

# Impact fees overview

## What are impact fees?

Like other Colorado municipalities, the Town collects impact fees on new construction to ensure the Town's levels of service to the community can continue to be met as Castle Rock continues to grow

The Town updates these and other fees periodically to ensure they are aligned with market conditions

## 2018 impact fee study results

Consultant Economic & Planning Systems Inc. analyzed residential and nonresidential impact fees for transportation, fire, police, parks and recreation, and municipal facilities (Water-related system development fees are evaluated separately each year.)

The consultant found that the Town should be charging 53.3% more for these fees, based on estimated future project needs and higher construction costs

Staff is recommending a four-year phase-in of the supportable fees, increasing fees 15% in the first year, 11.7% plus inflation in the second and third years, and 7% plus inflation in the fourth year

## Proposed fees for a Castle Rock average 2,600-square-foot home (rounded to the nearest whole dollar)

Fee	2018	2019	2020*	2021*	2022*	2023*
Parks and Recreation	\$3,303	\$3,719	\$4,789	\$6,033	\$6,726	\$6,726
Municipal Facilities	\$396	\$355	\$355	\$355	\$355	\$355
Fire	\$894	\$1,098	\$1,098	\$1,098	\$1,098	\$1,098
Police	\$362	\$542	\$542	\$542	\$542	\$542
Transportation	\$6,104	\$7,004	\$7,416	\$7,826	\$8,237	\$8,237
Total	\$11,059	\$12,718	\$14,200	\$15,854	\$16,958	\$16,958
Increase		\$1,659	\$1,482	\$1,654	\$1,104	\$0
% increase on \$450K home		.37%	.33%	.37%	.25%	0%

\*Increases these years will be additionally adjusted to reflect inflation



## Fire impact fee

### Funding fire stations

Staff's recommended fire impact fee would provide funding for another fire station in about 10 years; current impact fees would not support construction in that timeframe

### Fire impact fee revenue change by year \*

2019	2020	2021	2022	2023
\$135,228	\$163,611	\$236,327	\$268,546	\$299,803



Fire Station 152

The recommended increase would bring in an additional \$1.1 million over the five-year capital planning period

\*These represent close approximations of anticipated revenues. Final projections will be provided at the Sept. 4 Council meeting.



# Transportation impact fee

## *Funding road projects*

**Staff's recommended transportation impact fee would advance these projects:**

<b>Project</b>	<b>Original timeframe</b>	<b>New timeframe</b>
Ridge Road widening	2021	2020
Plum Creek Parkway widening	2022	2021
Hwy 86/Fifth Street improvements	2023	2022
Wolfensberger Road widening	2024	2023
Prairie Hawk Drive widening	2025	2023

Accelerating the projects also saves on costs, as a project's costs increase as time goes by

## **Transportation impact fee revenue change by year \***

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$578,955	\$1,281,244	\$2,391,968	\$2,605,884	\$2,616,748

The recommended increase would bring in an additional \$9.5 million over the five-year capital planning period

*\*These represent close approximations of anticipated revenues. Final projections are still being refined and will be provided at the Sept. 4 Council meeting.*



Castle Rock Parkway/North Meadows Drive

## **A note about the transportation impact fee**



Even with additional capital revenue, challenges would remain, including having a viable financing plan for the Interstate 25/ Crystal Valley Parkway interchange, if development is not on track in the area to contribute its share to the project

The current estimated construction cost of the interchange is \$51 million. Additional costs include design and right of way, for a total project cost likely in excess of \$70 million.

Impact fees have been set to cover 22% of this project's cost, due to that portion being of a regional nature. The remaining 78% is slated to be developer-funded.

Another future I-25 interchange is likely to be needed at Blackfeather Trail. That project is set to be funded 50% by impact fees and 50% by local development.

For additional information about needed transportation improvements, view the Town's Transportation Master Plan, [CRgov.com/TMP](http://CRgov.com/TMP).



# Parks and Recreation impact fee

## Funding new parks

Staff’s recommended parks and recreation impact fee would allow for construction of a new park every two to three years, as well as for accumulation of funding to construct a new indoor recreation facility in the next decade.

The next neighborhood parks are slated for these areas:

- Castlewood Ranch, near Flagstone Elementary School
- Cobblestone Ranch/Liberty Village, near the neighborhood pool
- Crystal Valley, at the south end of Loop Road
- Terrain, near the neighborhood pool and dog park

The Town’s adopted level of service is 8 acres per 1,000 residents; the Town is not presently meeting that standard, with 3.73 acres per 1,000 residents in its 20 developed parks. The Town has identified 12 undeveloped future parks.

## Future indoor recreation facility

A study is planned in 2019 to identify indoor recreation facility needs and potential locations. The Town currently has two indoor recreation facilities:

Facility	Square footage	Year opened
Castle Rock Recreation Center	80,000	1988
Miller Activity Complex	65,000	2014

These facilities define the Town’s level of service in this area at about 2 square feet per resident, or one indoor recreation facility per 30,000 people



Castle Rock Recreation Center

## Parks and recreation impact fee revenue change by year

2019	2020	2021	2022	2023
\$348,000	\$1,066,795	\$2,208,275	\$2,623,417	\$2,623,417

The recommended increase would bring in an additional \$8.9 million over the five-year capital planning period. In addition to providing for parks and indoor recreation facilities, the parks and recreation impact fee provides for maintenance facilities and equipment.

## Impact fees wrapup

Impact fees are the Town’s only major revenue source for new capital projects. The impact fee study projects the Town will grow to over 90,000 residents by 2030. If impact fees are not increased, choices include 1) providing reduced levels of service to the community; and/or 2) asking voters to approve additional capital funding resources, such as a property tax increase.