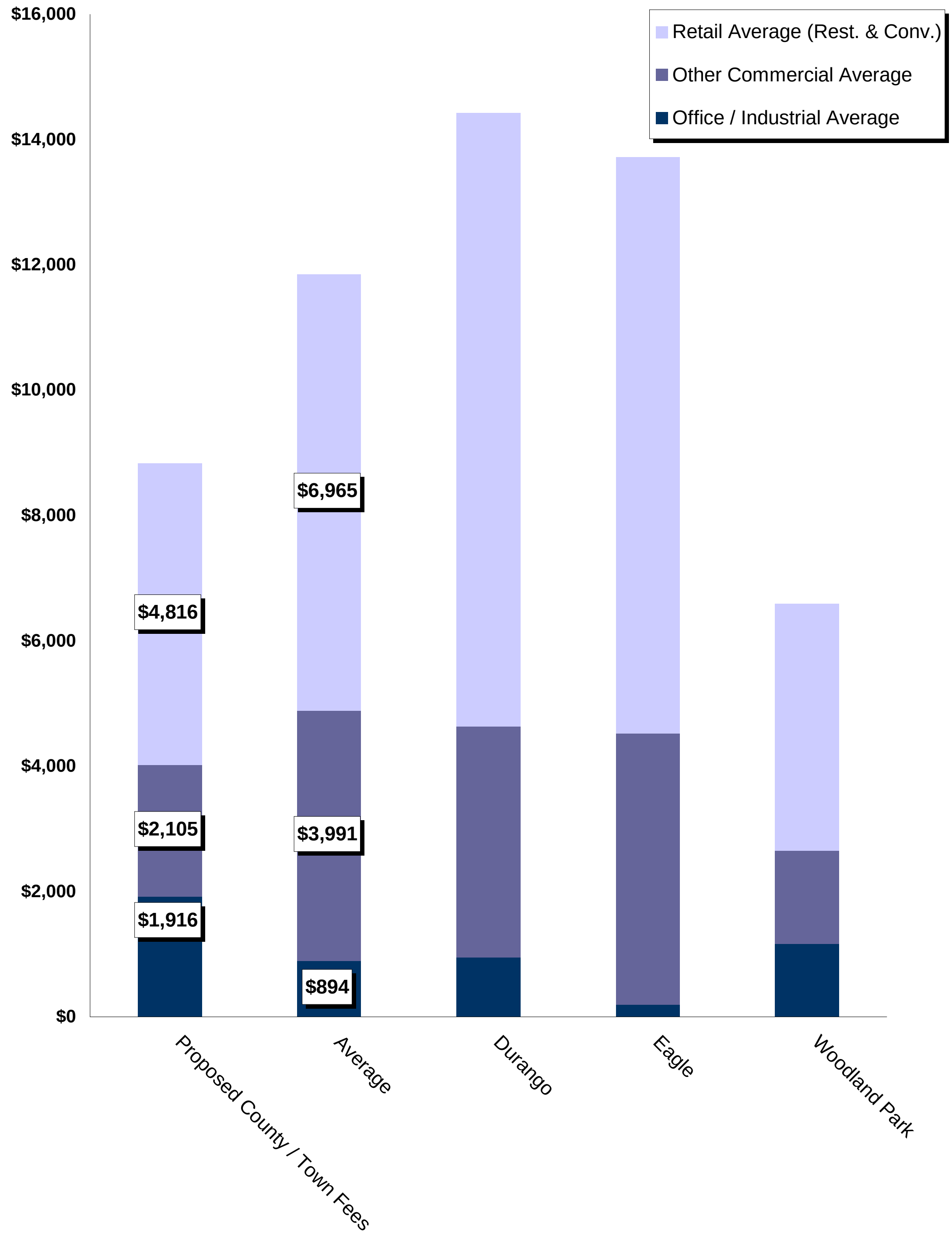
Table 13
Non-Residential Road Fees
Joint Impact Fee Analysis

	Durango	Eagle	Woodland Park
Office			
Less than 10,000 sqft	$241	---	$1,165
Greater than 10,000 sqft	$1,836	---	$1,165
Industrial	$764	$194	---
Office / Industrial Average	**$947**	**$194**	**$1,165**
Retail / Service	---	---	$1,970
Convenience Store	---	$10,309	---
Restaurant			
Sit Down	$5,368	$3,613	$4,931
Fast Food	$14,217	$13,681	$4,931
Retail Average (Restaurant, Convenience Store)	**$9,793**	**$9,201**	**$3,944**
Bank	$5,251	$7,634	---
General Commercial	$2,126	$1,016	$1,479
Other Commercial Average	**$3,689**	**$4,325**	**$1,479**

