
The Rocky Mountain Land Use Institute
Thirteenth Annual Conference

Session Handouts
To Accompany Home Study Audio CD
for

***Recouping the Cost of Development in
Rural Areas – Impact Fees and Beyond***

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The Rocky Mountain Land Use Institute
Thirteenth Annual Conference

PRESENTER BIOGRAPHIES

Charles T. (Charlie) Unseld is Director of Local Government Services in the Colorado Department of Local Affairs, where he has worked for 18 years. He supervises all financial and technical assistance services to local governments throughout the state. Mr. Unseld is the former director of the Office of Smart Growth in DOLA, which provides technical and financial assistance to Colorado local governments in the areas of land use planning and growth management, and is involved in related legislative and policy issues. Mr. Unseld holds a B.S. in Environmental Engineering and an M.A. in Environmental Planning. He has taught at the University of Denver's Masters Program in Environmental Policy and Management and at the University of Colorado at Denver's Graduate School of Architecture and Planning.

L. Carson Bise II, AICP, is Vice President of Tischler & Associates, Inc. He holds BS degrees in Urban Planning and Political Science and an MBA in Economics. Mr. Bise has fourteen years of fiscal, economic and planning experience, having conducted fiscal impact and infrastructure financing evaluations in 24 states. Mr. Bise has developed and implemented more fiscal impact models utilizing the case study-marginal approach than any planner in the country. The applications he has developed have been used for evaluating multiple land use scenarios, specific development projects, annexations, urban service provision, tax-increment financing, and concurrency/adequate public facilities monitoring. In addition to his considerable fiscal impact experience, Mr. Bise has prepared over 50 impact fees for all types of capital facilities. Mr. Bise has also authored several articles related to fiscal impact analysis and infrastructure financing and is a frequent speaker on these subjects at national conferences for organizations such as the American Planning Association and the International City/County Management Association.

Kenneth L. Wolf, APA, has over twenty-five years of experience in the private sector as a planning consultant. The wide range of Mr. Wolf's planning activities include both domestic and international engagements. Mr. Wolf has been the Planning Director of Elbert County since 1996.

Recouping the Cost of Development in Rural Areas: Impact Fees and Beyond

2004 Rocky Mountain Land Use
Institute Conference

Presented by:

