

RESOLUTION NO. 159-18

A RESOLUTION ESTABLISHING 2019 DRAINAGE BASIN
FEES, BRIDGE FEES, DETENTION POND FACILITY AND
LAND FEES

WHEREAS, the Water Resources Engineering Division of the Public Works Department prepared a study of drainage basin facility construction costs trends recommending a market adjustment to the Drainage Basin Fees, Bridge Fees, and Detention Pond Facility Fees for 2019; and

WHEREAS, the City/County Drainage Board at their November 1, 2018 meeting approved an adjustment of 6.7% for the 2019 Drainage Basin Fees, Bridge Fees, and Detention Pond Facility Fees over the current fee schedule; and

WHEREAS, the Park Land Dedication Fee currently remains at \$76,602 per acre in 2018 (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 2019 Drainage Basin Fees, Bridge Fees, and Detention Pond Facility and Land Fees are established and adopted by the City Council based on the City/County Drainage Board recommendation as shown on the Fee Schedule attached and incorporated herein as Exhibit A.

Section 2: This Resolution shall be in full force and effect January 1, 2019.

Dated at Colorado Springs, Colorado this 11th day of December, 2018.

ATTEST



Sarah B. Johnson, City Clerk



Council President

EXHIBIT A

2019 DRAINAGE, BRIDGE AND POND FEES CITY OF COLORADO SPRINGS Effective January 1, 2019

Basin Name	DBPS Year	Drainage Fee/Acre	Bridge Fee/Acre	Pond Land Fee/Acre	Pond Facility Fee/Acre	Surcharge/Acre
19th Street	1964	\$4,030				
21st Street	1977	\$6,151				
Bear Creek	1980	\$3,959	\$373			
Big Johnson, Crews	1991	\$15,316	\$1,259	\$241		
Black Squirrel Creek	1989	\$14,302	\$1,603	\$789		
Camp Creek	1964	\$2,270				
Cottonwood Creek ^{1, 2}	2000	\$13,923	\$1,130			\$723
Douglas Creek	1981	\$12,728	\$285			
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	\$7,975			\$2,599	
Kettle Creek ⁷ Old Ranch Trib.	2001	\$0.00				
Little Johnson	1988	\$13,367		\$1,227		
Mesa	1986	\$10,699				
Middle Tributary	1987	\$6,995		\$1,121		
Miscellaneous ⁸	n/a	\$11,905				
Monument Branch ¹²	1987	\$0.00				
North Rockrimmon	1973	\$6,152				
Park Vista (MDDP)	2004	\$17,135				
Peterson Field	1984	\$12,925	\$595			
Pine Creek ⁹	1988	\$0.00				
Pope's Bluff	1976	\$4,096	\$701			
Pulpit Rock	1968	\$6,784				
Sand Creek ¹⁰	1996	\$12,645	\$761	\$1,070	\$3,676	\$1,333
Shooks Run ¹¹	1994	\$0.00				
Smith Creek ¹²	2002	\$0.00				
South Rockrimmon	1976	\$4,810				
Southwest Area	1984	\$13,467				
Spring Creek	1968	\$10,609				
Templeton Gap	1977	\$6,997	\$77			
Windmill Gulch	1992	\$14,594	\$271	\$3,055		

All Drainage, Bridge and Detention Pond Facilities Fees adjusted by 6.7% over 2018 by City Council Resolution No. ____-18 on December 11, 2018 to be effective on January 1, 2019. Land Fees are based on the Park Land Dedication Fee which is currently \$76,602/acre (0% change for inflation in 2018).

