

City of Colorado Springs Police and Fire Impact Fees (Capital Expansion Fee)



City Council
June 27, 2022

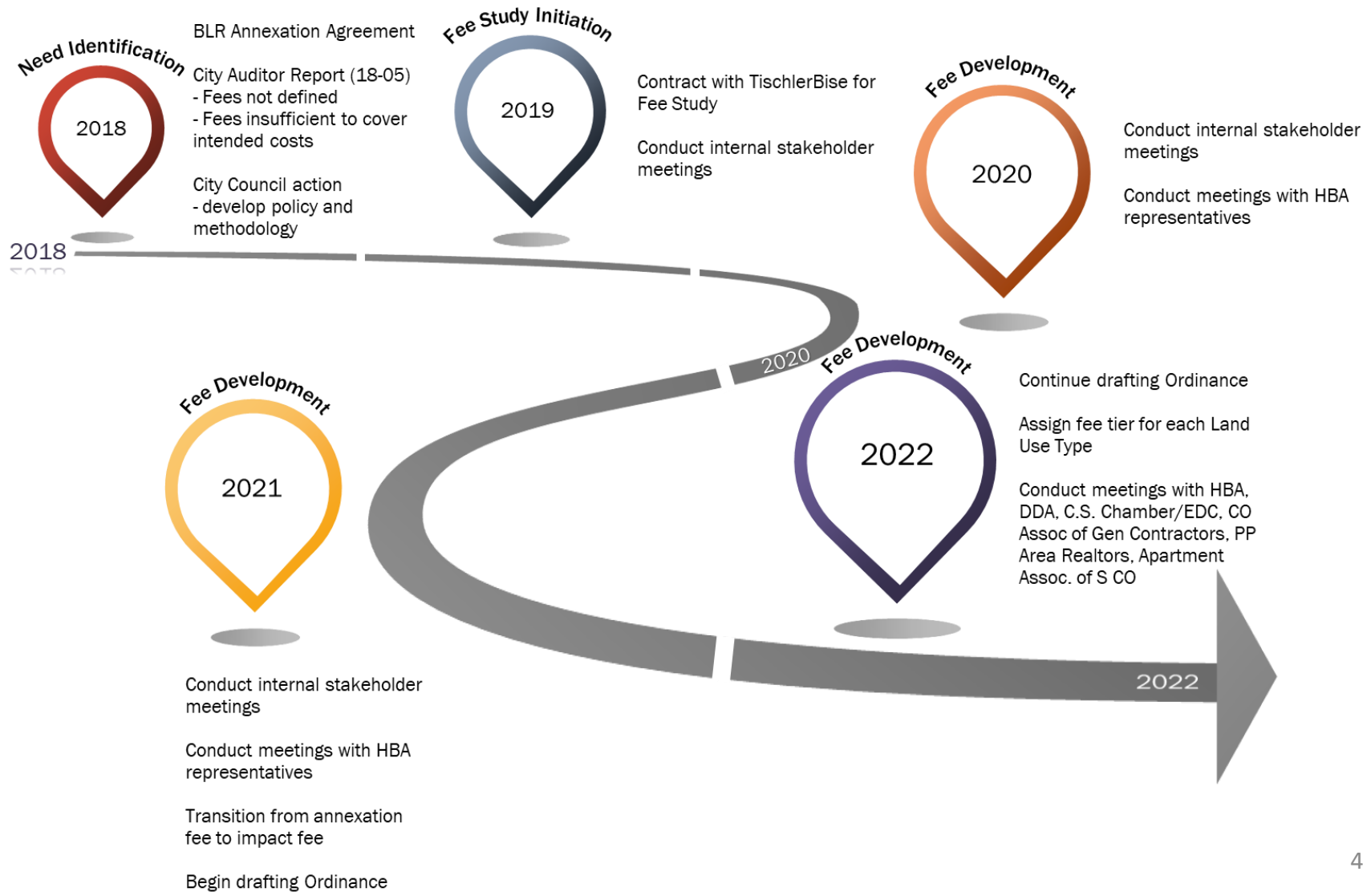
- Introduce Public Safety Impact Fee
 - Why is this being considered?
 - What actions have been taken so far?
 - What is an Impact Fee and how was this one calculated?
- Why do we need a Public Safety Impact Fee?
- How is the Annexation Fee different than the Impact fee?
- How much will the proposed Impact Fee cost development?
 - Development of Fee Tiers
 - Examples of projects with the cost for current v. proposed fee
- Overview of proposed Impact Fee Ordinance and Fee Tier Resolution

Background



- After the Banning Lewis Ranch Amended and Restated Annexation Agreement – it was advised by the City Auditor’s Office, in Report 18-05, that ...
 - The proposed police and fire fees described in the Agreement were not defined in City Code. Current fees imposed through annexation agreements do not cover the full cost of land acquisition, construction, and initial outfitting of the required police and fire stations.
 - Recommendation - City Management should develop a clear policy and methodology for calculation of police and fire fees for incorporation into City Code and obtain Council approval for related City Code changes.
- City Council directed Administration to develop a fee study that provides a clear methodology and calculation for police and fire fees