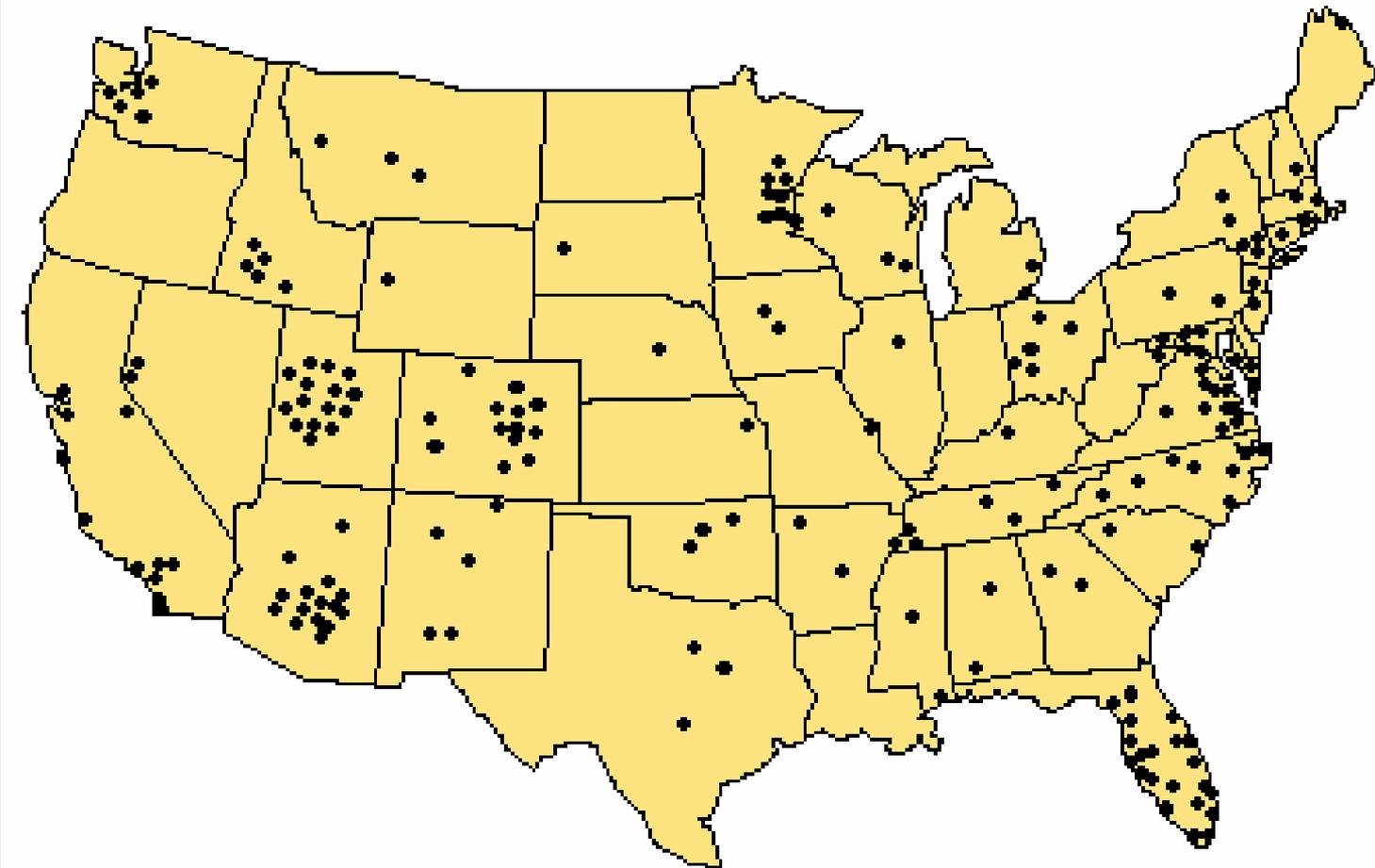
L. Carson Bise II, AICP

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Clinton City
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Wellsville
West Jordan
Woods Cross

Idaho

Hailey
Kellogg
Nampa
Post Falls

Montana

Billings
Bozeman
Missoula

Impact Fee Basics

- New development's pro rata share of infrastructure costs
 - At last count 22 states have enabling legislation
- Not a revenue raising mechanism
 - A way to provide growth-related infrastructure
- Fee payers must receive a benefit
 - Timing of improvement
 - Geographic service areas
 - Accounting and expenditure controls

General Process

- Demographic analysis
 - Validate need for fees
- Determine capital costs
- Evaluate need for credits
- Public participation
 - Liaison committee
- Decisions by elected officials
 - Percentage of maximum supportable fee
 - Multi-year phase in

General Methods/Best Applications

■ Plan-Based

- Usually reflects an adopted CIP or master plan

■ Incremental Expansion

- Formula based approach using current levels of service

■ Cost Recovery

- Typically used for oversized facilities

Evaluate Need for Credits

■ Site specific

- Developer constructs a capital facility included in fee calculations

■ Debt service

- Avoid double payment due to existing or future bonds

■ Dedicated revenues

- Local option sales tax, gas tax

New and Innovative Approaches

- Progressive residential fee schedules
- Impact fees that increase with distance from urban areas
- Link fees to plans and a funding strategy for infrastructure
- City/County cooperation to implement fees

Innovative Examples

- Peoria, AZ
 - Tiered concept to encourage infill
- Scottsdale, AZ
 - Lower utility fees in the older part of the city and higher fees in new growth areas
- Suffolk, VA
 - Two-tiered approach for allocating capital costs
 - Environmental incentive that provided reimbursements for eliminating private well and septic systems

