

Exhibit D

RESOLUTION NO. 131-20

A RESOLUTION ESTABLISHING 2021 DRAINAGE BASIN FEES, BRIDGE FEES, AND DETENTION POND FACILITY AND LAND FEES

WHEREAS, the City Stormwater Enterprise prepared a study of drainage facility construction cost trends which recommended a 3.5% increase in Drainage Basin Fees, Bridge Fees, and Detention Pond Facility Fees for 2021; and

WHEREAS, the City/County Drainage Board at their October 1, 2020 meeting approved a recommendation to the City Council for a 3.5% increase for 2021 Drainage Basin Fees, Bridge Fees, and Detention Pond Facility Fees over the current fee schedule; and

WHEREAS, the Park Land Dedication Fee remains unchanged at \$76,602.00 per acre in 2021; such Park Land Dedication Fee is used as the basis for computing the Detention Pond Land Fee.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The 2021 Drainage Basin Fees, Bridge Fees, and Detention Pond Facility and Land Fees are established based on the City/County Drainage Board recommendation and as shown on the 2021 Fee Schedule, effective on January 1, 2021, and attached hereto as Exhibit A.

Dated at Colorado Springs, Colorado this 8th day of December 2020.



Council President

ATTEST:


Sarah B. Johnson, City Clerk



EXHIBIT A

2021 DRAINAGE, BRIDGE AND POND FEES
CITY OF COLORADO SPRINGS
Effective January 1, 2021

Basin Name	DBPS Year	Drainage Fee/Acre	Bridge Fee/Acre	Pond Land Fee/Acre	Pond Facility Fee/Acre	Surcharge/Acre
19th Street	1964	\$4,338				
21st Street	1977	\$6,621				
Bear Creek	1980	\$4,261	\$402			
Big Johnson, Crews	1991	\$16,487	\$1,355	\$241		
Black Squirrel Creek	1989	\$15,104		\$3,739		
Camp Creek	1964	\$2,443				
Cottonwood Creek ^{1, 2}	2019	\$14,858	\$1,216			\$778
Douglas Creek	1981	\$13,700	\$306			
Dry Creek ³	1966	\$0				
Elkhorn Basin ⁴	n/a	\$0				
Fishers Canyon ⁵	1991	\$0				
Fountain Creek ⁶	n/a	VAR				
Jimmy Camp Creek	2015	\$8,584			\$2,798	
Kettle Creek ⁷ Old Ranch Trib.	2001	\$0				
Little Johnson	1988	\$14,389		\$1,227		
Mesa	1986	\$11,516				
Middle Tributary	1987	\$25,779		\$1,121		
Miscellaneous ⁸	n/a	\$12,814				
Monument Branch ¹²	1987	\$0				
North Rockrimmon	1973	\$6,622				
Park Vista (MDDP)	2004	\$18,444				
Peterson Field	1984	\$13,912	\$641			
Pine Creek ⁹	1988	\$0				
Pope's Bluff	1976	\$4,409	\$755			
Pulpit Rock	1968	\$7,302				
Sand Creek ¹⁰	1996	\$13,775	\$819	\$1,070	\$3,957	\$1,435
Shooks Run ¹¹	1994	\$0				
Smith Creek ¹²	2002	\$0				
South Rockrimmon	1976	\$5,177				
Southwest Area	1984	\$14,718				
Spring Creek	1968	\$11,420				
Templeton Gap	1977	\$7,480	\$83			
Windmill Gulch	1992	\$15,709	\$292	\$3,055		

All Drainage, Bridge and Detention Pond Facilities Fees adjusted by 4.0% over 2019 by City Council Resolution No. 153-19 on December 10, 2019 to be effective on January 1, 2020. Land Fees are based on the Park Land Dedication Fee which is currently \$76,602/acre (0% change for inflation in 2019).