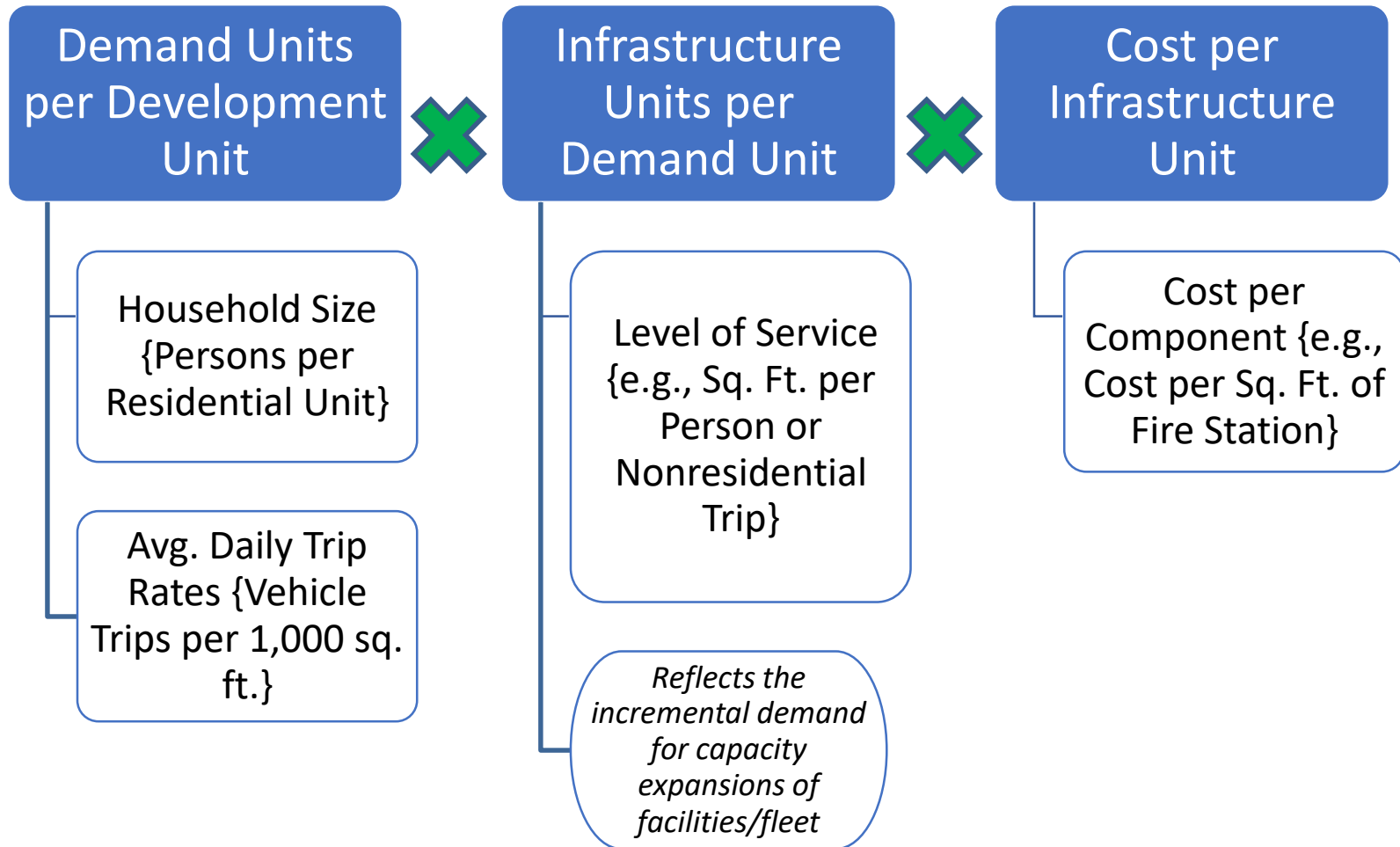
Fee Update Process Timeline



Fee Guidance

- One-time payment for growth-related infrastructure
- Fees fund capital improvements that provide additional capacity (**not to replace existing facilities**)
- Calculated to meet three requirements:
 - Need: development creates the need for the infrastructure
 - Proportionality: development pays its fair share of the cost
 - Benefit: development receives a benefit from the infrastructure

Incremental Fee Formula



Why Do We Need Public Safety Impact Fees?



- Historical influential events
- Current tax funding and TABOR
- Public Safety service delivery
- Public Safety spending as % of General Fund
- Public Safety infrastructure – past & future