Innovative Examples (continued)

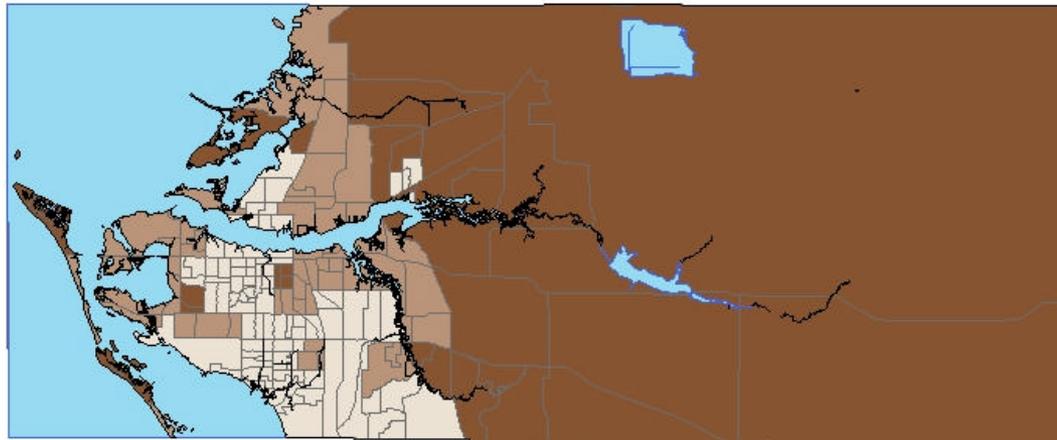
■ Missoula, MT

- Progressive housing multipliers

Persons Per Household - City of Missoula, 2000						
Square Feet =>	<1,000	1,000-1,499	1,500-1,999	2,000-2,499	2,500+	All Sizes
Single-Family Detached and Mobile Homes	1.93	2.29	2.55	2.73	2.90	2.55
All Other Housing Types	All Sizes					
	1.73					
Persons Per Household - Unincorporated Missoula County, 2000						
Square Feet =>	<1,000	1,000-1,499	1,500-1,999	2,000-2,499	2,500+	All Sizes
Single-Family Detached and Mobile Homes	2.09	2.47	2.75	2.94	3.13	2.75
All Other Housing Types	All Sizes					
	2.10					

Innovative Examples (continued)

