

**INTERGOVERNMENTAL AGREEMENT FOR THE ASSESSMENT,
COLLECTION, AND REMITTANCE OF EMERGENCY SERVICES IMPACT FEES**

This INTERGOVERNMENTAL AGREEMENT FOR THE ASSESSMENT, COLLECTION, AND REMITTANCE OF EMERGENCY SERVICES IMPACT FEES ("*Agreement*") is entered into by and between Larimer County (the "*County*") and the Estes Valley Fire Protection District ("*District*"). The County and the District are referred to collectively as the "*Parties*" or individually as a "*Party*".

RECITALS

WHEREAS, the County is a statutory county and political subdivision of the State of Colorado ("*State*"), and the District is a political subdivision of the State organized pursuant to the Special District Act, C.R.S. § 32-1-101, *et seq.*;

WHEREAS, the District was organized to provide fire protection, rescue, and emergency services (collectively, "*Emergency Services*"), as well as other services including fire suppression, public education, water rescue, hazardous materials, emergency medical, and ambulance services, to the citizens and property within its jurisdiction, and to individuals passing through its jurisdiction, either directly or through third-party providers;

WHEREAS, pursuant to §32-1-1002(1)(d.5), the District has authority to receive and spend impact fees or other similar development charges imposed pursuant to the provisions described in §29-20-104.5, C.R.S.;

WHEREAS, the District obtained an Impact Fee Study dated January 2018 to evaluate the nexus between new development within the District's jurisdictional boundaries and the projected impact that such development has on the District's Capital Facilities ("*Nexus Study*"). The Nexus Study recommended an Impact Fee schedule for both residential and non-residential development at a level no greater than necessary to defray the impacts of new development on the District's Capital Facilities ("*Impact Fee Schedule*");

WHEREAS, on January 24, 2018, the District's Board of Directors ("*Board*") adopted Resolution No. 2018-01, attached hereto and incorporated herein as Exhibit A approving initial impact fees less than those in the Impact Fee Schedule recommended by the Nexus Study (the "*Initial Impact Fees*"). A copy of the maximum fees included in the Impact Fee Schedule in the Nexus Study is attached as *Attachment 1*; and

WHEREAS, in accordance with C.R.S. § 29-20-104.5(2)(c), the Parties desire to enter into this Agreement to define the District Impact Fee, and the details of assessment, collection, and remittance, all in accordance with the requirements of C.R.S. § 29-20-104.5 ("*Act*").

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the Parties agree as follows:

AGREEMENT

1. Definitions. In addition to the definitions provided elsewhere in this Agreement, the terms "*Development Permit*" and "*Capital Facility(ies)*" shall be defined as provided in Sections 29-20-103(1) and 29-20-104.5(4), C.R.S., respectively, including any amendments thereto. The parties agree that the County's issuance of a building permit constitutes a "preliminary or final approval of an application" as provided by C.R.S. 29-20-103 (1), such that, for purposes of this Agreement, a building permit issued by the County is a "Development Permit."

2. Establishment of District Impact Fee.

a. The County agrees to impose an impact fee on New Development that currently is located within both the County and the District, and that is not located within the Town of Estes Park, or that in the future becomes located within the County and the District but not located within the Town of Estes Park, in accordance with the Initial Impact Fee established by the Board, or such other impact fee which may be adopted in the future by resolution of the Board as set forth herein, and further adjusted for inflation as set forth herein ("***District Impact Fee***"). The District Impact Fee shall be imposed on all New Development for which a Building Permit application is submitted to the County on or after July 1, 2018; provided, however, that the County shall not be subject to the District Impact Fee for County-owned developments.

b. Beginning in 2019, if the receipt of fees from the Initial Impact Fee is deemed less than necessary to defray the impact of New Development on the District, then by September 1 of the then-current calendar year, the District Board shall, after considering any data which may be available, have the discretion to adopt a Resolution approving an increased impact fee at a level up to and including the fees authorized by the Impact Fee Schedule. If such action is taken by the Board, on or before September 10 of the then-current calendar year, the District shall submit to the County a copy of: (i) the District Impact Fee; and (ii) the Resolution approving the District Impact Fee, and such District Impact Fees, as adopted by the Board, shall be effective January 1 of the following calendar year.