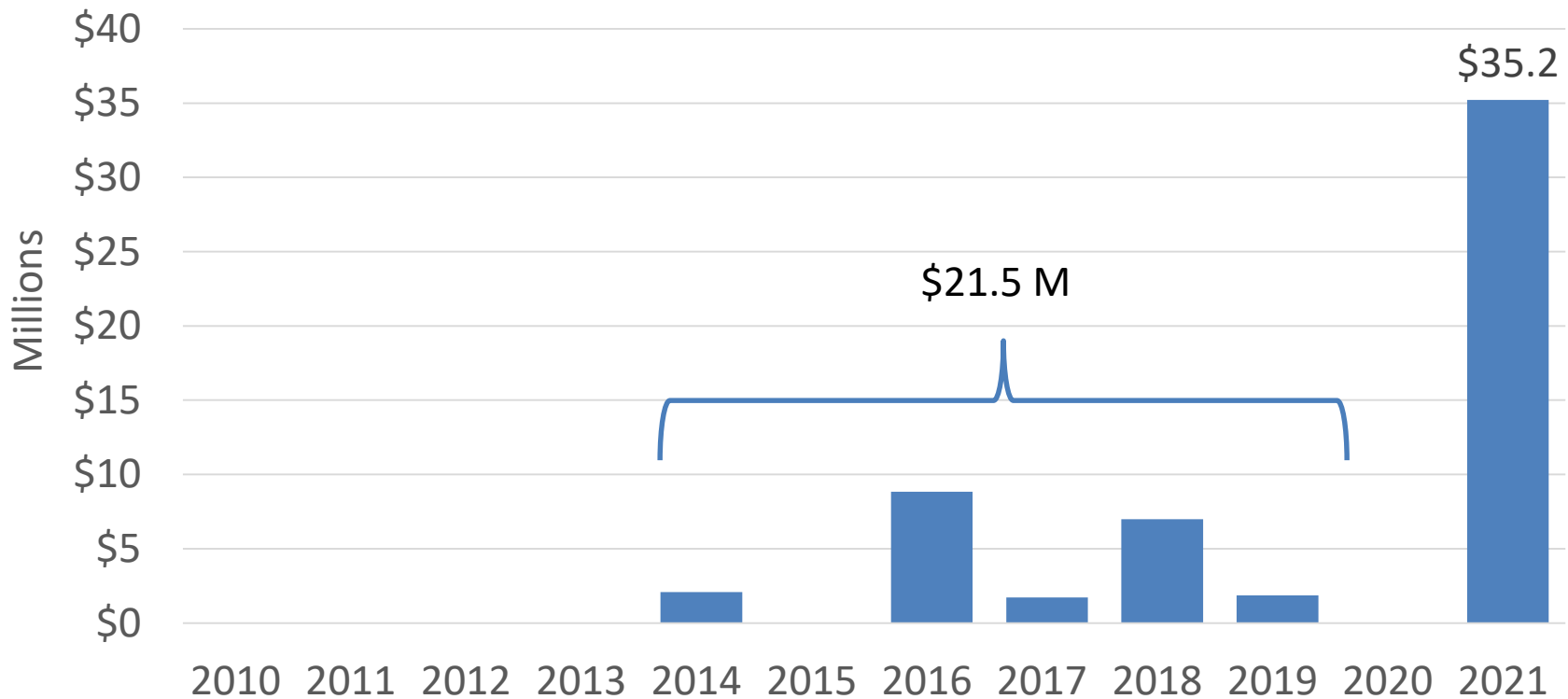
Historical Influential Events



TABOR Growth Limitation



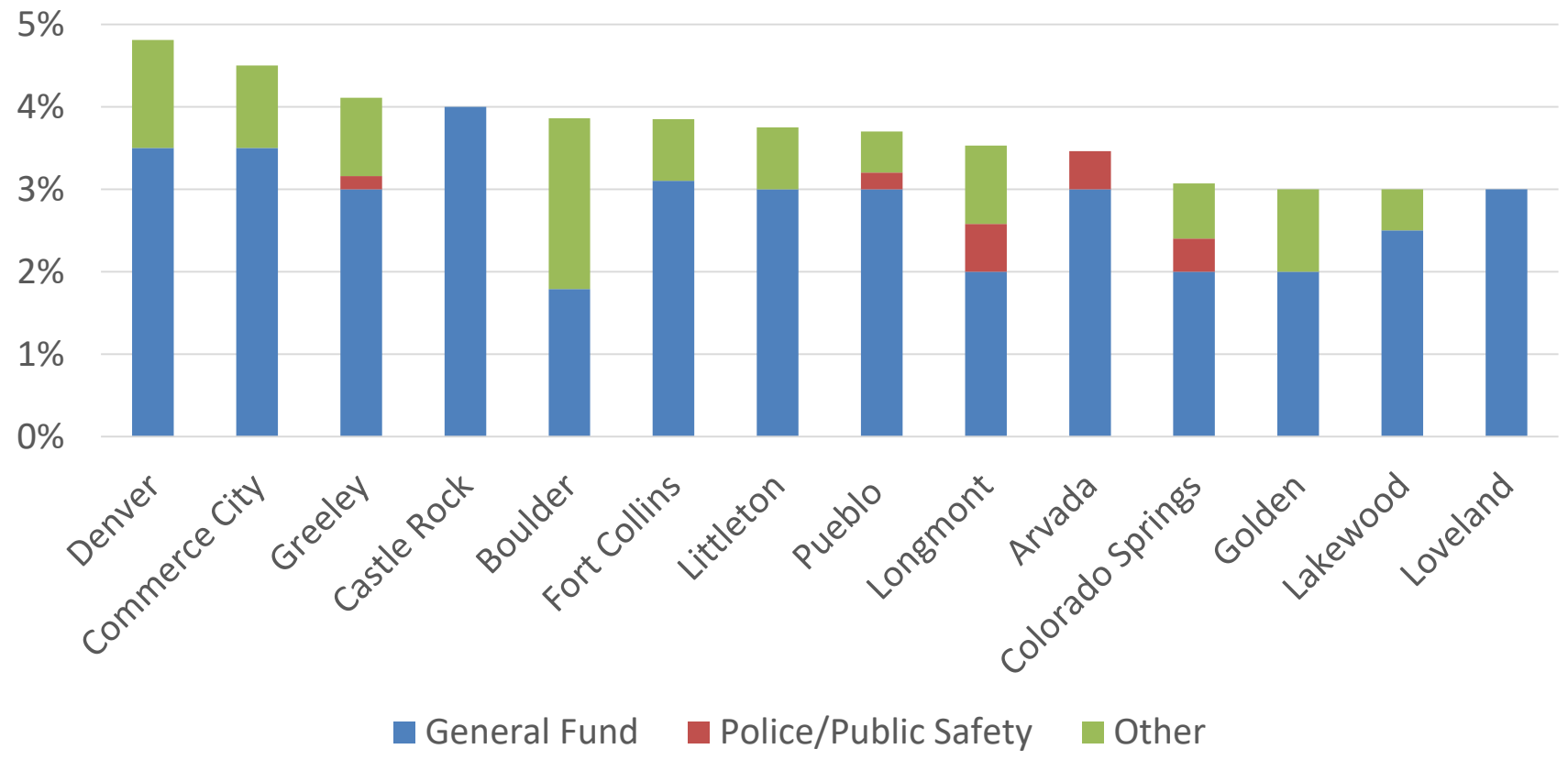
TABOR Revenue in Excess of Limit
2010-2021 = \$56.7 M