Source: Economic & Planning Systems
E:\Work\18878-Pagosa Springs Impact Fee Update\Data\[18878-Impact Fees.xls]Non-Res Road Fees

On average, the proposed joint impact fee program has lower road impact fees per 1,000 square feet of non-residential development than other communities surveyed, as illustrated in **Figure 8**. The proposed road fees range from approximately $1,900 per 1,000 square feet of office/ industrial/flex space to approximately $4,800 per 1,000 square feet of retail development. By comparison, the average road fees of these three communities range from approximately $900 for office/industrial development to an average of approximately $7,000 per 1,000 square feet of retail development.

Figure 8
Comparison of Non-Residential Road Fees
Joint Impact Fee Update



Appendix

Appendix Table 1
Comparable Community Permit/Plan Check Fees and Use Rates
Joint Impact Fee Update

Location	Permit fee	Review Fee	Use Tax
Pagosa Springs/ Arch. County	$1,526	$0	0%
Gunnison	$1,370	$891	4.00%
Durango	$1,692	$1,100	1.50%
Rifle	$1,526	$992	3.50%
Montrose	$1,526	$763	3.00%
Aurora	$1,650	$1,072	4.00%
Fort Collins	$905	$436	3.80%
Thornton	$1,431	$930	3.75%
Commerce City	$1,526	$992	3.50%
Lakewood	$1,230	$800	3.00%
Bayfield	$975	$25	0.00%
Cortez	$1,563	$1,016	2.03%
Ridgway	$1,390	$904	0.00%
Woodland Park	$95	$0	1.00%
Eagle	$1,684	$1,095	4.00%

Source: Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Data\[18878-Impact Fees Comps.xls]permit Fee

Appendix Table 2
Comparable Water and Sewer Fees
Joint Impact Fee Study

Location	Water Tap/Meter Fee	Water Infrastructure Fee	Water Rights	Water Total	Sewer Tap Fee	Sewer Infrastructure Fee	Sewer Total
Aurora	$22,754	---	---	**$22,754**	$2,388	$2,320	**$4,708**
Bayfield	$6,600	---	---	**$6,600**	$6,050	---	**$6,050**
Commerce City [1]	$1,181	---	$733	**$1,914**	---	---	**$0**
Cortez	$3,200	---	---	**$3,200**	$4,500	---	**$4,500**
Durango	$144	$9,328	---	**$9,472**	---	$1,520	**$1,520**
Eagle	$4,050	---	---	**$4,050**	$10,000	---	**$10,000**
Fort Collins	$149	$3,826	$5,203	**$9,178**	$53	$3,194	**$3,247**
Gunnison	$9,000	---	---	**$9,000**	---	---	**$0**
Lakewood	$1,200	---	---	**$1,200**	$1,550	---	**$1,550**
Montrose	$800	$2,500	---	**$3,300**	$220	$7,800	**$8,020**
Pagosa Springs/Arch. County	$1,230	$3,579	$5,617	**$10,426**	$395	$4,252	**$4,647**
Ouray	$5,000	---	---	**$5,000**	$5,000	---	**$5,000**
Ridgway	$3,000	---	---	**$3,000**	$4,000	---	**$4,000**
Rifle	$81	$5,209	---	**$5,290**	$89	$5,788	**$5,878**
Thornton	$4,346	$16,350	---	**$20,696**	$1,603	$2,320	**$3,923**
Woodland Park	$649	$9,876	$575	**$11,100**	$75	$649	**$724**

[1] Sewer and Water Provided by South Adams County W&S District
Source: Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Data\[18878-Impact Fees Comps.xls]water sewer Fees

Appendix Table 3
Residential and Non-Residential Inventory Projections
Joint Impact Fee Study