c. The District may additionally update the Nexus Study, at its sole expense and no less frequently than every seven years ("***Updated Nexus Study***"). If the Updated Nexus Study recommends any changes to the then current District Impact Fee greater than those included in the Impact Fee Schedule, then by September 1 of the then-current calendar year, the District Board shall, after considering such recommendations, adopt a Resolution approving an updated Impact Fee Schedule at a level no greater than necessary to defray the impacts of New Development on the District's Capital Facilities ("***Updated Impact Fee Schedule***"). If such Updated Impact Fee Schedule is adopted, then on or before September 10 of the then-current calendar year, the District shall submit to the County a copy of: (i) the Updated Impact Fee Schedule; (ii) the Resolution approving the Updated Impact Fee Schedule; and, (iii) the Updated Nexus Study. Unless the County objects to the Updated Impact Fee Schedule in accordance with Section 6, C below, a copy of the Updated Impact Fee Schedule shall be effective January 1 of the following calendar year.

d. On December 31 of each year to be effective for any District Impact Fees collected beginning on January 1 of the following year, the fees set forth in the attached Initial Impact Fee, the Impact Fee Schedule, or any Updated Impact Fee Schedule shall automatically be adjusted by the increase, if any, in the Denver-Boulder-Greeley Consumer Price Index for All Urban Consumers (CPI-U) over the preceding twelve-month period. The District shall provide the County with an updated Impact Fee Schedule showing the adjusted fees no later than January 1 of each year.

3. Procedures for Assessment, Collection, and Remittance.

a. As part of its Development Permit application process, the County shall refer the developer of any proposed New Development within the District's jurisdictional boundaries which, under the Impact Fee Schedule (or any Updated Impact Fee Schedule), a District Impact Fee is owed to the District. The developer and the District may mutually determine whether an in-kind contribution will be made by the developer to the District in lieu of paying all or any portion a District Impact Fee ("***In-Kind Contribution***"). The developer and the District shall sign an Impact Fee Form that is substantially the same as the form attached as ***Exhibit B***, stating one of the following: (i) a District Impact Fee is not owed; (ii) a District Impact Fee is owed and the amount of the District Impact Fee; or, (iii) the developer will make an In-Kind Contribution as described in the Impact Fee Form.

b. The developer shall submit the signed Impact Fee Form with the other documentation required by the County as part of the Development Permit application process.

c. The County shall promptly notify the District of the County's final decision on whether to grant or deny the Development Permit application. If the County denies the Development Permit application, the developer shall not be required to pay a District Impact Fee [or make an In-Kind Contribution to the District]. If the County grants the application and issues a Development Permit, the Development Permit shall require the developer to pay the District Impact Fee on behalf of the District, or to make the In-Kind Contribution to the District, as provided in subsection d, below.

d. The County shall collect on behalf of the District any District Impact Fee imposed and shall remit any collected District Impact Fee within ninety (90) days of its collection. The District shall be solely responsible for receiving and confirming receipt of any agreed upon In-Kind Contribution from the developer, if applicable. The County shall have no responsibility for ensuring a developer makes any In-Kind Contribution to the District. The District shall promptly notify the County when it has accepted the In-Kind Contribution from the developer. For purposes of this paragraph 3(d), if an In-Kind Contribution to be made by the developer constitutes construction of improvements, or the conveyance of any apparatus, equipment, or real property, then "acceptance" shall mean a written agreement between the District and the developer for such construction or conveyance.

e. No developer shall be required to provide any site-specific dedication or improvement to meet the same need for Capital Facilities for which the District Impact Fee is imposed, and no District Impact Fee shall be imposed on a developer if the developer already is required to pay an impact fee or other similar development charge for another Capital Facility used to provide similar Emergency Services, or if the developer has voluntarily contributed money for such other Capital Facility.

f. The District shall account for all District Impact Fees in accordance with Part 8 of Article 1 of Title 29, Colorado Revised Statutes. On or before February 1 of each year, the District shall provide the County with a written report outlining: (i) the amount of District Impact Fees collected, by land use category; (ii) the Capital Facilities for which the District Impact Fees were used; and (iii) how the Capital Facilities support New Development within the District's jurisdiction.

g. Nothing contained in this Agreement shall invalidate any existing agreement for impact fees or development charges between the District and a developer to pay for Capital Facilities.

h. The County may assess an administrative fee of up to five (5) % to cover the actual and reasonable costs related to the collection and remittance of District impact fees.

i. The District shall provide educational information on its website and at its principal office regarding the Fire District Impact Fee.

j. The District shall provide the County with a GIS file delineating the current District service boundary and shall notify the County of all subsequent changes to the District boundary within 30 days of approving boundary modifications.