¹ The 2018 Cottonwood Creek drainage fee consists of a capital improvement fee of \$10,853 per acre and land fee of \$3,069 per acre for a total of \$13,923 per acre. These fees are adjusted annually using different procedures but are combined for collection purposes. **The surcharge fee of \$723/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) = \$1,333/ac. for 2019. Sand Creek Pond fees include two components, one for facility construction costs (\$3,676) and one for land dedication costs (\$1,070), the total Pond fee within Sand Creek is \$4,746/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

EXHIBIT B

**2018 DRAINAGE, BRIDGE AND POND FEES
CITY OF COLORADO SPRINGS
Effective January 1, 2018**

Basin Name	DBPS Year	Drainage Fee/Acre	Bridge Fee/Acre	Pond Land Fee/Acre	Pond Facility Fee/Acre	Surcharge/Acre
19th Street	1964	\$3,777				
21st Street	1977	\$5,765				
Bear Creek	1980	\$3,710	\$350			
Big Johnson, Crews	1991	\$14,354	\$1,180	\$241		
Black Squirrel Creek	1989	\$13,151	\$1,502	\$789		
Camp Creek	1964	\$2,127				
Cottonwood Creek ¹	2000	\$13,241	\$1,059			\$678
Douglas Creek	1981	\$11,929	\$267			
Dry Creek ²	1966	\$0.00				
Elkhorn Basin ³	n/a	\$0.00				
Fishers Canyon ⁴	1991	\$0.00				
Fountain Creek ⁵	n/a	VAR				
Jimmy Camp Creek	2015	\$7,474			\$2,436	
Kettle Creek ⁶ Old Ranch Trib.	2001	\$0.00				
Little Johnson	1988	\$12,528		\$1,227		
Mesa	1986	\$10,027				
Middle Tributary	1987	\$6,556		\$1,121		
Miscellaneous ⁷	n/a	\$11,157				
Monument Branch ¹²	1987	\$0.00				
North Rockrimmon	1973	\$5,766				
Park Vista (MDDP)	2004	\$16,059				
Peterson Field	1984	\$12,113	\$558			
Pine Creek ⁸	1988	\$0.00				
Pope's Bluff	1976	\$3,839	\$657			
Pulpit Rock	1968	\$6,358				
Sand Creek ⁹	1996	\$11,851	\$713	\$1,070	\$3,445	\$1,249
Shooks Run ¹⁰	1994	\$0.00				
Smith Creek ¹¹	2002	\$0.00				
South Rockrimmon	1976	\$4,508				
Southwest Area	1984	\$12,621				
Spring Creek	1968	\$9,943				
Templeton Gap	1977	\$6,558	\$72			
Windmill Gulch	1992	\$13,678	\$268	\$3,055		

All Drainage, Bridge and Detention Pond Facilities Fees adjusted by 5.7% over 2017 by City Council Resolution No. 157-17 on December 12, 2017 to be effective on January 1, 2018. \$58/acre increase to Sand Creek Drainage Fee approved by Board July 13, 2017. Land Fees are based on the Park Land Dedication Fee which is currently \$76,602/acre (0% change for inflation in 2017).

¹ The 2018 Cottonwood Creek drainage fee consists of a capital improvement fee of \$10,172 per acre and land fee of \$3,069 per acre for a total of \$13,241 per acre. These fees are adjusted annually using different procedures but are combined for collection purposes. **The surcharge fee of \$678/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 Dry Creek is a closed basin per City Council Resolution No. 118-08 on June 24, 2008

³ Elkhorn Basin is a closed basin per the Annexation Agreements for the area.

⁴ Fishers Canyon is a closed basin per City Council Resolution No. 74-08 on April 22, 2008.

⁵ 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.

⁶ Kettle Creek Old Ranch Tributary is a closed basin per City Council Resolution 139-02 on August 27, 2002.

⁷ Miscellaneous fee is assessed on unstudied areas and the Roswell and Westside Basins.

⁸ Pine Creek is a closed basin per City Council Resolution No. 236-88 on December 13, 1988.

⁹ Sand Creek Detention Pond #2 Surcharge (Ridgeview and Indigo Ranch) = \$1,249/ac. for 2018. Sand Creek Pond fees include two components, one for facility construction costs (\$4,515) and one for land dedication costs (\$1,070), the total Pond fee within Sand Creek is \$4,329/ac.