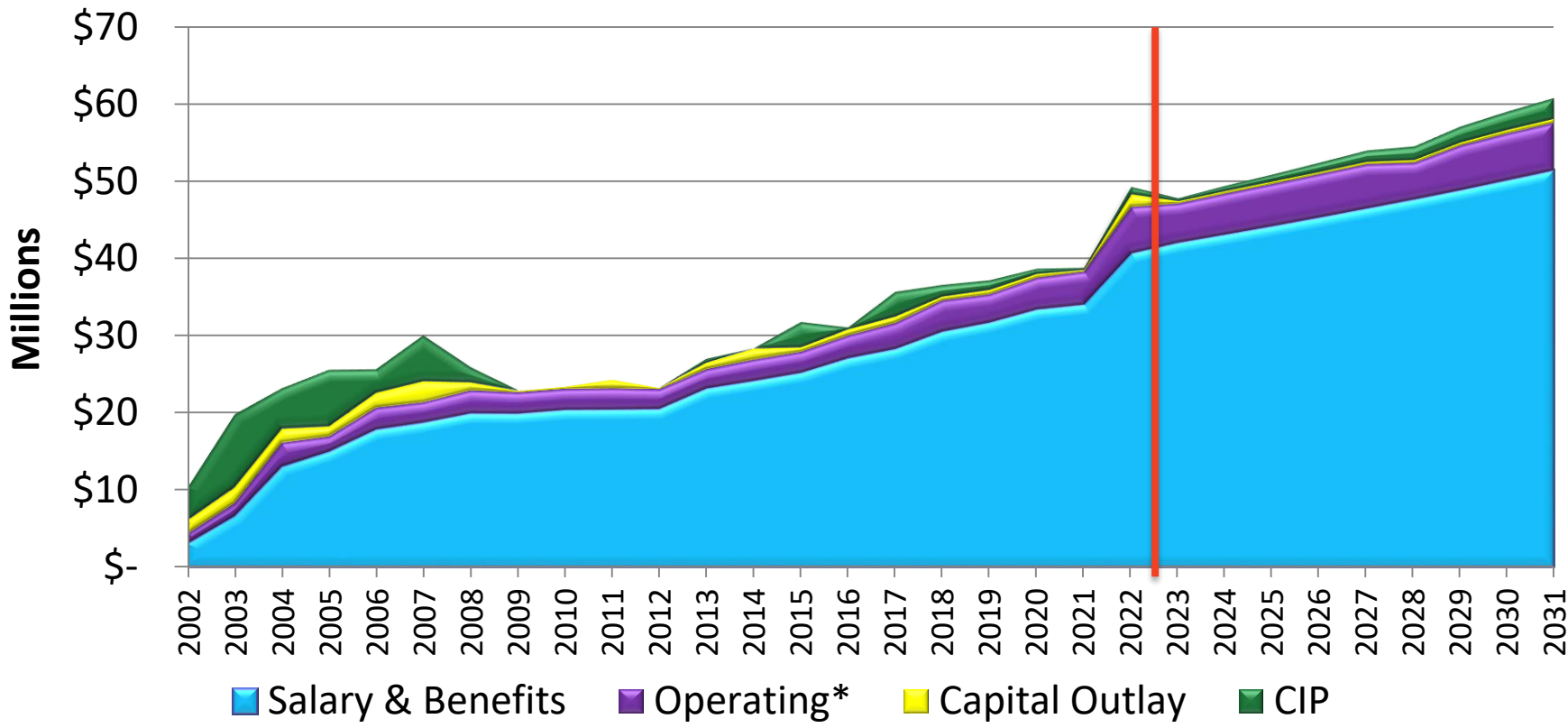
Sales Tax Benchmarking



2022 Sales Tax Rates



PSST History & Projections

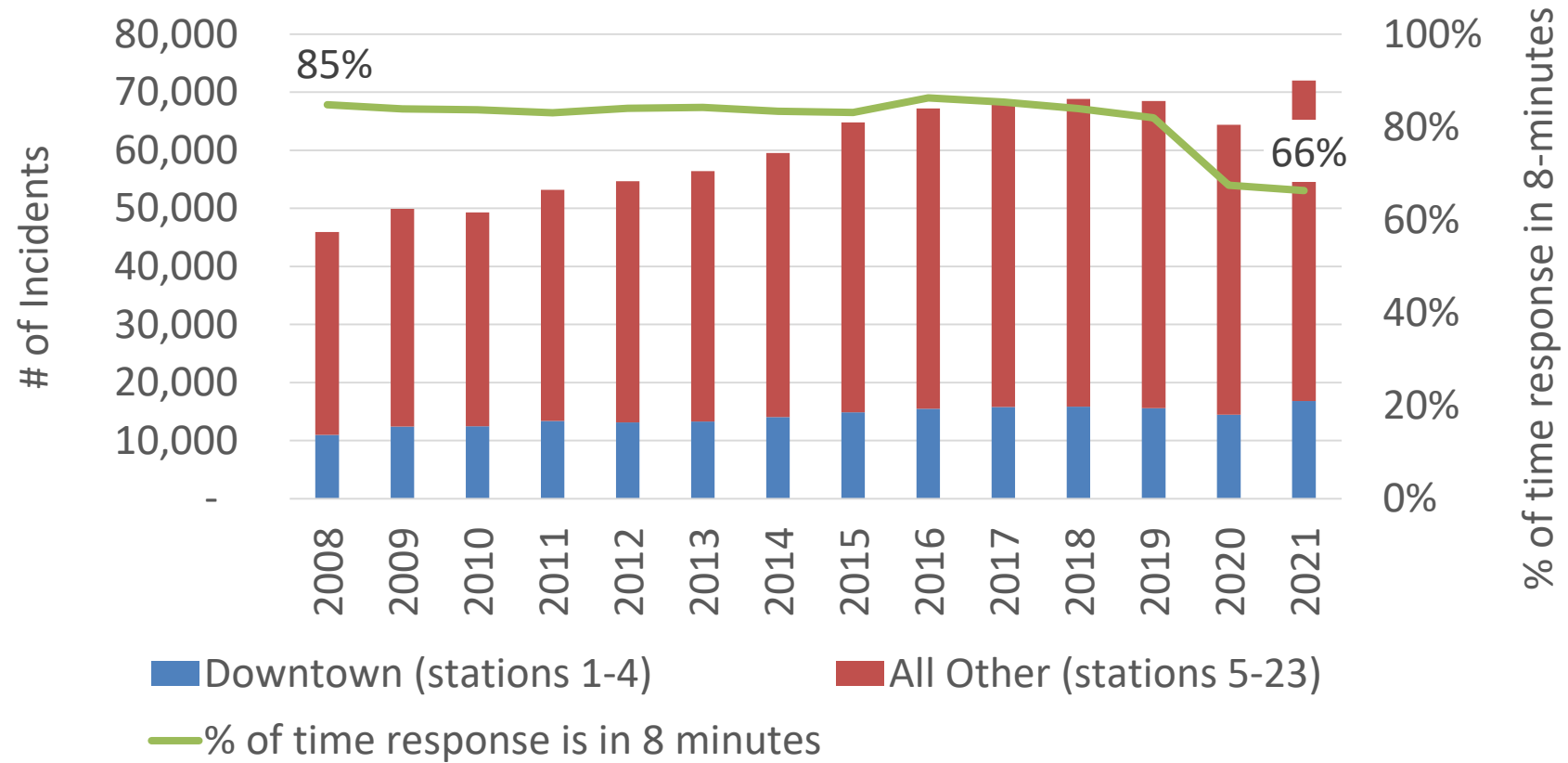


*Includes annual COP payments scheduled 2020 - 2039