4. Use of District Impact Fees; Records.

a. All District Impact Fees shall be utilized by the District solely for the purpose of defraying projected impacts on Capital Facilities caused by New Development in accordance with applicable law, including but not limited to, C.R.S. § 29-20-104.5.

b. Upon request, the District agrees to make available its accounting records related to the District Impact Fees and Capital Facilities and audits to the County or the County's designated representatives for verification of compliance with the terms and conditions of this Agreement.

5. Effective Date and Term. This Agreement is effective as of the date the last Party signs this Agreement and shall continue in effect until terminated in accordance with its terms.

6. Termination.

a. The Parties may at any time mutually agree in writing to terminate this Agreement.

b. The District may at any time terminate this Agreement upon 30 calendar days prior written notice to the County. The County may terminate this Agreement upon six (6) months prior written notice to the District.

c. Within 30 calendar days of receiving an Updated Impact Fee Schedule and/or an Updated Nexus Study, the County may send the District written notice that it objects to the Updated Impact Fee Schedule. The Parties shall promptly meet to determine if they can agree upon a mutually acceptable Updated Impact Fee Schedule, or to continue the then-current Impact Fee Schedule. If the Parties are unable to agree upon a mutually acceptable Updated Impact Fee Schedule, or to continue the then-current Impact Fee Schedule, the County may terminate this Agreement upon 30 calendar days prior written notice to the District, and the County shall cease imposing the District Impact Fee as of the effective date this Agreement is terminated.

7. Default. If either Party defaults in its performance under this Agreement, the non-defaulting Party shall notify the defaulting Party of the default. The defaulting Party shall have the right to cure, or to make substantial efforts to cure, the default within 30 calendar days after the non-defaulting Party's notice of default is given. If the defaulting Party fails to cure, or to make substantial efforts to cure, the default within the 30 day period, the non-defaulting Party, at its option, may immediately terminate this Agreement or may elect to treat this Agreement as being in full force and effect. If the non-defaulting Party elects to treat this Agreement as being in full force and effect, then the non-defaulting Party shall have the right to bring an action for any remedy available to such Party in equity or at law.

8. Indemnification. To the extent permitted by law, the District shall, at its own expense, be responsible for defending any and all claims (whether filed against the County, District, or both) arising from the County's adoption, enforcement or implementation of the District Impact Fees or this Agreement; for its attorney fees and costs; and for the payment of any final monetary judgment entered against the County in any such action.

9. Governmental Immunity. Nothing in this Agreement shall be construed as a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the Parties under common law or pursuant to statute, including but not limited to the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*

10. Entire Agreement. This Agreement is the entire agreement between the Parties with respect to the matters covered by it, and supersedes any prior understanding or agreements, oral or written, with respect thereto.

11. Notices and Requests. Any notice permitted or required by this Agreement shall be in writing and shall be hand-delivered or sent by certified or registered mail, postage prepaid, return receipt requested, to the following addresses. Notices are effective upon receipt.

Larimer County
Attn: _____

Estes Valley Fire Protection District
Attn: Fire Chief
901 N. Saint Vrain Avenue
Estes Park CO 80517

12. Financial Obligations of the Parties. Any financial obligation of a Party under this Agreement is contingent upon appropriation, budgeting, and availability of specific funds to discharge those obligations. Nothing in this Agreement constitutes a debt, a direct or indirect multiple fiscal year financial obligation, a pledge of a Party's credit, or a payment guarantee by one Party to the other.

13. Miscellaneous. Colorado law governs this Agreement. The Parties agree to enter into good faith discussion and mediation of any dispute prior to filing an action in District Court to enforce the terms of this Agreement. Jurisdiction and venue shall lie exclusively in the County of Larimer District Court. This Agreement may be amended only by a document signed by the Parties. Course of performance, no matter how long, shall not constitute an amendment to this Agreement. If any provision of this Agreement is held invalid or unenforceable, all other provisions shall continue in full force and effect. Waiver of a breach of this Agreement shall not operate or be construed as a waiver of any subsequent breach of this Agreement. This Agreement shall inure to the benefit of and be binding upon the Parties and their legal representatives and successors. Neither Party shall assign this Agreement. This Agreement is not intended to, and shall not, confer rights on any person or entity not named as a party to this Agreement. This Agreement may be executed in counterparts and by facsimile or electronic PDF, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

LARIMER COUNTY

By: _____

Date: _____

5/29/2018

ESTES VALLEY FIRE PROTECTION DISTRICT

By: _____

Doug Klirk, Board President

Date: _____

5/23/18

ATTESTED:

TITLE

Deputy Clerk

ATTESTED:

Board Secretary

DATE: 5/29/18
APPROVED AS TO FORM:
COUNTY ATTORNEY



Exhibit A

ESTES VALLEY FIRE PROTECTION DISTRICT
EMERGENCY SERVICES IMPACT FEE SCHEDULE
Effective January ____, 2018

No individual landowner is required to provide any site-specific dedication or improvement to meet the same need for capital facilities for which an impact fee is imposed pursuant to this schedule.