¹⁰ Shooks Run is a closed basin pursuant to the recommendation of the Drainage Board, adopted at its meeting on October 15, 1963.

¹¹ 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: November 1, 2018

TO: City/County Subdivision Storm Drainage Board

FROM: Brian Kelley, Stormwater Programs Manager

SUBJECT: 2019 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 2018 to adjust for inflationary costs for fees to be collected in 2019.

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 4.8% in June of 2016, 3.5% in February of 2017, and 5.7% effective January 1, 2018, with the adoption by City Council at the recommendation of the City/County Drainage Board. There was no adjustment based upon a forecast for 2018.

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-Boulder-Greeley consumer price index (CPI-U);
- Cost data per Engineering News Record (ENR);
- Local developers, contractors, consultants, and providers of construction materials; and
- UCCS Economic Form data for the local economy (NEW).

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 22.79% from the second quarter of 2017 to the second quarter of 2018. 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 and reinforcing steel indicate the highest increases, which is consistent with what we have seen with the local construction industry.

<u>Item</u>	<u>2nd Quarter. 2017 Index</u>	<u>2nd Quarter. 2018 Index</u>	<u>% Change (averaged over year)</u>
Earthwork (Price (\$/CY))	13.35	16.83	26.07%
Structural Concrete Price (\$/CY)	632.98	748.33	18.22%
Reinforcing Steel Price (\$/LB)	1.08	1.34	24.07%
Average			22.79%

Consumer Price Index (CPI-U): The CPI-U information provided in the UCCS Economic Forum data for July 2018 indicates all items less food and energy index advanced 2.4%.

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; Common Labor and Skilled Labor, comparing July 2017 to July 2018.

Materials & Labor (ENR, July, 2017 to July 2018, for Denver)			
<u>Item</u>	<u>July 2017 Index</u>	<u>July 2018 Index</u>	<u>% Change (averaged over year)</u>
Concrete, 4000psi	122	126.37	3.58%
Pipe (avg. of 3 sizes)	66.49	69.00	3.78%
Rebar, Grade 60, #4	52.95	54.36	2.66%
Common Labor	818.18	818.18	0%
Skilled Labor	755.64	762.06	.85%
			2.17%

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 2.17%.

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

City staff studied local project costs including concrete, rock, pipe and labor from 2017 to 2018, as well as developer constructed in place costs, and reported an average increase of approximately 7% in industries that support drainage projects.

Much of the local cost increases cited were attributed to the extremely high demand for construction services for the combination of local land development growth, the 2C ballot measure, dedicated stormwater funding, and high increases by suppliers for cement, rebar, boulders, and rip rap, along with an increase in skilled labor costs.

Summary:

2018 Overall: Using weighted averages based on the impact of local contractor and consultant data for the past year, CCI, ENR (Denver), CDOT and the CPI, for the same time period, it is estimated that overall drainage construction costs have increased an average of 6.7 % from the second quarter of 2017 to the second quarter of 2018.

2018 Forecast: The Governor's Office of State Planning and Budgeting has forecast an increase to the Consumer Price Index of 2.6% for 2018 and an increase of 2.2% for 2019.

Recommendation:

With an adjustment based on actual data from July 2017 compared to July 2018 of 6.7%, **staff recommends an increase of 6.7%** over the 2018 drainage, bridge and detention pond facility fees, to include the Miscellaneous Basin fee, and approval of the attached fee schedule effective upon City Council approval.

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 2018.

**CITY OF COLORADO SPRINGS/EL PASO COUNTY
DRAINAGE BOARD MEETING SUMMARY
NOVEMBER 1, 2018**

The City of Colorado Springs/El Paso County Drainage Board held its meeting at 3:00 PM, Thursday, November 1, 2018 in the City Council Chambers at City Hall at 107 N. Nevada Avenue.