¹ The 2020 Cottonwood Creek drainage fee consists of a capital improvement fee of \$11,287 per acre and land fee of \$3,069 per acre for a total of \$14,356 per acre. These fees are adjusted annually using different procedures but are combined for collection purposes. **The surcharge fee of \$752/ac is due in cash; credits for prior facility construction cannot be used to offset this fee, which is deposited into a separate City fund known as the "Cottonwood Creek Surcharge" fund.**

² The Wolf Ranch portion of the Cottonwood Creek Drainage Basin was approved as a "no fee" basin as to Drainage Fees only by City Council on August 28, 2018 by Resolution No. 96-18

³ Dry Creek is a closed basin per City Council Resolution No.118-08 on June 24, 2008

⁴ Elkhorn Basin is a closed basin per the Annexation Agreements for the area.

⁵ Fishers Canyon is a closed basin per City Council Resolution No. 74-08 on April 22, 2008.

⁶ Pursuant to the recommendation of the Subdivision Storm Drainage Board adopted at its meeting of September 15, 1977, there are exempted and excluded from the provisions of this part construction of the main Fountain Creek Channel from the confluence of Fountain Creek with Monument Creek northwest to the City limits. Land developments taking place adjacent to Fountain Creek shall remain responsible for dedicating rights of way necessary for the channelization of Fountain Creek, and the developers shall continue to pay to the City as a condition of subdivision plat approval the applicable drainage fees. Drainage fees are required in accordance with the appropriate basin study.

⁷ Kettle Creek Old Ranch Tributary is a closed basin per City Council Resolution 139-02 on August 27, 2002.

⁸ Miscellaneous fee is assessed on unstudied areas and the Roswell and Westside Basins.

⁹ Pine Creek is a closed basin per City Council Resolution No.236-88 on December 13, 1988.

¹⁰ Sand Creek Detention Pond #2 Surcharge (Ridgeview and Indigo Ranch) = \$1,386/ac. for 2020. Sand Creek Pond fees include two components, one for facility construction costs (\$3,823) and one for land dedication costs (\$1,070), the total Pond fee within Sand Creek is \$4,893/ac.

¹¹ Shooks Run is a closed basin pursuant to the recommendation of the Drainage Board, adopted at its meeting on October 15, 1963.

¹² Smith Creek is a closed basin per City Council Resolution 140-02 on August 27, 2002

¹² Monument Branch Basin is a closed basin per City Council Res. 177-10 on October 12, 2010



DATE: October 1st, 2020

TO: City/County Drainage Board

FROM: Erin Powers, Senior Technical Engineer, Stormwater Enterprise

SUBJECT: 2021 FEE STUDY

Following is a summary of research on drainage construction costs with a recommendation regarding the annual review of the Drainage, Bridge and Detention Pond fees in 2020 to adjust for inflationary costs for fees to be collected in 2021.

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

City Code:

7.7.902: STUDIES OF DRAINAGE BASINS:

Prior to January 1 of each year the unit drainage fee and the 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. 01-42; Ord. 02-130; Ord. 08-44) (Emphasis added)

Drainage Basin fees shall be reviewed and adjusted annually in order to comply with City Code and to stay current with reimbursement costs. The purpose is to ensure consistent, fair, and equitable reimbursements for the costs of constructing public stormwater infrastructure.

The drainage basin fees were increased by 5.7% in January of 2018, 6.7% in January of 2019, and 4.0% effective January 1, 2020 with the adoption by City Council at the recommendation of the City/County Drainage Board. There was no adjustment based upon a forecast for 2020.

Data Sources:

As was done in past years, this analysis looks back at actual construction cost increases for the past year.

The research for this year's survey includes data from:

- Colorado Department of Transportation (CDOT) Colorado Construction Cost Index data;
- Denver-Aurora-Lakewood Consumer Price Index (CPI-U);
- Cost data from Engineering News Record (ENR);
- UCCS Economic Form data; and
- Local developers, contractors, consultants, and providers of construction materials.

Colorado Department of Transportation (CDOT) Colorado Construction Index Report ("CCI"):

For specific construction items (Earthwork, Structural Concrete, and Reinforcing Steel) the average cost increased by 3.17% from the first quarter of 2019 to the first quarter of 2020. The CCI is difficult to rely on as the projects that CDOT completes vary widely in location, size, scope, and CDOT's own materials availability. As is evidenced below, the costs of earthwork indicate the highest increase, which is consistent with what we have seen with the local construction industry.