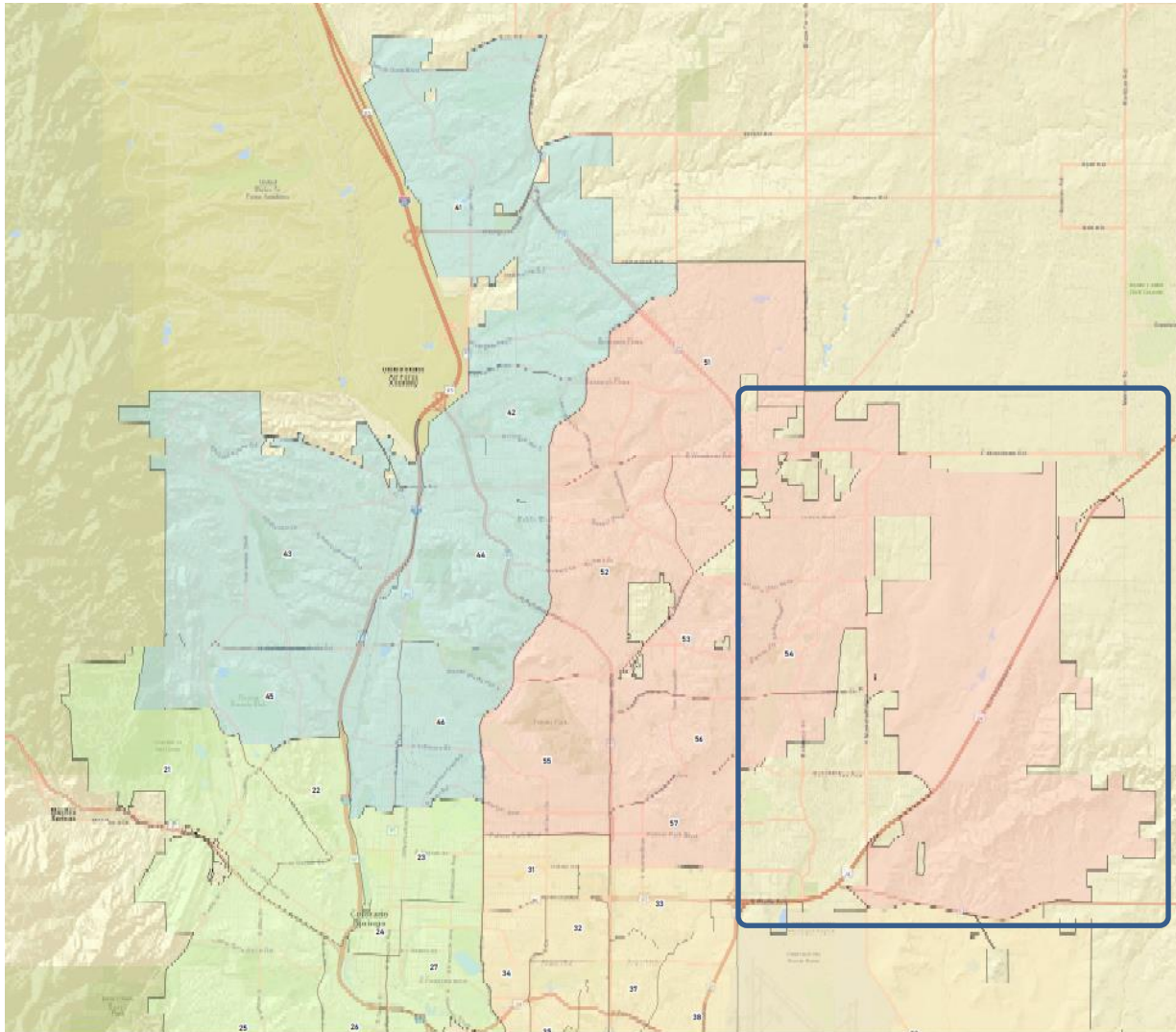
History – Fire



of Incidents and % of time response is in 8-Minutes



History - Police

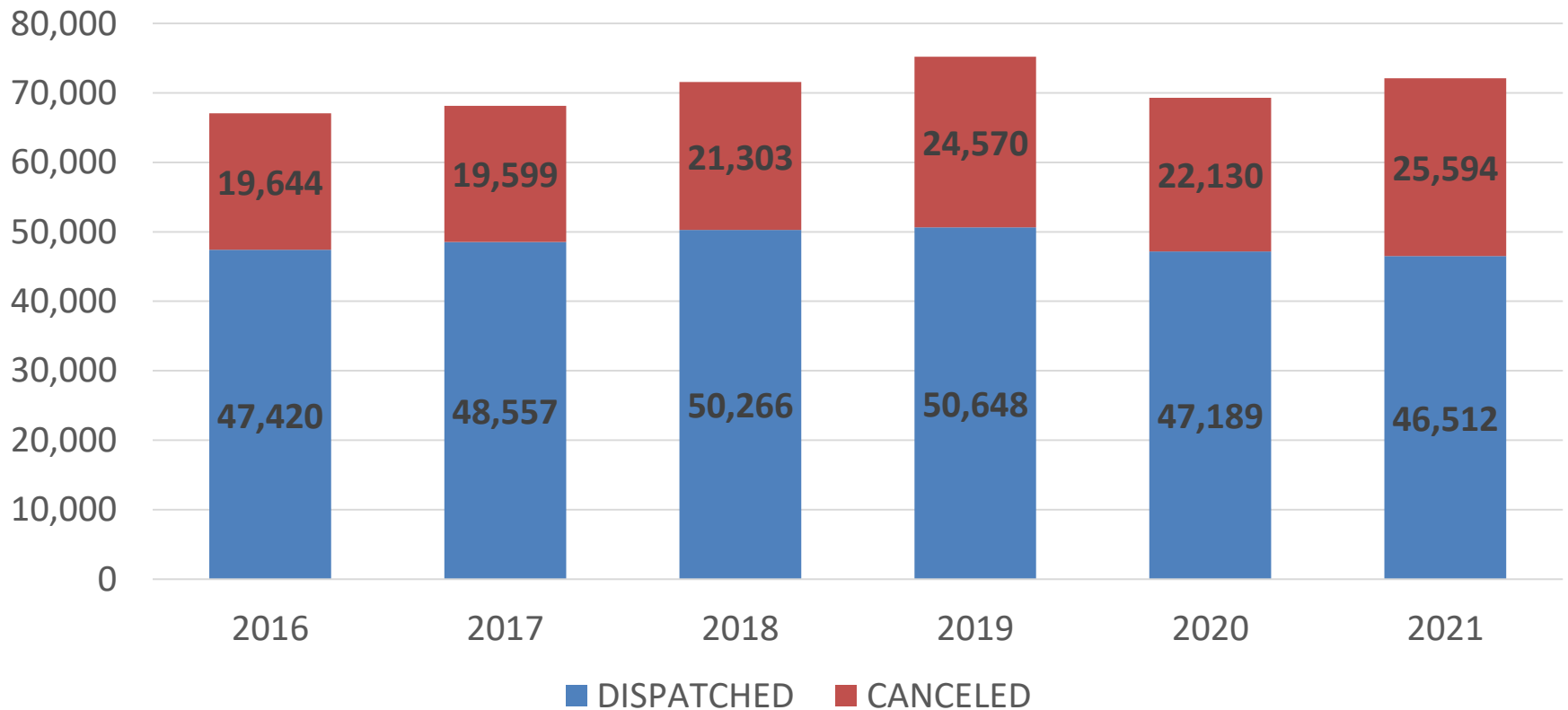


- Stetson Hills response area in pink
 - Sector 54 pink area in box