MEMBERS PRESENT: Bob Irwin, Jim Houk, Tim McConnell, Jonathan Moore

MEMBERS ABSENT: Vince Crowell, Darin Moffett, Marc Whorton

OTHERS PRESENT: Brian Kelley (City), Erin Powers (City), Anna Bergmark (City), Daniel Torres (El Paso County), Beck Grimm (El Paso County), Lois Ruggera (City), Jonathan Scherer (City), Stacey Covington (City), Carol Medina (City), Christina Aragon (City), Mike Park (Self)

Item 1: Meeting called to order by Bob Irwin at 3:00pm

Item 2: Approval of the minutes from the September 6, 2018 Drainage Board Meeting
Motion by *Bob Irwin* to **approve** the minutes
Motion seconded by *Tim McConnell*
Motion passed 4-0

Item 3: Old Business – None

Item 4: New Business

Note: Erin Powers – (City) requested from the Chair, Bob Irwin to move Item 4: c) before Item 4: a). Anna Bergmark stated the Applicant was not present. Bob was not comfortable moving on without the Applicant or Representative present, and giving the City's recommendation he suggested Item 4: c) should be tabled.

Decision was made to go back to original order of the Agenda, giving the Applicant/Representative time to show up and state their request.

a) Financial Update – (City)

Presented by Stacey Covington – (City) has provided details on the quarterly Financial Update which included outstanding reimbursements update through September specifically updated to reflect the payoffs that occurred in July. The Deferred Fees list updated through September and the Comparative Plat Fee and Acreage Summary updated thru September were also provided.

b) 2019 Drainage Fee Increase – (City) and adding an addition to include El Paso County

ACTION REQUESTED: Approve a market adjustment of 6.7% to the City wide drainage basin fees, bridge fees and pond facility and pond land fees for 2018 as shown on Exhibit A.

Brian Kelley presented the City recommendation. Bob Irwin requested detailed information due to the fact that 6.7% exceeds CPI, and is a larger increase than in previous years. Brian Kelley discussed the basis for the fee increase, including higher demands for specific materials in the Colorado Springs area.

Motion was made by *Tim McConnell* to approve an increase of 6.7% over the 2018 drainage, bridge and detention pond facility fees, to include the Miscellaneous Basin fee, and approval of the attached fee

schedule effective upon City Council approval. Motion was clarified to be effective on January 1, 2019 after City Council approval. Motion seconded by *Jonathan Moore*.

MOTION PASSED 4-0

At the request of El Paso County, Bob Irwin requested a motion to apply the **2019 Drainage Fee Increase** to El Paso County. Not necessary to read the recommendation again.

Motion was made by *Tim McConnell* to include El Paso County in the 2019 Drainage Fee Increase. Motion seconded by *Jonathan Moore*.

MOTION PASSED 4-0

c) Sand Creek Drainage Basin Fee Increase and Reimbursement for Forest Meadows Filing No 9 - (City)

ACTION REQUESTED: This action is requested by ESI to increase the drainage fund in Sand Creek by \$149,623.60. This would result in a fee increase of \$28.08 per acre. The subsequent action is to reimburse ESI for drainage facilities constructed in Forest Meadows Filing No 9. The total request from the Sand Creek Drainage Basin fund for drainage facilities is \$149,623.60.

This Item 4: c) was recommended to be Tabled due to the Applicant/Representative not being present. All present members were in favor of Tabling Item 4: c).