<u>Item</u>	<u>1st Quarter 2019 Index</u>	<u>1st Quarter 2020 Index</u>	<u>% Change (averaged over year)</u>
Earthwork Price (\$/CY)	13.94	20.40	46.34%
Structural Concrete Price (\$/CY)	758.62	547.70	-27.80%
Reinforcing Steel Price (\$/LB)	1.22	1.11	-9.02%
			3.17%

Consumer Price Index (CPI-U): The nationwide CPI-U information provided in the UCCS Economic Forum data for July 2020 indicates all items less food and energy index advanced 1.2%. The Denver-Aurora-Lakewood CPI-U indicates all items less food and energy index advanced 3.3%.

Engineering News Record (ENR):

Calculations were based upon the following commodities for the Denver area: Concrete, 4000 psi; Reinforced Concrete Pipe (average of 24", 36" and 48"); Rebar, Grade 60, #4; and Common Labor and Skilled Labor, comparing July 2019 to July 2020.

<u>Item</u>	<u>July 2019 Index</u>	<u>July 2020 Index</u>	<u>% Change (averaged over year)</u>
Concrete, 4000psi	132.25	132.68	0.33%
Pipe (avg. of 3 sizes)	72.44	72.44	0.00%
Rebar, Grade 60, #4	54.32	55.72	2.58%
Common Labor	818.18	818.18	0.00%
Skilled Labor	847.28	854.73	0.88%
			0.76%

Based on these ENR statistics for the Denver area of a normal mix of labor and materials, a typical drainage project likely saw an average increase of approximately 0.76%.

Local Construction Costs (compiled by contacting local drainage construction contractors, consultants, materials providers, and developers):

City staff surveyed the local development community regarding project costs. The survey included questions regarding concrete, rock, pipe and labor from 2019 to 2020, and reported an average increase of approximately 4.77% in industries that support drainage projects.

Summary:

2020 Overall: Using weighted averages based on the impact of local contractor and consultant data for the past year, CCI, CDOT, ENR (Denver), the CPI-U, and UCCS Economic Forum data for the same time period, it is estimated that overall drainage construction costs have increased an average of 3.5% from the second quarter of 2019 to the second quarter of 2020.

2021 Forecast: The Governor's Office of State Planning and Budgeting has forecast an increase to the Consumer Price Index of 1.0% for 2020 and an increase of 2.0% for 2021 for the Denver-Aurora-Lakewood combined statistical area. An increase based on the 2021 forecast is not recommended at this time.

Recommendation:

Staff recommends an increase of 3.5% over the 2020 drainage, bridge and detention pond facility fees, to include the Miscellaneous Basin fee, and approval of the attached fee schedule effective January 1, 2021.

There has been no adjustment to the Park Land Dedication Fee (\$76,602 per acre); therefore the Detention Pond Land fee will remain the same as in 2020.

A recommended motion would be:

I move to approve a recommendation to City Council for an increase of 3.5% over the 2020 drainage, bridge and detention pond facility fees, to include the Miscellaneous Basin fee, and approval of the attached fee schedule effective January 1, 2021.

Attachments:

Exhibit A – 2021 Proposed Fee Schedule

Exhibit B – 2020 Current Fee Schedule

Exhibit C – HBA Memo

EXHIBIT A

2021 DRAINAGE, BRIDGE AND POND FEES
CITY OF COLORADO SPRINGS
Effective January 1, 2021

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Dry Creek ³	1966	\$0				
Elkhorn Basin ⁴	n/a	\$0				
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Little Johnson	1988	\$14,389		\$1,227		
Mesa	1986	\$11,516				
Middle Tributary	1987	\$25,779		\$1,121		
Miscellaneous ⁸	n/a	\$12,814				
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² The Wolf Ranch portion of the Cottonwood Creek Drainage Basin was approved as a "no fee" basin as to Drainage Fees only by City Council on August 28, 2018 by Resolution No. 96-18

³ Dry Creek is a closed basin per City Council Resolution No.118-08 on June 24, 2008

⁴ Elkhorn Basin is a closed basin per the Annexation Agreements for the area.

