



August 30, 2019

Mayor Jason Gray  
Town Councilmembers  
100 N. Wilcox Street  
Castle Rock, CO 80104

Dear Mayor Gray and Councilmembers:

Thank you for the opportunity to comment on your upcoming budget presentation. As some of you may recall, in 2018 the current residential impact fees were adopted with a four-year phase-in period. The Home Builders Association of Metro Denver (HBA) and several of our members, who are investors in your community, worked for nearly one year (it felt longer, to negotiate the impact fees with your town manager and staff. The result of those negotiations was a four-year phase-in of increased impact fees for residential building. It was our belief that the negotiations were done in good faith and that the phase-in would be implemented accordingly.

It has recently come to our attention that the 2020 budget proposes removal of the phase-in and that the town intends to fully implement the maximum allowable fees, therefore removing the remaining three years of the agreed upon phase-in period.

Mr. Corliss, the Town Manager indicated that the need to "pull forward" the impact fee phase-in was due to the citizen survey results collected in 2019; mainly citizen comments regarding traffic. The survey results do not indicate to us that there is citizen discontent. In fact, as Mr. Corliss himself noted in his August 20, 2019 memo to Town Council, the survey results state that:

*"Nearly all residents say the overall quality of life in Castle Rock meets or exceeds their expectations"*  
*"Nine out of 10 residents say the quality of Town services exceeds or greatly exceeds expectations"*  
*"Nearly all residents say Castle Rock is somewhat or significantly better than other communities"*

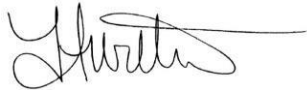
Furthermore, 2019 survey results show the number of those surveyed concerned with growth has declined from the 2015 and many of the 2017 results. More directly to Mr. Corliss' point regarding "traffic congestion", survey results have improved dramatically since 2015 where 36% of respondents cited this as a concern. In 2017 this percentage dropped to 26% and in 2019 it fell all the way down to 18%, half of what it was in 2015.

If this budget passes with the repeal of the four-year phase-in period of the impact fees, the Town of Castle Rock's impact fees will have increased 143% since 2016. The HBA and the development community negotiated with the Town of Castle Rock in good faith that the fees would be implemented according to the agreement. Without quantitative evidence indicating a need to increase the impact fees as proposed, the development community is left wondering how it can partner in good faith with a town that does not honor its agreements.

The impact fee increase will also affect affordability for the home buyer. In fact, for every \$1000 of fees added to a home, over 1,300 people will be pushed out of home ownership. The impact fee will directly affect home prices in Castle Rock, and will change the type of housing product that we can provide to the residents and future residents of Castle Rock.

We ask that you please consider not adopting the budget as presented on September 3, 2019 but to vote to continue the four-year phase-in as negotiated, accepted and approved in 2018. I am more than happy to talk with anyone by phone over the weekend if you have any questions I can answer.

Warm regards,

A handwritten signature in black ink, appearing to read 'Heidi Williams', with a long horizontal flourish extending to the right.

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