Attachment 1—Impact Fee Study

ESTES VALLEY FIRE PROTECTION DISTRICT
IMPACT FEE FORM

Developer Information			
Development Company		State of Incorporation	
Address			
Telephone		Fax	
Contact Person			
Name		Title	
Telephone		Cell Phone	
Email Address			
Development Information			
Name of Development		Location (Address or Cross Streets)	
Residential Units		Non-Residential Square Footage	
Single Units (\$ ___ per unit)		Commercial (\$ ___ per square foot)	
2+ Units (\$ ___ per unit)			
Impact Fee			
Check one: <input type="checkbox"/> No impact fee owed <u>or</u> <input type="checkbox"/> Impact fee owed in the amount of \$ _____			
If applicable: <input type="checkbox"/> An in-kind contribution will be made in lieu of paying all or a portion of an impact fee. Description of the in-kind contribution (attach additional information if necessary) and amount of impact fee off-set:			

The developer must submit this signed Impact Fee Form with the other documentation required by the County of Estes Park as part of its development permit application process. If the County denies the application, the developer is not required to pay the Impact Fee or make an In-Kind Contribution to the District. If the County grants the application and issues a development permit, the developer must pay the Impact Fee and/or make the In-Kind Contribution or enter into a written agreement with the District before the County will issue a certificate of occupancy in connection with the development.

DEVELOPER:

ESTES VALLEY FIRE PROTECTION DISTRICT

By: _____
Date: _____

By: David Wolf, Fire Chief
Date: _____

Attachment 1—Impact Fee Study

ESTES VALLEY FIRE PROTECTION DISTRICT

RESOLUTION NO. 2018-01

A RESOLUTION APPROVING THE ESTES VALLEY FIRE PROTECTION DISTRICT'S IMPACT FEE STUDY AND AUTHORIZING IMPLEMENTATION OF IMPACT FEES FOR THE DISTRICT

WHEREAS, the Estes Valley Fire Protection District ("District") is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes; and

WHEREAS, the Board of Directors ("Board") of the District has ultimate authority and responsibility over all operations, personnel and affairs of the District, with all rights, duties and powers specially granted to the Board by Title 32, Article 1 of the Colorado Revised Statutes; and

WHEREAS, Pinnacle Consulting Group, Inc. completed the Estes Valley Fire Protect District Impact Fee Study, dated January, 2018, attached hereto as Exhibit A and incorporated herein, (the "Study") to determine the impacts of new development on the District and its services; and

WHEREAS, the Board hereby finds and determines that the Study has determined the amount of an appropriate impact fee to be imposed upon new construction within the District, either in unincorporated Larimer County, Colorado or within the Town of Estes Park, Colorado; and the imposition of such an impact fee is appropriate and necessary to the function and operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Estes Valley Fire Protection District as follows:

1. Acceptance of Study and Adoption of Fees. The Board has reviewed the Estes Valley Fire Protect District Impact Fee Study, dated January 2018, completed by Pinnacle Consulting Group, Inc., and has relied upon and accepts the Study to establish the impact fee. The following impact fees shall be applied within the District:

- (a) For residential (single family) units (new construction): \$784.00.
- (b) For residential (multi-family) units (new construction): \$419.00.
- (c) For commercial units (new construction): \$0.37 per square ft.

TL-EP

2. Limitation on Collection. For residential units, the collection of the impact fee shall be limited to newly constructed, complete single family and multi-family residential units. No impact fee shall be collected for remodel or additions to any existing single family unit. Commercial properties undergoing complete renovation or reconstruction which requires an additional level of service (such as the complete reconstruction of a vacant structure, or a significant change in use requiring rezoning of the subject property) shall be evaluated on a case-by-case basis, using the above criteria, to determine whether the impact fee shall be applied to the commercial renovation or reconstruction.

