



Legislation Text

File #: 16-392, **Version:** 1

A resolution establishing 2016 Drainage Basin Fees, Bridge Fees and Detention Pond Facility and Land Fees.

Presenter:

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Elizabeth Nijkamp, Civil Engineer III

Summary:

At its March 3, 2016 meeting, the City/County Drainage Board approved a 4.8% adjustment in drainage, bridge and detention pond facility fees for 2016. This fee adjustment affects only the City Drainage Fee Schedule (See Exhibit A) and is based on the annual study of drainage facility construction cost trends conducted by City Engineering staff. The current Fee Schedule is attached as Exhibit B. This item is scheduled to be presented to Council for action at the June 14, 2016 Council meeting.

Previous Council Action:

During the City Council work session on May 23, 2016, this item was referred to the Regular City Council session on June 14, 2016.

On March 10, 2014 City Council approved Resolution No. 45-14 establishing the 2014 Drainage Basin Fees, Bridge Fees, and Detention Pond Facility and Land Fees.

Background:

City Engineering staff performed the annual study of drainage facility construction cost trends. Exhibit C is the staff report for the proposed market adjustment that was presented at the February 4, 2016 and March 3, 2016 City/County Drainage Board Meetings. Since the City drainage, bridge and detention pond fees for 2015 remained unchanged over 2014, the study evaluated data for 2014 and 2015 from the Colorado Department of Transportation, Engineering News Record, Consumer Price Index (less food and fuel) ("CPI") and included the CPI projection for 2016.

City Council approved the 2014 Drainage Fee Schedule that anticipated a 1.5% increase; however, the actual increase in the CPI for 2014 was 2.8%, therefore an additional 1.3% market adjustment was proposed. The CPI showed an increase of 3.5% for 2015, and looking forward, an increase of 2.5% is anticipated for 2016 for a total of a 7.3% adjustment. Staff recommended a 7.3% market adjustment in the 2016 drainage, bridge and detention pond facility fees. Detention pond land fees will remain unchanged at \$76,602 per acre equal to the 2014 School/Park Land Dedication Fee. (The School/Park Fee is governed by City Code 7.7.1207.C.2 which states that the School/Park Fee Advisory Committee shall meet annually and advise City Council for the school and park fees in lieu of dedication for residential development).

The City/County Drainage Board heard presentations by the Home Builders Association (“HBA”) in which the HBA proposed that the 2.5% projected adjustment for 2016 was not appropriate. In addition, the HBA suggested that there may be information that would better reflect local costs that could be used when calculating the annual fee adjustment. The City/County Drainage Board voted 4 to 1 to proceed with a 4.8% adjustment for 2016 drainage, bridge and detention pond facility fees.

This item supports the City’s strategic goal relating to investing in infrastructure. Drainage infrastructure is vital to insure the City’s ability to protect its citizens and downstream neighbors from potential damage due to stormwater.

Financial Implications:

Drainage, bridge and detention pond facility fees are paid by developers and are used to reimburse other developers who construct drainage improvements that cost more than their fee obligation. It is important to keep these fees current with the construction and material cost inflation rates to minimize the disparity between facility reimbursement cost and revenues collected to refund these costs. There are no City budget impacts.

Board/Commission Recommendation:

On March 3, 2016 the City/County Drainage Board voted to adjust the 2016 drainage, bridge and pond facility fee by 4.8% over the current fee schedule, with no change to the 2014 pond land fee.

Stakeholder Process:

Representatives of the HBA were present at the February 4, 2016 and March 3, 2016 City/County Drainage Board meetings and gave presentations opposing the 7.3% adjustment. The HBA suggested that the 2016 adjustment based on a 2.5% projected increase to the CPI was not appropriate and alternatively suggested a 4.8% adjustment to the drainage, bridge, and pond facility fee.

Alternatives:

Approve a market adjustment of 4.8% to the City wide drainage basin fees, bridge fees and pond facility and pond land fees for 2016 as shown on Exhibit A.

Approve a different percentage adjustment to the drainage basin fees, bridge fees and pond facility and pond land fees for 2016.

Disapprove a market adjustment to the City wide drainage basin fees, bridge fees, and pond facility and pond land fees for 2016, keeping the Drainage Basin Fees the same as 2015.

Proposed Motion:

Move to approve the resolution establishing 2016 drainage basin fees, bridge fees and detention pond facility and land fees as shown on Exhibit A.

A resolution establishing 2016 Drainage Basin Fees, Bridge Fees and Detention Pond Facility and Land Fees.