

Impact fees overview

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.

Consultant Economic & Planning Systems Inc. in 2018 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 increasing fees to that amount starting in 2020.

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.

Fees for a 2,600-square-foot home (rounded to the nearest whole dollar)

Fee	Current	Adopted 2020*	Proposed 2020*
Parks and Recreation	\$3,720	\$4,789	\$6,726
Municipal Facilities	\$ 355	\$355	\$355
Fire	\$1,098	\$1,098	\$1,098
Police	\$542	\$542	\$542
Transportation	\$7,004	\$7,416	\$8,237
Total	\$12,719	\$14,200	\$16,958
Proposed increase from original 2020			\$2,758
% increase on \$450K new construction home			.61%



*Changes will be additionally adjusted to reflect inflation

Other communities

It's difficult to compare different Colorado communities because they provide different services through special districts, which largely collect their revenue through property taxes. For example, Lone Tree does not collect impact fees nor municipal property taxes but is served by South Suburban Parks and Recreation, whose mill levy is 8.364, and South Metro Fire and Rescue, whose mill levy is 9.25. While Castle Rock has higher impact fees than its peer communities, it's important to look at the entire request from property owners and developers when comparing community revenues.



Parks and Rec impact fee annual revenue

Current	Proposed
\$3,761,254	\$5,349,032

The Parks and Rec impact fee would accomplish these projects:

Project	Year
Cobblestone Ranch park	2020
Design/construction of neighborhood park	2021-22
Indoor recreation center	2026



Transportation impact fee annual revenue

Current	Proposed
\$6,041,837	\$6,983,786

The transportation impact fee would accomplish these projects:

Project	Year
Plum Creek Parkway widening (Gilbert-Eaton)	2020
Wilcox/South streets roundabout	2020
Plum Creek Parkway widening (Eaton-Ridge)	2021
Hwy 86/Fifth Street improvements	2022
Ridge Road widening	2023
Crowfoot Valley Road roundabout	2023
Wolfensberger widening (Prairie Hawk-PSM Park)	2024
Fifth Street pedestrian improvements	2024
Prairie Hawk widening (south to Wolfensberger)	2024

In addition to accommodating these projects, the recommended increase would provide \$20 million toward construction of the Crystal Valley Interchange by 2022 if partner funds are available.