



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
<b>Four Square Mile Average</b>	<b>\$10,078</b>

### 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