	Factor	Base 2009	2010	2015	2020	2025	2030	2009-2030 Change Total	Ann. #	Ann. %
Residential										
Permanent Residential (Dwelling Units)		5,499	5,667	6,511	7,355	8,199	9,042	3,544	169	2.40%
Growth Rate by Period			3.9%	3.7%	3.1%	2.6%	2.3%			
2nd Homeowners (Dwelling Units)		3,503	3,645	4,351	5,057	5,763	6,470	2,966	141	2.96%
Growth Rate by Period			4.0%	3.6%	3.1%	2.6%	2.3%			
Commercial										
Inventory	2.29%	2,736,401	2,799,082	3,121,837	3,422,012	3,698,714	3,958,581	1,222,180	58,199	1.77%
Growth Rate by Period			2.3%	2.2%	1.9%	1.6%	1.4%			
Total Residential Units		**9,002**	**9,312**	**10,862**	**12,412**	**13,962**	**15,512**	**6,510**	**310**	**2.63%**
Total Non-Residential Space		**2,736,401**	**2,799,082**	**3,121,837**	**3,422,012**	**3,698,714**	**3,958,581**	**1,222,180**	**58,199**	**1.77%**
Population Projection [1]										
Local Residents	95%	12,970	13,368	15,358	17,348	19,338	21,328	8,358	398	2.40%
Second Homeowners	24%	2,088	2,172	2,593	3,013	3,434	3,855	1,768	84	2.96%
Total		**15,057**	**15,539**	**17,950**	**20,361**	**22,772**	**25,183**	**10,126**	**482**	**2.48%**

[1] Assumes the average household size of 2.48 persons per household applies to the local resident and second homeowner populations, and that it remains constant through the planning horiz

Source: BLS; DOLA; Economic & Planning Systems

H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]Forecasts by Use

Appendix Table 4
Road Capital Costs
Joint Impact Fee Study

		Lifecycle		Capital Costs	
	Miles	**% Remaining**	**% Consumed**	**per Mile**	**Year 1 Condition**
Roadways					
Buttress Ave	1.53	52%	48%	$950,000	$264,357
Carlee Pl	0.45	14%	83%	$950,000	$198,889
Cascade Ave	0.93	33%	67%	$80,000	$49,828
County Rd 119	2.19	43%	57%	$950,000	$1,191,098
County Rd 335	6.09	16%	84%	$950,000	$346,483
County Rd 359	7.68	31%	69%	$950,000	$503,217
County Rd 500	39.57	15%	83%	$130,000	$2,855,342
County Rd 600	6.26	40%	59%	$950,000	$5,824,053
County Rd 700	15.50	30%	70%	$950,000	$877,743
County Rd 700 Ext.	0.98	33%	67%	$80,000	$52,091
Meadows Dr	3.51	37%	63%	$950,000	$1,773,967
N Pagosa Blvd	7.07	29%	71%	$950,000	$4,876,170
Park Ave	2.49	100%	0%	$950,000	$0
Pinon Cswy	0.44	100%	0%	$950,000	$0
S Pagosa Blvd	2.65	43%	57%	$950,000	$1,490,869
Trails Blvd	1.71	25%	74%	$950,000	$100,957
Vista Blvd	0.81	33%	67%	$950,000	$513,504
Subtotal	**99.87**	**35%**	**65%**	**---**	**$20,918,569**
Bridges					
RIO BLANCO CAMP GROUND BRIDGE	---	---	---	---	$789,360
COUNTY ROAD 382 BRIDGE	---	---	---	---	$987,050
CR 500 MILE MARKER 36 BRIDGE	---	---	---	---	$807,576
WEST CAT CREEK BRIDGE	---	---	---	---	$667,920
EAST CAT CREEK BRIDGE	---	---	---	---	$614,790
NAVAJO ROAD BRIDGE	---	---	---	---	$1,593,900
Subtotal	**6**	**---**	**---**	**---**	**$5,460,596**
Total Roadways & Bridges	**---**	**---**	**---**	**---**	**$26,379,165**