3. Approval of Governing Bodies. Authority is hereby granted to the members of the Board of Directors, Fire Chief, and the District's legal counsel to seek approval from the Board of County Commissioners of Larimer County, Colorado, and from the Town Council of the Town of Estes Park for the imposition of impact fees for the District as a condition of issuance of a development permit.

4. Capital Fund. If authorized, collected and remitted to the District, such impact fees shall be used to fund expenditures for capital facilities needed to serve new development within the District. The District shall establish a Capital Fee (Impact Fee) Fund separate from the General Fund of its budget, to collect and retain impact fees until they are withdrawn to pay for the growth-related capital needs of the District.

5. Severability. If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

6. Effect. This Resolution shall take effect immediately and be enforced effective July 1st, 2018 upon its approval by the District Board.

ADOPTED this 28th day of February, 2018 by a vote of 5 in favor and 0 against, and 0 abstentions, by the Board of Directors of the Estes Valley Fire Protection District.

**ESTES VALLEY FIRE PROTECTION
DISTRICT**

By: _____

Douglas Klink, President

Attest:



Ed Ford, Secretary

EXHIBIT A
IMPACT FEE STUDY



PINNACLE
CONSULTING GROUP, INC.

Estes Valley Fire Protection District
Impact Fee Study
January 2018

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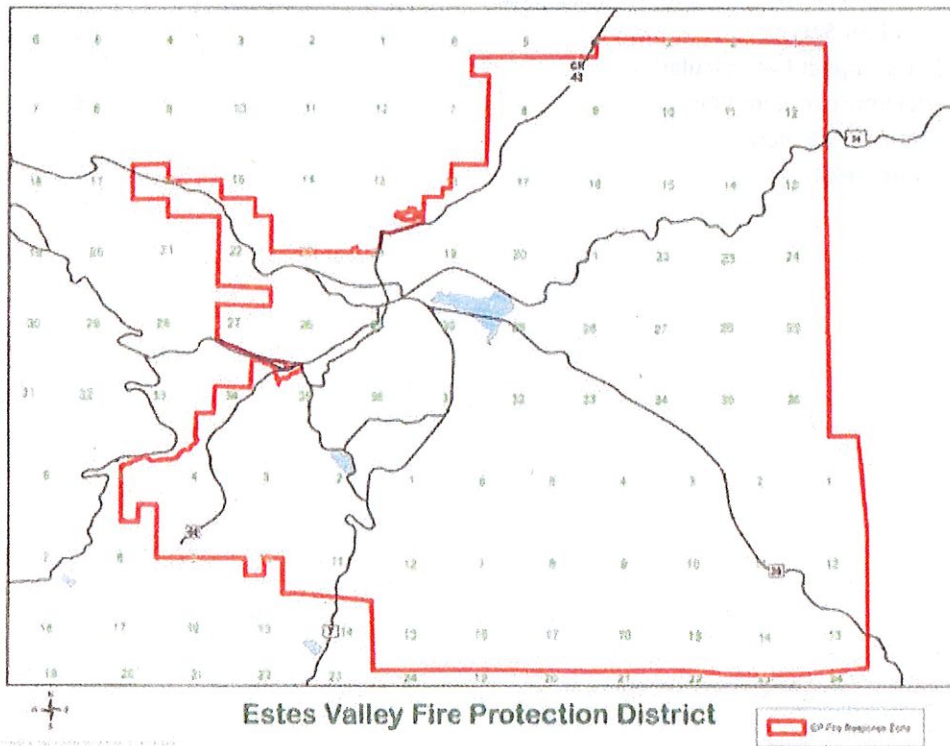
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History & Design Consideration

District Background

The Estes Valley Fire Protection District (the District) provides fire protection services, fire suppression, and rescue services in the Town of Estes Park (the Town) and surrounding areas of unincorporated Larimer County. The District services a total area of 66 square miles within the Estes Valley, and responded to 720 calls in 2017.

Figure I-1



Source: Estes Valley Fire Protection District

Estes Park continues to see growth in both residential and commercial properties. As the Town continues to grow, the District continues to experience large increases in the number of calls for services. In the last 15 years, call volume within the Estes Valley has increased more than 63%, from 441 calls in 2003 to 720 calls in 2017.¹

In 2017 the District contracted with Pinnacle Consulting Group, Inc. (PCGI) to conduct an impact fee study. The following report details the findings of the study, and calculates fees necessary to recover the costs associated with new development in the District.