- **Manatee County, FL**
 - Road fee calibrated by average travel time

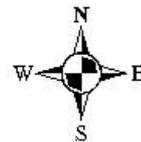


Minutes To Work

20 - 23

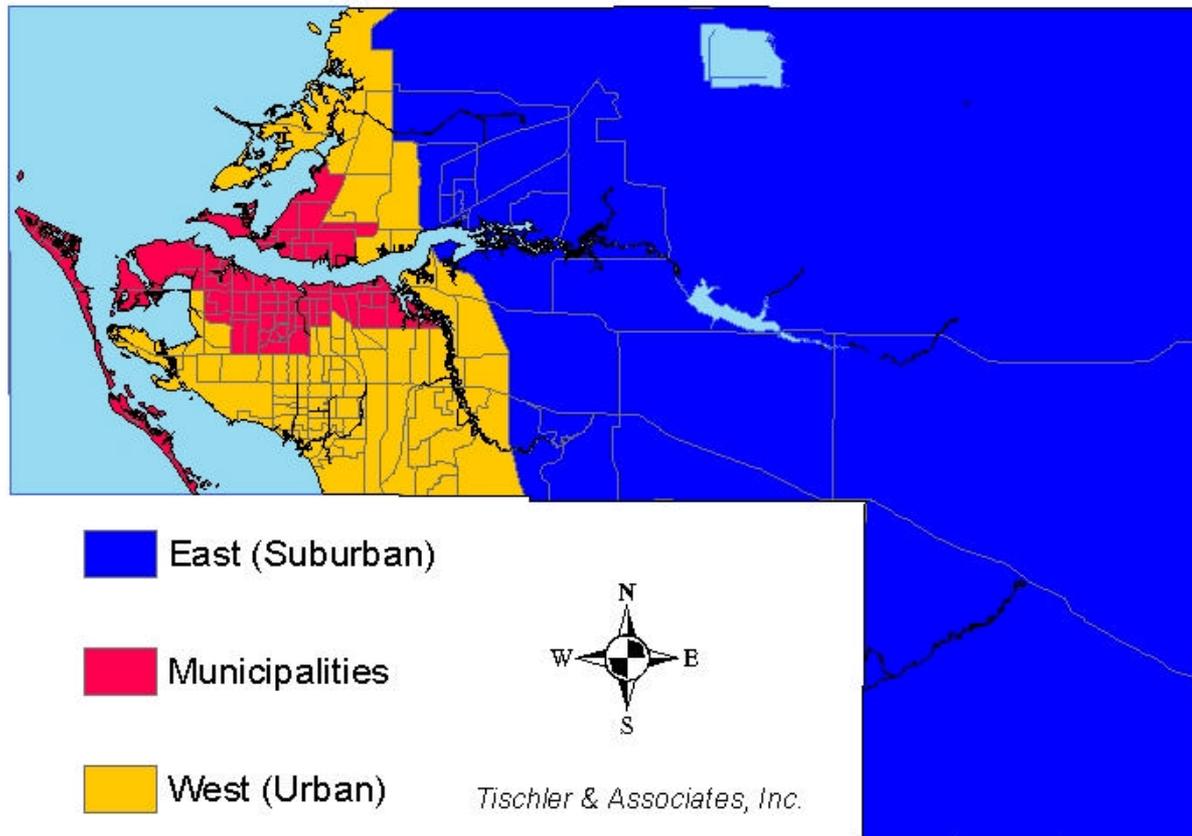
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Innovative Examples (continued)



Innovative Examples (continued)