History - Police



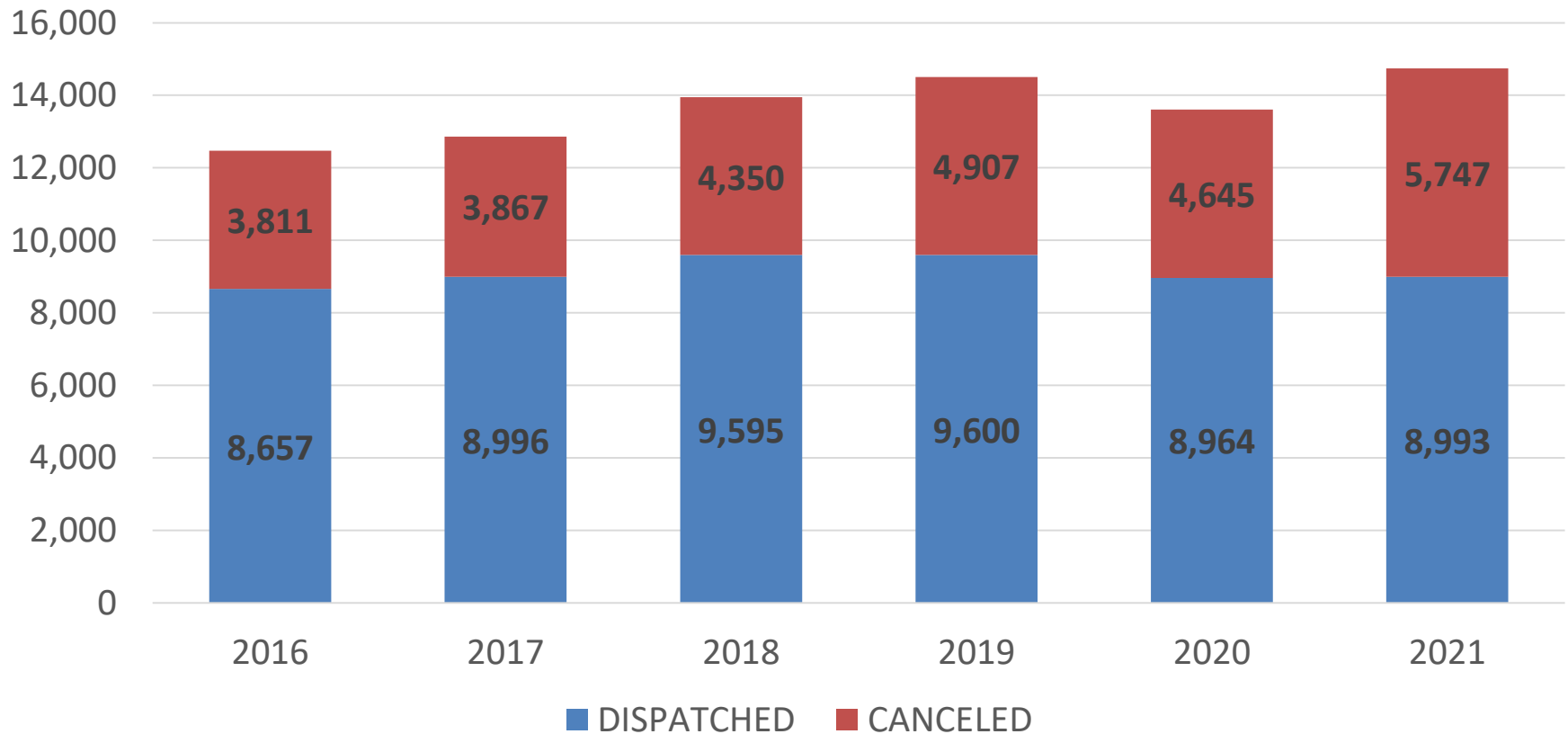
POLICE DEPARTMENT CALLS FOR SERVICE
STETSON HILLS DIVISION



History - Police



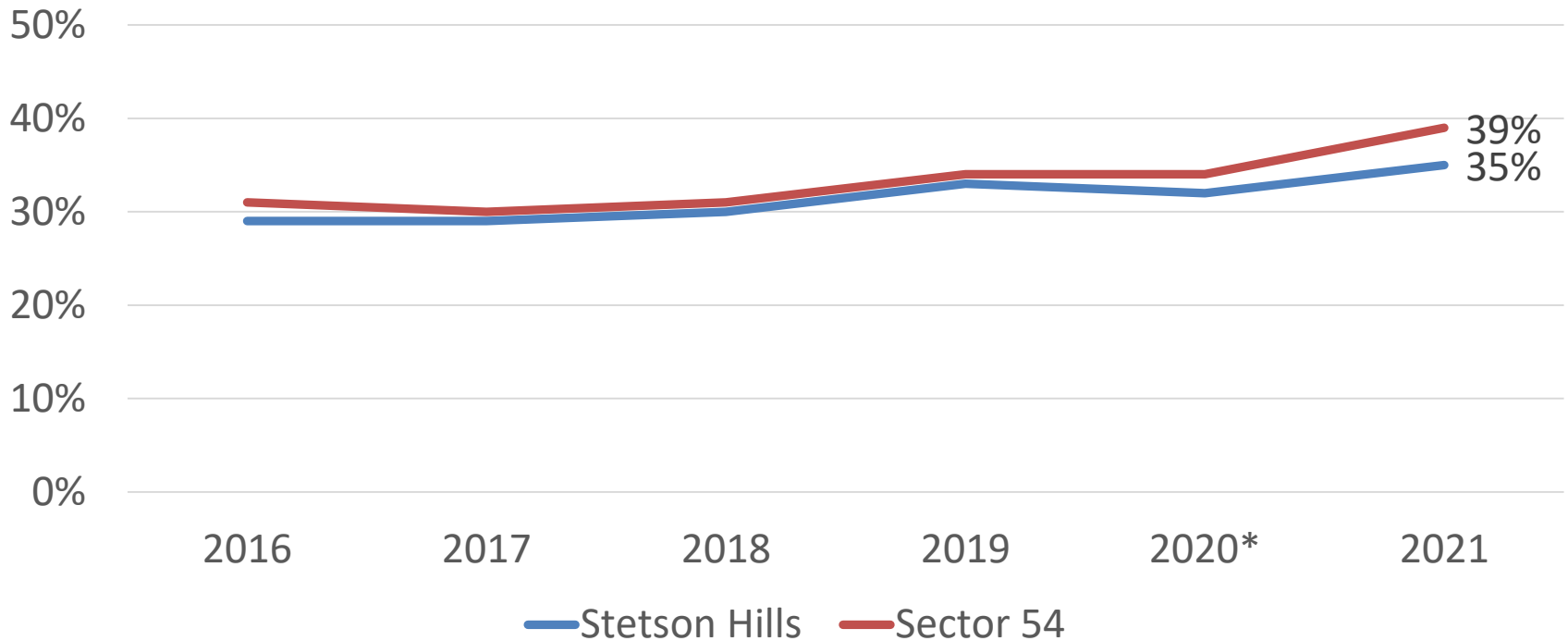
CALLS FOR SERVICE
POLICE DEPARTMENT SECTOR 54