¹ The District (2017). *EVFPD Call Response Historic*.

Impact Fee Definition and Legal Considerations

In 2016 the General Assembly of the State of Colorado enacted House Bill 16-1088, authorizing fire protection Districts to impose an impact fee on new development. Impact Fees are defined as,

“a charge on new development to pay for the construction or expansion of off-site capital improvements that are necessitated by and benefit the new development.”²

C.R.S 29-20-104.5 states:

- ❖ As a condition of issuance of a development permit, local government may impose an impact fee to fund expenditures on capital facilities needed to serve new development.
 - No impact fee shall be imposed on any development permit for which the applicant submitted a complete application before the adoption of a schedule of impact fees.
 - Capital facilities means any improvement that:
 - Is directly related to any service that the local government is authorized to provide;
 - Has an estimated useful life of 5 years or longer; and
 - Is required by charter or general policy of a local government pursuant to a resolution or ordinance.
 - No impact fee shall be imposed to remedy any deficiency in capital facilities that exists without regard to the proposed development.
- ❖ A local government shall quantify the reasonable impacts of proposed development on capital facilities and establish the impact fee at a level no greater than necessary to defray such impacts.
- ❖ Revenues from any impact fee shall be collected and accounted for separate from general revenues.

In two case decisions by the United States Supreme Court referred to as *Nollan*³ and *Dolan*⁴ the court announced a two-part test for implementing impact fees, whereby the local government must show there is a nexus and rough proportionality between the fee and the impact of the proposed use of land.

“A “nexus” exists where the permit conditions (in this case impact fees) are connected to and further the regulatory interest. Even if there is a “nexus” between the conditions and the regulatory interest, the Constitution also requires that the permit conditions (impact fees) be “roughly proportional” to the projected impacts of the land use development. “Proportionality” does not require a precise mathematical calculation, but jurisdictions ‘must make some sort of individualized determination that the required [condition] is related both in nature and extent to the impact of the proposed development.’”⁵ (Nollan V. City of Tigard, 1994)

² www.impactfees.com

³ Nollan v. California Coastal Commission (1987), 483 U.S. 82

⁴ Dolan v. City of Tigard (1994) 1145 Ct. 2309

⁵ Conway, M. (2013, October 16). Takings: Supreme Court Expands Governmental Liability to Property Developers. Martens Law Newsletter, p. 1-3.; www.martenslaw.com

Calculation Methodologies

When calculating impact fees, there are two methodologies local governments can use, the buy-in or cost recovery approach (past) and the plan based approach (future).⁶

In the buy-in approach, new growth is “buying in” to current capital. This is advantageous when local governments have expanded facilities in anticipation of growth. For example, a local Fire District may have a station with a current value of \$3,000,000. Based upon calls in the District it is noted that the residential share of the facility is 55%, while the nonresidential share is 45%. Assuming there are 35,000 homes, and 10,000 nonresidential units, the cost per demand unit would be \$47.14 per home and \$135 per nonresidential unit, as detailed in Figure II-1 below.

Figure II-1

Unit Type	Current Asset Value (A)	Proportionate Share (B)	Estimated Demand in Units (C)	Cost per Demand Unit (A*B)/(C)
Residential	\$ 3,000,000	55%	30,000	\$47.14
Nonresidential	\$ 3,000,000	45%	10,000	\$135.00

In the plan based approach (future), the cost of new infrastructure is allocated to new growth based upon rough proportionality and the assumed demand associated with the infrastructure. The approach requires the local government to analyze future growth and the impacts of such growth on a capital improvement plan. For future capital to be included in the impact fee calculation, it must meet the definition of “capital facilities” per CRS 29-20-104.5 (see page 2).

Based upon the current capital infrastructure of the District, and the necessity to obtain additional capital for future growth, it was determined that PCGI would use the plan based approach to calculate impact fees for future development.

When calculating impact fees, local governments must consider whether assets will be purchased outright, or through debt issuance. When reviewing assets of the District, it was noted that a new station, anticipated to be built in 2019 would be funded through the issuance of debt, and thereby should be excluded from the impact fee calculation. All other future capital purchases of the District are anticipated to be funded with cash, and therefore were considered in the analysis of impact fees.

Additionally, when calculating impact fees, local governments must offset future capital costs with any current impact fee fund balance. The District has never collected impact fees, nor have they created a capital asset fund with a separate fund balance. Therefore, an additional adjustment to the calculation was not considered necessary.