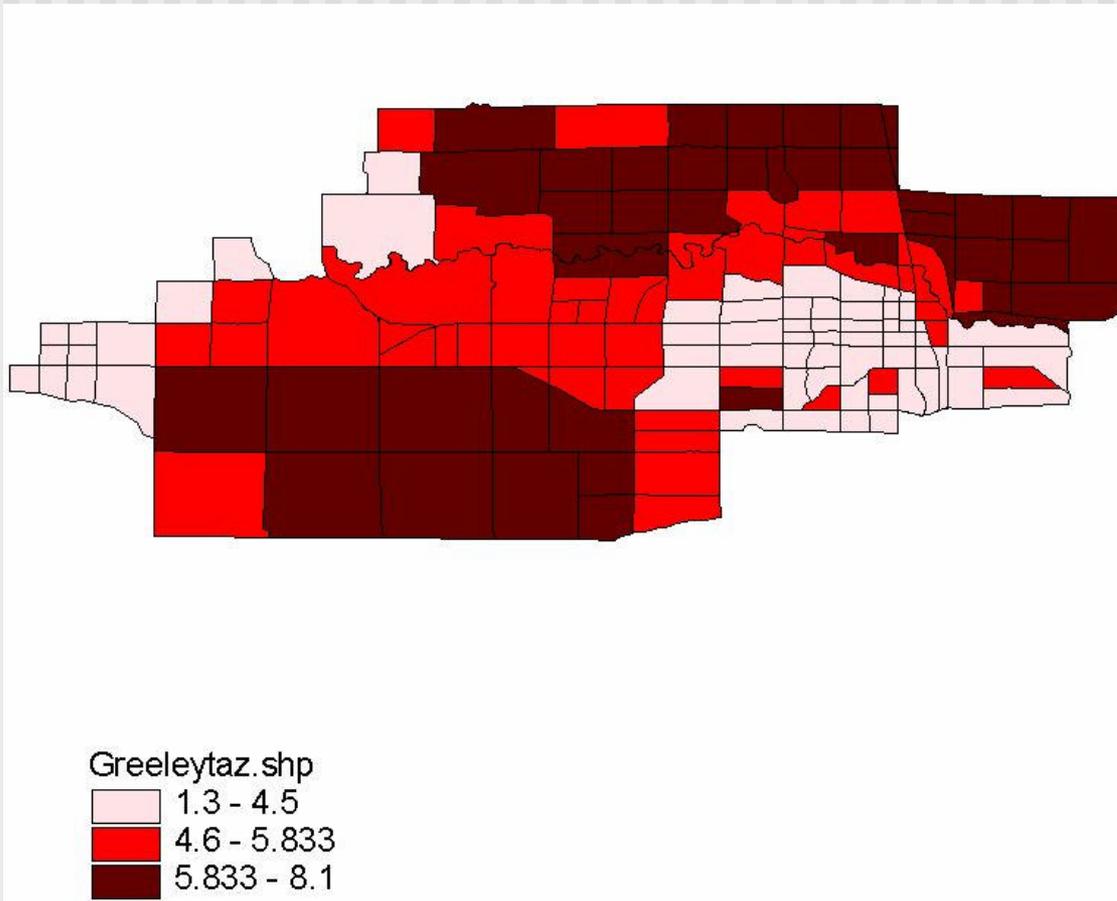
■ Greeley, CO

■ Tiered road fee based on VMT

- As density and mix of development decreases VMT increases
- Fees should vary by Traffic Analysis Zone (TAZ) based on Vehicle Miles of Travel
- Geographic service areas determined by \$/trip

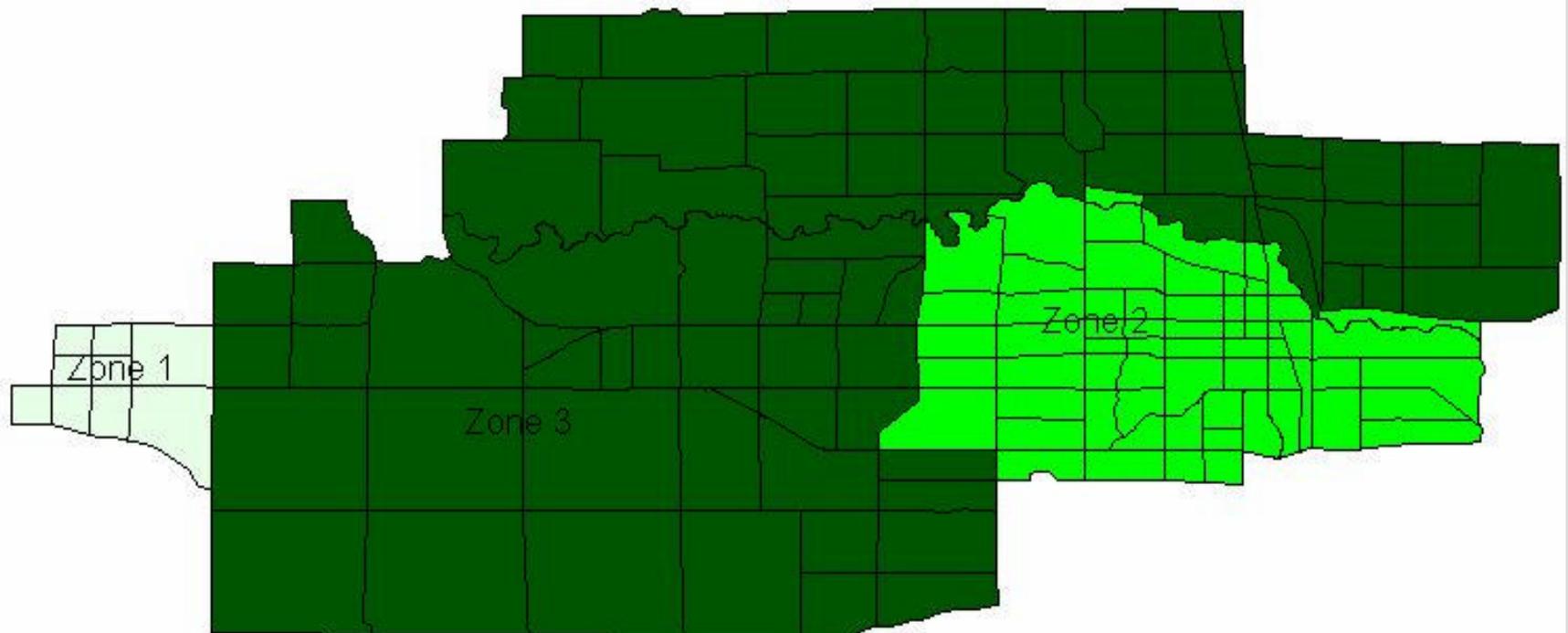
Innovative Examples (continued)