History - Police



% of Canceled Calls Stetson Hills v Sector 54

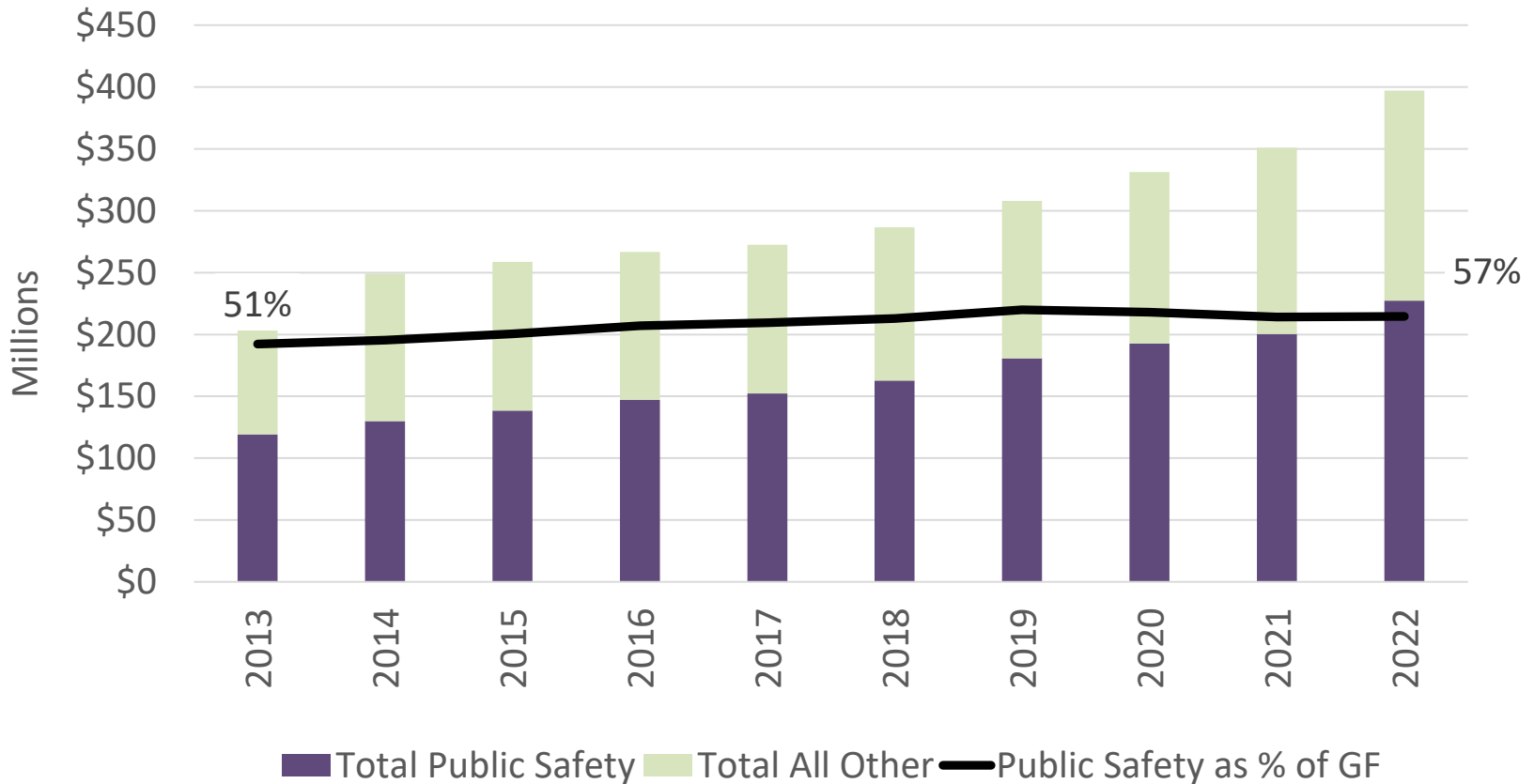


* COVID calls for service were lower than normal

Public Safety and General Fund History



Public Safety as a % of GF Expenditures

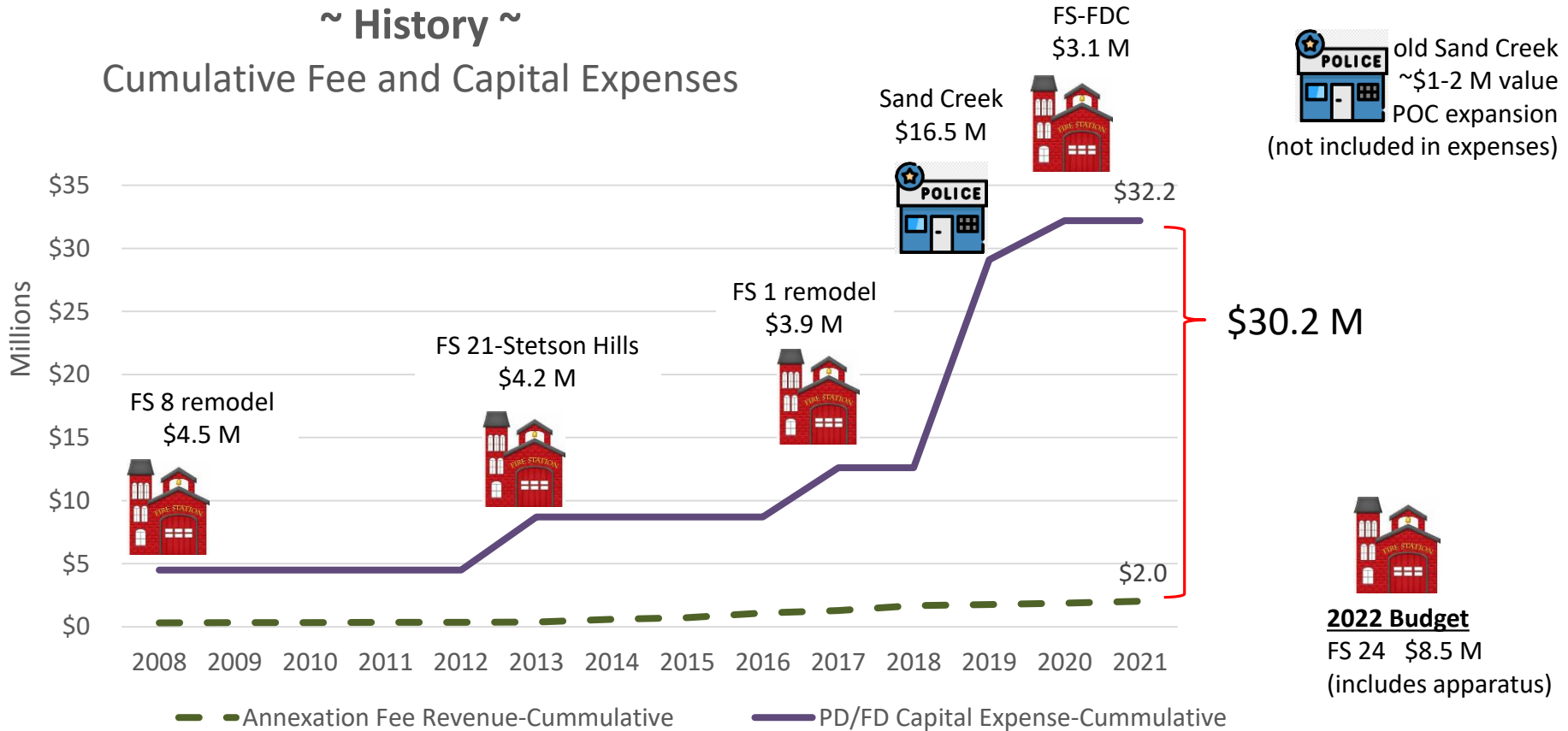


Annexation Fee Revenue PD/FD Capital Expenses



~ History ~

Cumulative Fee and Capital Expenses



Note – Fire Station expenses do not include cost of land or apparatus.

Why Impact Fees?



- Maintains level of service for residents and businesses
- Minimizes need for broad-based revenues (user charges or general taxes)
- Current residents do not want to subsidize growth (nexus)
- Predictable funding for system improvements shared by all new development

Infrastructure Need TB Fee Study



Capacity needed in next 10 years to maintain current levels of service

- Fire
 - 5 – 7 additional Fire Stations + apparatus
 - 19,000 – 26,000 additional square feet of Support Facilities
- Police
 - 2 – 3 additional Police substations
 - 50,000 – 75,000 additional square feet of Support Facilities