When calculating the fee, the District included the cost of this assessment, as allowed by law.

Finally, the District has determined that this report should be updated every 5 years. While inflationary adjustments may occur, major changes will not occur without an update to this report.

⁶ L. Carson Bise II, A. P. (2013). *Impact Fee Basics: Methodology and Fee Design*. TischlerBise.

Growth Projections & Proportionality

When calculating impact fees using the plan based approach, local governments must consider future growth and demand for service for each land use type, thereby allowing fees to be appropriately proportioned and allocated. PCGI analyzed growth projections for the next fifteen years (through 2032) and demand for service by land use type. This data was used to determine impact fees by type as discussed later in this report.

Residential Growth Projections (2018-2032)

In 1996, the Town of Estes Park and Larimer County jointly adopted the Estes Valley Comprehensive Plan, detailing the economic profile of the Town. Since it's original adoption, the plan has been updated two times; in 2007 and again in 2012. Additionally, in 2016 the Estes Park Housing Authority published a Housing Needs Assessment, detailing the economic profile of the Town as of 2015. The information obtained from these reports was utilized to project future residential growth within the District.

Figure II-3 details the information collected, and the growth projection calculations used to determine the impact fees for residential properties. Based on the information obtained, the District anticipates buildout of 755 homes and 348 multifamily units over the next 15 years.

Figure II-2

Property Type	Units 2006	Units 2015	Additions 2016-2017	Total 2017	Compounded Annual Growth Rate	Future Development 2032	Growth (2018-2032)
Single Family	6,544	6,991	61	7,052	0.68%	7,807	755
Multifamily	2,057	2,269	13	2,282	0.95%	2,630	348

Source: Town of Estes Park Comprehensive Plan (2007,2012), Housing Needs Assessment (2016)

Commercial Growth Projections (2018-2032)

PCGI obtained the detailed building permit summaries from the Town of Estes Park, and used the reports to calculate the average commercial square footage added over the past six years.

Per review of the Housing Needs Assessment published by the Estes Park housing authority, it was noted that jobs, within Estes Park grew at a faster rate than Larimer County between 2010-2015. Furthermore, the report projects growth will continue at a rate between 1.9% and 3.2% annually. It can be assumed that commercial growth should grow at a rate equal to jobs within the Town. To be conservative, PCGI calculated commercial growth at the lesser amount of 1.9% annually.

Figure II-2 details the information collected, and the growth projection calculations used to determine the impact fees for commercial properties. Based on the information obtained, the District anticipates buildout of 295,656 square feet over the next 15 years.

Figure II-3

Average Commercial Square Foot Additions (2012-2017)	Growth Rate Projection	Square Footage Growth Projections (2018-2032)
17,220	1.9%	295,656

Source: Town of Estes Park Building Permit Summaries (2012-2017), Housing Needs Assessment (2016)

Demand for Service

Based on the Supreme Court's decision in *Dolan v. City of Tigard* impact fees must be roughly proportional to the projected land use. Within the District, proportionality can be assessed based on historic demand for service/call volume.

To ensure an accurate population, free of any anomalies/abnormalities due to seasonality, PCGI reviewed total calls within the Estes Valley from 2008-2017. Calls grouped as "vehicle," "outdoor," and "other" were excluded from the calculation, as they could not be attributed to a specific land type.

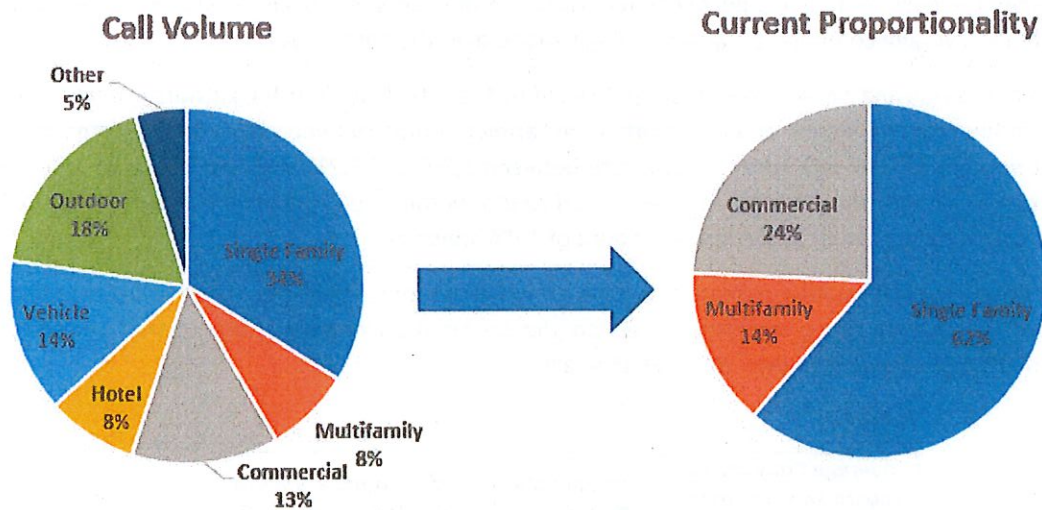
Additionally, PCGI noted a large amount of calls (8%) occurred at hotels. If the District were to include the calls in the split of land uses, it would greatly inflate the proportionality in the commercial type land use. Additionally, it is difficult to estimate how many hotels/rooms may be added within the District over the next 15 years. As such, it was determined that hotels would be excluded from the calculation. Should a hotel be built under the current model, it would be assessed impact fees at the commercial rate.