- Average Vehicle Miles Traveled



Innovative Examples (continued)

- Collection and Expenditure Zones



Other Financing Mechanisms

Examples

■ Stormwater & Transportation Utilities

- Greeley, CO – stormwater fee of \$45 per single family unit annually
- Ashland, OR – transportation utility charges \$39 per month on utility bill

■ Wheel Tax

- Lincoln, NE - \$39 annual fee for transportation projects

Examples (continued)

- Special Taxing Districts/MSTUs
 - Over 1/3 of Florida counties use
- Excise/Development Taxes
 - Boulder, CO – transportation and housing excise taxes
- Jurisdictional Revenue Sharing
 - Westminster/Thornton, CO – sharing of sales tax

Implementation

Infrastructure Financing Funding Criteria

	Revenue Potential	Technical Ease	Proportionate to Demand	Public Acceptance
Bonds	positive	negative	negative	negative
Special Districts	negative	negative	positive	positive
Developer Exactions	negative	neutral	negative	positive
Impact Fees	positive	negative	positive	positive
Excise Taxes	positive	neutral	positive	positive
Property Tax	positive	positive	negative	positive
Sales Tax	positive	positive	negative	negative
Transfer Tax	positive	positive	negative	neutral
User Charges	positive	positive	negative	negative

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Recouping the Cost of Development in Rural Areas

Impact Fees and Beyond

Elbert County's Experience

History

Location

Eastern Plainses – Douglas County on the West, Arapahoe on the North, Lincoln County on the East, and El Paso County in the south

State Highway 86, Us 24 and Interstate 70 pass through the County. The County covers 1,869 square miles.

Population

1980 - 6,850
1990 - 9,646
2000 - 19,872
2001 - 21,453
2002 - 21,996

Development

Single-family residential developments
Subdivisions lot size 3 to 10 acres
Rezoned 35 to 40 acre parcels A-1
Agricultural – 60+ acre parcels

Regulations

Zoning

Initial 1966

Subdivision

Initial 1975

1041 Regulations

1994 – Adopted only the Public Utilities and New Communities sections.

Master Plan / Growth Management Plan

1982 Growth Management Plan

1996 Current Master Plan

Impact Fees / Exactions

1980's

Board of County Commissioners established a two tier road fee which could be levied against new subdivisions. \$1,000 tier 1 and \$500 tier two.

1990's

Board of County Commissioners established a formula to calculate a Road impact fee taking into consideration the road classification and estimated traffic. The fee was restricted for improvements within 3 miles of the site.

2000's

2001 Implemented a 1999 Plan Based Impact Fee System. Fees related to Traffic Analysis Zones.

2003 the County initiates a new growth related Impact Fee Study, as a result of the passage of SB 15 in 2002.

2004 Implemented the Impact Fee Structure to provide for Capital improvements based on new development. The fees for Road and Bridge, Recreation Facilities, Sheriff and Public Facilities.

Results

Hopes and Desires