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⁶ Pursuant to the recommendation of the Subdivision Storm Drainage Board adopted at its meeting of September 15, 1977, there are exempted and excluded from the provisions of this part construction of the main Fountain Creek Channel from the confluence of Fountain Creek with Monument Creek northwest to the City limits. Land developments taking place adjacent to Fountain Creek shall remain responsible for dedicating rights of way necessary for the channelization of Fountain Creek, and the developers shall continue to pay to the City as a condition of subdivision plat approval the applicable drainage fees. Drainage fees are required in accordance with the appropriate basin study.

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EXHIBIT B

2020 DRAINAGE, BRIDGE AND POND FEES
CITY OF COLORADO SPRINGS (Revised September 8, 2020)

Basin Name	DBPS Year	Drainage Fee/Acre	Bridge Fee/Acre	Pond Land Fee/Acre	Pond Facility Fee/Acre	Surcharge/Acre
19th Street	1964	\$4,191				
21st Street	1977	\$6,397				
Bear Creek	1980	\$4,117	\$388			
Big Johnson, Crews	1991	\$15,929	\$1,309	\$241		
Black Squirrel Creek	1989	\$14,593		\$3,739		
Camp Creek	1964	\$2,360				
Cottonwood Creek ^{1, 2}	2019	\$14,356	\$1,175			\$752
Douglas Creek	1981	\$13,327	\$296			
Dry Creek ³	1966	\$0.00				
Elkhorn Basin ⁴	n/a	\$0.00				
Fishers Canyon ⁵	1991	\$0.00				
Fountain Creek ⁶	n/a	VAR				
Jimmy Camp Creek	2015	\$8,294			\$2,703	
Kettle Creek ⁷ Old Ranch Trib.	2001	\$0.00				
Little Johnson	1988	\$13,902		\$1,227		
Mesa	1986	\$11,127				
Middle Tributary	1987	\$24,907		\$1,121		
Miscellaneous ⁸	n/a	\$12,381				
Monument Branch ¹²	1987	\$0.00				
North Rockrimmon	1973	\$6,398				
Park Vista (MDDP)	2004	\$17,820				
Peterson Field	1984	\$13,442	\$619			
Pine Creek ⁹	1988	\$0.00				
Pope's Bluff	1976	\$4,260	\$729			
Pulpit Rock	1968	\$7,055				
Sand Creek ¹⁰	1996	\$13,309	\$791	\$1,070	\$3,823	\$1,386
Shooks Run ¹¹	1994	\$0.00				
Smith Creek ¹²	2002	\$0.00				
South Rockrimmon	1976	\$5,002				
Southwest Area	1984	\$14,220				
Spring Creek	1968	\$11,034				
Templeton Gap	1977	\$7,227	\$80			
Windmill Gulch	1992	\$15,178	\$282	\$3,055		

All Drainage, Bridge and Detention Pond Facilities Fees adjusted by 4.0% over 2019 by City Council Resolution No. 153-19 on December 10, 2019 to be effective on January 1, 2020. Land Fees are based on the Park Land Dedication Fee which is currently \$76,602/acre (0% change for inflation in 2019). Black Squirrel Bridge Fee eliminated by City Council Sept. 8, 2020 by Resolution No. 73-20.

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**HOUSING & BUILDING
ASSOCIATION
OF COLORADO SPRINGS**

4585 Hilton Parkway Suite 100, Colorado Springs, CO 80907
Phone: 719-592-1800 • CSHBA.com

MEMO

To: Erin Powers, Stormwater Enterprise

From: HBA Utility Committee

Date: September 23, 2020

Subject: 2021 Proposed Drainage Fee Increase

On behalf of the Housing & Building Association of Colorado Springs (CSHBA), we would like to thank you for giving us the opportunity to review the proposed fee increases to the 2021 Drainage Fee Schedule

After review from our members, no major concerns were identified regarding the proposed fee increase of 3.5%.

We look forward to continued collaboration with the Stormwater Enterprise team.

Thank you,
Loren Moreland
Utility Committee Chair



EXHIBIT C



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