d) Housekeeping

e) Open Discussion

- Jonathan Moore suggested a discussion on how to handle future agenda items when the applicant is not present at the meeting without advanced arrangements being made. Jonathan Moore agrees that if an Applicant is not going to be present or has not prearranged for a City staff to present to Drainage Board without their presence they should not be heard.
- Bob Irwin introduced the opinion that when an Applicant is coming to Drainage Board to request reimbursement, it is not a privilege but a right, concluding that the Drainage Board needs to respect their right to be heard in order to avoid potential complications.
- The option to create a policy surrounding this issue was discussed, and it was decided that a formalized policy was not needed.
Brian Kelley – (City) suggested checking with City Attorney and the County Attorney to determine if there were precedents or procedures that the Board would need to be aware of.
- Anna Bergmark – (City) stated the Applicant was aware this item would be on the Agenda and the City would not be supporting it.
Bob Irwin stated that if applicants do not agree with the City's recommendation, they can bring items to Drainage Board to 'roll the dice.'
After discussion with Carol Medina, Anna Bergmark – (City) stated the Applicant was not notified due to steps missed. Staff will contact the applicant to coordinate bringing the item to the December board meeting.
- Daniel Torres – (County) Requested their Drainage (bridge funds) reimbursement in Sand Creek for a bridge constructed over Marksheffel Road to be postponed to the next meeting.
- Bob Irwin questioning of a pending retirement of Brian Kelley, Brian has confirmed his intent to retire at the end of this year. Bob Irwin and Drainage Board members expressed that Brian will be missed and that they appreciate all the work he has performed and the expertise and professionalism he has demonstrated.

Item 5: Meeting adjourned at 3:32pm



**HOUSING & BUILDING
ASSOCIATION
OF COLORADO SPRINGS**

4585 Hilton Parkway Suite 100, Colorado Springs, CO 80907
Phone: 719-592-1800 • Fax 719-260-8398 • CSHBA.com

Mr. Brian Kelley
Water Resources Engineering Division/ Public Works
City of Colorado Springs
30 S. Nevada Ave., Suite 401
Colorado Springs, CO 80901

Dear Mr. Kelley:

On behalf of the Housing & Building Association of Colorado Springs (HBA), we would like to thank you for giving us the opportunity to review and discuss the proposed drainage basin fee increase.

We appreciate the staff's readiness to research drainage construction costs, which provided a better assessment of the actual construction cost increases. The proposed increase is in line with bids our members have received as well. The HBA supports moving forward with the recommended increase of 6.7% over the 2018 drainage, bridge, and detention pond facility fees. We look forward to continuing a collaborative partnership with the City of Colorado Springs.

Please do not hesitate to contact us with any questions about our organization's support.

Respectfully,
Mike DeGrant, DeGrant Consulting
2018 HBA President

Kevin Walker, Walker Schooler District Managers
2018 HBA Public Policy Council Chair

2018 Executive Committee

Mike DeGrant – DeGrant Consulting
President
Mark Long – Vanguard Homes
Immediate Past President
Todd Anderson – Shepherds Staff Consulting
President-Elect
Carrie Bartow – CliftonLarsonAllen, LLP
At-Large Advisor
Kyle Campbell – Classic Consulting
Political Advisor
Jim Johnson – GE Johnson
At-Large Advisor
Scott Mikulecky – Sherman & Howard, LLC
Legal Advisor
Kevin Walker – Walker Schooler District Managers
Policy Advisor
Renee Zentz – Housing & Building Association
Chief Executive Officer

2018 Board of Directors

Andrea Barlow – N.E.S. Inc.
Karl Berg – Mulliken Weiner Berg & Jolivet P.C.
Ralph Braden – Norwood Limited, Inc.
Mark Bussone – David Weekley Homes
Randy Case II – Case International Company
Lain Chappell – Solid Rock Custom Homes
Grace Covington – Covington Homes
Randy Deming – Campbell Homes, Ltd.
Brandon Elrod – C & C Sand and Stone Co.
Mike Fenton – Century Communities
Dylan Fischer – Rheem Distribution
Jen Gesick – Jen Barry Productions
Danielle Grover – Jayden Homes
George Hess – Vantage Homes Corp.
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Eric Hunter – Keller Homes
William Johannsen – C & C Sand and Stone
Aric Jones – Oakwood Homes, LLC
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Jerry Novak – Novak Consulting, Inc.
Josh Peterson – Vanguard Homes
John Radcliffe – Galloway & Company, Inc.
Mark Reyner – Land Title Guarantee Co.
Mike Ruebenson – La Plata Communities
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Jared St. Aubyn – Saint Aubyn Homes
Scott Smith – ProTerra Properties, LLC
Todd Stephens – Windsor Ridge Homes, LLC
Chad Thurber – Vantage Homes Corp.

