



Board of Directors Meeting
December 19, 2007

Project Status:
Fees for New Development,
Permit Fees, and Review Fees

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Today's Presentation

- **Public versus Private Costs**
- **THE ISSUE AT HAND**
 - Annual Fee versus One-Time Development Fees
 - The Development Fee Concept
 - The Basin Group Approach
- **Development Fee Options Considered**
- **Existing One-time Development Fees**
- **Reactions from Task Force Meeting #2**
- **Schedule**



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Preliminary Budgetary Level Cost Of All Identified Projects with Estimated Public and Private Funding Shares

Total Cost Of Identified Projects	Public Share	Developer Share
\$ 176,000,000	\$139,000,000 79%	\$ 37,000,000 21%

Note: Not all projects are identified in master plans and cost estimates are based on existing master plans, many of which need updating.

Project analysis completed by SEMSWA staff



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THE ISSUE AT HAND: How Does SEMSWA Collect the Developer Share in an Equitable, Fair, and Legal Way?

- **The Fees Must be Developed According to:**
 - **Rational Nexus Principals**
 - Established relationship between new development and required improvements
 - Costs must be developed rationally
 - The costs attributed to new development should be reasonably proportionate to their share
 - **Using Best Available Information**
 - **By Basin Groups**



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Allocation of Annual Fees Versus One-Time Development Impact Fees

- The Annual Fee is paid by existing property owners to fund projects necessary to maintain the existing infrastructure for the benefit of existing property owners.
- Development Impact Fees are one-time charges paid by new development to finance the construction of *public facilities* needed to serve it.

The Development Fee Concept

EXAMPLE

- A developer creates an additional 100 impervious acres
- The increased discharge from this development requires the construction of a regional (public) pond to protect downstream property owners.
- The total pond cost is \$1,000,000
- Who pays for the pond and what share does each party pay?

Premise: Percentage of total CIP costs in each basin is allocated to new development based on percentage of land that remains to be developed.

Example Fictitious Basin

TOTAL POND COSTS =	\$1,000,000
REMAINING % OF LAND TO BE DEVELOPED =	25%
CIP COSTS ALLOCATED TO NEW DEVELOPMENT =	\$250,000

IMPERVIOUS ACRES REMAINING TO BE DEVELOPED = 100 ACRES

DEVELOPMENT FEE PER IMPERVIOUS ACRE = \$2,500

Basin Group Approach

Please refer to 11" x 17" map handout

Summary of Groups:

Group 1: West of I-25 (Older Centennial)

Group 2a: I-25 to Jordan Road (ACWWA)

Group 2b: Jordan Road to Smoky Hill Road (ECCV)

Group 3: Smoky Hill Road to Gun Club Road (ECCV)

Basin Group Approach

Please refer to 11" x 17" map handout

Summary of Groups, continued

Group 4: East of Gun Club Road

Group 5a: 4 Square Mile

Group 5b: Holly Hills

Development Fee Options Fees Proportional to New Facility Costs

Summary of Options

Option	Fee per Impervious Acre (\$)			Revenue
	Min.	Max.	Average	
By Basin	\$0	\$21,080	\$3,367	\$36,928,219
By Basin plus Average of Basin Group	\$925	\$21,080	\$5,747	\$45,532,297
By Basin Group	\$295	\$6,296	\$3,126	\$54,054,510

Total Cost	Developer Share
\$ 175,524,000	\$ 36,928,219

Existing One-time Development Fees

Four Square Mile Sub Basins

Sub-basin	Fee/ Impervious Acre
1 Westerly Creek	\$11,477
2 Cherry Creek	\$9,439
3 Cherry Creek	\$4,289
5 Cherry Creek	\$23,611
6 Cherry Creek	\$8,313
7 Cherry Creek	\$4,827
12 Cherry Creek	\$5,635
13 Cherry Creek	\$9,270
14 Cherry Creek	\$9,735
15 Cherry Creek	\$14,184
Four Square Mile Average	\$10,078

Other Basins

Basin	Fee/ Impervious Acre
Slaughterhouse Gulch	\$13,316
Cottonwood Creek basin	\$4,349
Box Elder Creek Basin	\$8,616

**Inverness will continue to
use their existing system**

ACWWA \$14,540

Reactions from Task Force Meeting # 2

- **Want to study information (numbers)**
- **Want to see what basin fees would be**
- **Want to know what annual fee is paying for vs what development fee is paying for and relationship**
- **Want to know if areas with existing fees will be modified**
 - ACWWA
 - Inverness
 - 4 Square Mile
 - Piney Creek
 - Parker Jordan and Others

Schedule

- **January**
 - Task Force Meeting #2b January 8, 2008
 - Task Force Meeting #3 January 22, 2008- Last meeting in scope
 - Complete Part 2 of the Comparative Analysis
 - Development of Permit and Review Fees

Discussion Period



Cherry Creek in Denver, Courtesy UDFCD