



PUBLIC WORKS

DATE: February 25, 2014
TO: City/County Subdivision Storm Drainage Board
FROM: Tom Bonifas, City of Colorado Springs Secretary to the Drainage Board
SUBJECT: 2014 Basin Fee Adjustment (City of Colorado Springs Basin Fees ONLY)

Background: The City's Drainage Code includes the following paragraph about annual fee adjustments.

7.7.902: Studies of Drainage Basins:

Prior to January 1 of each year the unit drainage fee and unit detention reservoir land fee shall be reviewed by the Drainage Board who shall make a recommendation to the City Council as to any adjustment to the fees. Upon such recommendation the City Council shall establish by resolution the unit drainage fee and the unit detention reservoir land fee in each drainage basin to be effective January 1 of each year. Said fees will be reestablished in accord with changes in construction and other costs or revisions suggested by additional studies or other information obtained. (Ord. 96-44; Ord. 04-42; Ord. 02-130; Ord. 08-44).

The research for this year's survey includes data from: Colorado Department of Transportation (CDOT) cost index data, Denver-Boulder-Greeley consumer price index (CPI) and cost data per Engineering News Record(ENR). As was done in past years, this analysis looks back at actual construction cost increases for 2013 as well as a projection for 2014 increases.

The current basin fee schedule has not been adjusted for inflation since 2009 due to various economic factors however staff now feels that with an increase in development activity and drainage construction, basin fees need to be adjusted to keep current with reimbursement request costs.

Research shows that construction cost indexes data varied greatly among the agencies we typically review however the Denver/Boulder CPI seems to be most relevant to actual increases in costs. For 2013 the Denver/Boulder CPI increase was approximately 2.8%. Looking forward projections indicate an approximately 1.5% increase for 2014 for a 4.3% increase over-all.

The **Detention Pond Land Fee** will remain at the current level of \$76,602/acre as there has been no adjustment to this valuation.

Recommendation: With a 2.8% retrospective adjustment for 2013 and a recommended 1.5% increase for the 2014 fees, staff recommend a total fee increase for 2014 of 4.3% and approval of the attached fee schedule effective upon City Council approval.

Sample Motion: I move that the Drainage Board recommend to the City Council that all Drainage Basin Fees be increased by 4.3% as reflected in the attached fee schedule.