Source: Archuleta County Public Works; Economic & Planning Systems

H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]Roads Capital Costs

Appendix Table 5
Trip Generation
Joint Impact Fee Study

	Daily Trip Generation	Add'l Factors	2009 Base	2009 Trips	2009 as %	2030 Devel.	2030 Trips	2030 Total	Change Total	Change Trips	Change % by Use	Change as %
Non-Residential (SF)												
Lodging	5.63	300 sqft / unit	572,230	10,739	7%	827,810	15,535	7%	255,580	4,796	21%	5%
Retail	42.94	1,000 sqft / unit	658,285	28,267	19%	952,300	40,892	17%	294,015	12,625	24%	14%
Services	36.13	1,000 sqft / unit	435,493	15,734	11%	630,000	22,762	10%	194,507	7,028	16%	8%
Office	11.01	1,000 sqft / unit	626,445	6,897	5%	906,240	9,978	4%	279,794	3,081	23%	3%
Industrial	6.97	1,000 sqft / unit	443,948	3,094	2%	642,232	4,476	2%	198,284	1,382	16%	2%
Total			**2,736,401**	**64,731**	**44%**	**3,958,581**	**93,643**	**40%**	**1,222,180**	**28,912**	**100%**	**33%**
Residential (units)												
SFD	9.57	84%	7,602	72,748	50%	13,099	125,358	53%	5,497	52,609	84%	60%
MF	6.72	16%	1,400	9,410	6%	2,413	16,215	7%	1,013	6,805	16%	8%
Total			**9,002**	**82,158**	**56%**	**15,512**	**141,573**	**60%**	**6,510**	**59,415**	**100%**	**67%**
Non-Residential												
Lodging			572,230	10,739	7%	827,810	15,535	7%	255,580	4,796	21%	5%
Retail			658,285	28,267	19%	952,300	40,892	17%	294,015	12,625	24%	14%
Office / Industrial / Flex			1,505,886	25,726	18%	2,178,472	37,216	16%	672,586	11,490	55%	13%
Total			**2,736,401**	**64,731**	**44%**	**3,958,581**	**93,643**	**40%**	**1,222,180**	**28,912**	**100%**	**33%**
Residential												
Single Family			7,602	72,748	50%	13,099	125,358	53%	5,497	52,609	84%	60%
Multi-Family			1,400	9,410	6%	2,413	16,215	7%	1,013	6,805	16%	8%
Total			**9,002**	**82,158**	**56%**	**15,512**	**141,573**	**60%**	**6,510**	**59,415**	**100%**	**67%**

Source: Feer & Peers; Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]Trip Generation

Appendix Table 6
County Administration Building Costs
Joint Impact Fee Study

	Estimated Cost 2010	Estimated Cost 2013
Development Parameters		
Facility Size [1]	132,342	132,342
Parcel Size	8 acres	8 acres
Development Costs		
Site acquisition cost [2]	$1,300,000	$1,300,000
Legal	$50,000	$50,000
Utilities, Infrastructure, Site Dev.	$1,010,000	$1,161,500
Building Construction	$19,333,003	$22,232,953
Bidding Contigency	$966,650	$1,111,648
FF & E	$839,750	$1,039,250
Professional Fees, Expenses	$2,214,940	$2,554,535
Total	**$25,714,343**	**$29,449,886**
psf	**$194**	**$223**

[1] Based on 20-year need extending to 2025.
[2] Assumes cost of land at $3.50 per square foot
Source: Archetype: Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]County Admin Costs

Appendix Table 7
Fire Capital Costs
Joint Impact Fee Study

Description	Factors Value	Factors $ / Unit	Costs
Station [1]	1,600 SF	$216 / Sqft	$345,600
Equipment			
Combination Engine/Tender	1		$400,000
Brush Rig	1		$100,000
Total			**$845,600**

[1] Assumes the average size of future stations to contain two bays.
Source: Pagosa Fire Protection District; Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees-020710.xls]Fire Capital Costs

Appendix Table 8
Water Capital Costs
Joint Impact Fee Study

	Amount
Use	
Wetlands Replacement	$2,000,000
Boater Bypass	$3,027,000
Fish Bypass	$3,000,000
Permitting	$2,000,000
Total	**$10,027,000**
Eligible Costs	
Less: Permitting	$2,000,000
Total	**$8,027,000**

Source: San Juan Water Conservancy District; Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]Water Capital Costs

Appendix Table 9
School Land Fee Data
Joint Impact Fee Study

Description	Existing Bldg. Capacity (Students)	Existing Bldg. Size (SF)	School Land Total (SF)	School Land Site (SF)	School Land Reserve (SF)
Elementary	529	64,805	654,271	431,819	222,452
Intermediate [1]	184	21,762	28,750	7,187	21,562
Junior High [1]	211	76,114	---	---	---
High [2]	396-684	120,573	3,345,408	2,676,326	669,082
Total		**283,254**	**4,028,429**	**3,115,333**	**913,096**

[1] Joint site containing the intermediate and junior high schools and the District's administrative offices.
[2] Joint site containing the high school and the District's transportation facility.
Source: Archuleta School District 50 Joint; Economic & Planning Systems
H:\18878-Pagosa Springs Impact Fee Update\Models\[18878-Fees.xls]Schools Fee