Impact Fee Revenue PD/FD Capital Needs

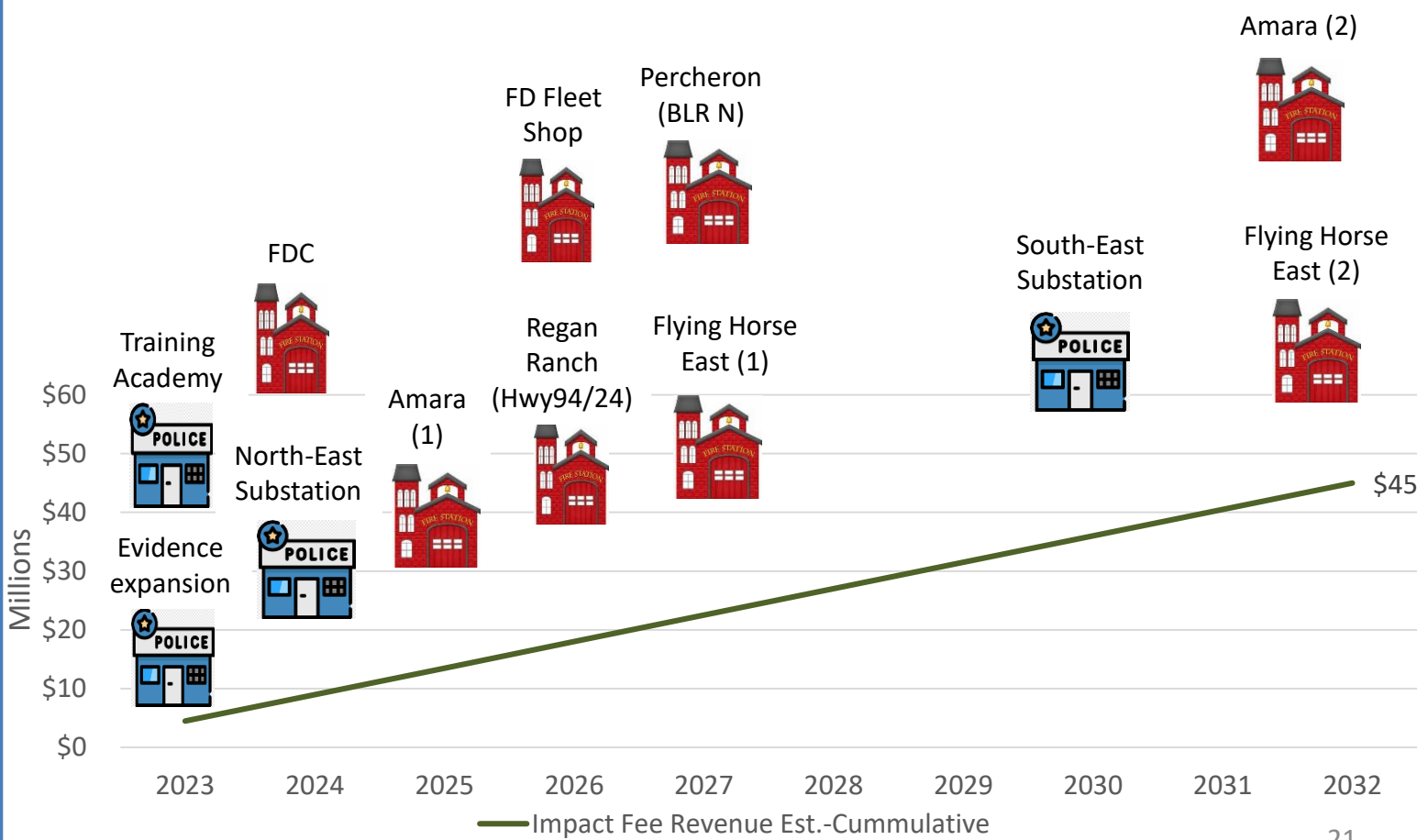


~ Backlog ~

- Stetson Hills/Forest Meadow
- Crime Lab expansion
- Colorado Centre
- BLR Pkwy/Barnes
- Training Tower
- Mit/Inspection Office Space

~ Future ~

Cumulative Fee and Capital Needs



Annexation Fee v. Impact Fee Comparison



Current Annexation Fee

- Required of annexations via annexation agreements
- Calculated based on the gross-acre area of the annexation
- No consideration for type of use
- Collected at recordation of annexation or plat or deferred to building permit
- Annually adjusted for cost inflation

New Impact Fee

- Applies to all development city-wide
- Residential – per unit fee, grouped into tiers based on residential density
- Non-residential – per SF fee, grouped into tiers based on intensity of use
- Fee based on land use type- demand on PD/FD services
- Collected at building permit
- Annually adjusted for cost inflation
- 70% cost recovery

Current v. New Fee Comparison



Current Annexation Fee

- Fire = \$1,985 per gross acre
- Police = \$677 per gross acre

New Impact Fee

Residential (per unit)		2022		70% Coverage of Total (per unit)
Development Type	Police	Fire	Total	
Single family detached residential structure	305	281		\$586
2-4 units in residential structure	249	229		\$478
5-19 units in residential structure	221	204		\$425
20-49 units in residential structure	207	191		\$398
50 units or more in residential structure	193	178		\$371
Nonresidential (per square foot)				
Development Type	Police	Fire	70% Coverage of Total	
Tier I (primarily Retail use types)	0.74	0.80	\$1.54	
Tier II (primarily Institutional use types)	0.38	0.42	\$0.80	
Tier III (primarily Office use types)	0.29	0.32	\$0.61	
Tier IV (primarily Industrial use types)	0.12	0.13	\$0.25	

Current v. New Comparison



Comparison for Community Development Impact Fee (CDI Fee) - Safety Facilities

Existing Fire and Police Annexation Fees

Fire Protection Fee = \$1,985.00 per gross acre

Police Service Fee = \$677.00 per gross acre

PROJECT NAME	TOTAL ACERAGE	DEVELOPED USE TYPE	(DU/AC) UNIT COUNT	NR (Total Gross SF)	CURRENT FD/PD ANNEXATION FEE	PROPOSED CDI FEE - 70%
Dublin Commons	27.18				\$72,353	\$149,819
Dublc Commons FL 3	2.17	Commercial Center (Tier 1)	-	11,500		\$17,710
Circle-K at Dublin Commons	1.96	Convenience Food w/gas (Tier 1)	-	4,480		\$6,899
Dublin Commons FL 2	2.86	Commercial Center (Tier 1)	-	15,960		\$24,578
Chick-Fil-A at Dublin Commons	1.69	Restaurant w/Drive-Thru (Tier 1)	-	5,312		\$8,180
TTR Enterprises, LLC FL 1	1.05	Med. Office (Tier 3)	-	5,967		\$3,640
Panera at Dublin Commons FL 1	1.53	Commercial Center (Tier 1)	-	8,334		\$12,834
Gripstone	2.47	Indoor Recreation (Tier 2)	-	15,712		\$12,570
PPH Restore at Dublin	2.05	Retail (Tier 1)	-	22,550		\$34,727
Flats at Dublin Commons	11.4	Single-Family Attached	(11.4 DU/AC) 60	-		\$28,680
Outlook at Centennial & Fillmore	42.79				\$113,907	\$160,377
Outlook West Mesa	42.79	Multi-Family Residential (Apartments, 50+ units/ structure)	(21.3 DU/AC) 312	-		\$115,752
Vistas @ West Mesa		Multi-Family Residential (Townhomes, 5-19 units/ structure)	(15.9 DU/AC) 105	-		\$44,625
West Mesa Commons	8.3	Commercial Center (Tier 1)		20,000	\$22,095	\$30,800
	35.73				\$95,113	\$265,872
Falcon Trucking *assumes build out	16.08	Single-Family Residential	(3.5-7.99 DU/AC) 127	-		\$74,422
	14.31	Multi-Family Residential	(12-24.99 DU/AC) 350	-		\$129,850
	5.34	Commercial (Tier 1)		40,000		\$61,600
Wetherford Industrial *proposed	26.03	Industrial (Tier 4)		412,720	\$69,292	\$103,180

Fee Benchmarking



2022 Police and Fire Impact Fee	Single Family Detached Unit (per Housing Unit)			Retail (per Sq. Ft.)		
	Police	Fire	P+F Total	Police	Fire	P+F Total
Loveland	\$1,041	\$1,000	\$2,041	\$0.46	\$0.60	\$1.06
Castle Rock	\$646	\$1,245	\$1,891	\$0.11	\$0.20	\$0.31
Fort Collins	\$442	\$791	\$1,233	\$0.34	\$0.60	\$0.93
Boulder	\$527	\$469	\$996	\$0.77	\$0.66	\$1.43
Littleton	\$371	na		\$0.36	na	
Greeley	\$152	\$683	\$835	\$0.19	\$0.84	\$1.02
Colorado Springs	\$305	\$281	\$586	\$0.74	\$0.80	\$1.54

Ordinance/Resolution Overview



Ordinance

- Creates new Part (Community Development Impact Fee) in Chapter 7 of City Code
- Authorizes the Police and Fire Capital Expansion Fees (Impact Fee)
- Impact Fees will replace the current Annexation Fees
- Effective date is 1/1/2023
- Citywide service area
- Provides credit for land dedication
- Provides credit for Police and Fire Annexation Fees previously paid
- Provides credit for current land use
- Council may, by resolution, authorize the discount or rebate for low or moderate-income housing
- Mayor may waive or reduce fee as an authorized incentive in an economic development agreement
- Upon identifying a new funding source for public safety infrastructure, but not more often than once every four (4) years, the Chief Financial Officer shall conduct an updated fee study and advise Council on the feasibility and effects of reducing or eliminating the fee

Ordinance/Resolution Overview



Resolution

- Establishes fee by tier for Residential and Non-Residential
- Provides for annual adjusted based on construction cost index

Mayoral Committee



Public Safety Impact Fee Committee

- 5 members
 - 1 commercial development experience
 - 1 residential development experience
 - 1 land use and planning experience
 - 2 at large
- Act in an advisory capacity to the Mayor regarding the compliance and implementation of the police and fire protection capital expansion fees

Questions?