If the Town changes the height requirements for hotels, thereby making buildout more attractive, the District will automatically recalculate impact fees, assessing a specific fee per room for hotels. This fee would replace the commercial fee for hotels, and would create a more equitable distribution based on demand for service.

Over the ten-year period, total call volume for the valley was 5,567. Excluding the groups noted above, 62% of calls were attributable to single family homes, 14% to multifamily homes, and 24% to commercial properties.

Figure II-4 details the total calls for service, and the current proportionality calculated.

Figure II-4



Note: Vehicle, Outdoor, Other and Hotel are excluded from the proportionality assessment, as they cannot fairly be assigned to a specific land use.

Source: Estes Valley Fire Protection District Call Log History (2008-2017)

Figure II-5

Future Proportionality

Growth projections were then applied to the current proportionality to determine future proportionality by land use type. Based on the assumptions used, the multifamily burden will increase to 15%, while commercial will decrease to 23%.

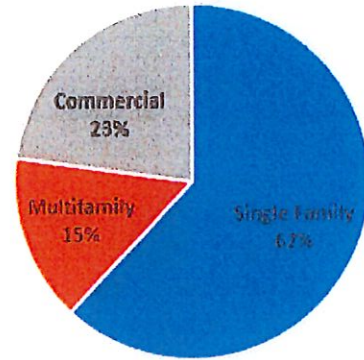


Figure II-5 details the future proportionality by land use type.

Future Capital & Impact Fee Calculation

Capital Improvement Plan

Estes Valley has experienced a significant amount of growth in the past 10 years. As growth continues, the District is facing an increased need for facilities and capital assets. The District has analyzed future capital needs, noting a need for additional capital assets over the next 15 years of \$3,942,790, excluding the addition of another fire station which is expected to be financed with debt. Of the \$3,942,790 of additional assets 24% or \$955,314 is attributable to growth.

Figure III-1 details the capital asset plan of the District and the amounts attributable to future growth.

Figure III-1

Asset Additions	Expected Cost	Year of Purchase	% Applicable to Growth	Total
C01	61,800	2018	0%	-
Training Classroom	20,000	2018	100%	20,000
Ladder 6	1,092,727	2020	20%	218,545
Prevention 2	32,782	2020	100%	32,782
U7	67,531	2021	0%	-
E22(Named E2)	637,601	2022	30%	191,280
E61	253,354	2025	0%	-
E32	487,706	2025	100%	487,706
Dive	260,955	2026	0%	-
CO2	80,635	2027	0%	-
Prevention 1	41,527	2028	0%	-
E7	807,694	2030	0%	-
U7	93,478	2032	0%	-
Nexus Study	5,000	2018	100%	5,000
TOTAL	\$ 3,942,790			\$ 955,314

Source: Estes Valley Fire Protection District

Impact Fee Calculation

Figure III-2 details the impact fee calculations by land use type. PCGI used future capital costs attributable to growth and the future proportionality calculations to determine total costs by land use type.

Based on the future capital needs, and proportionality rates used, PCGI has calculated a maximum allowable fee of \$784.10 for a single-family residence, \$419.10 for a multi-family unit and \$0.74 per square foot of commercial property. The District can choose to pay less than the amounts noted, but the discounts must be uniformly applied to the rates as calculated.

Figure III-2

IMPACT FEE CALCULATION	
Value of Future Growth Related Infrastructure	\$ 955,314
Future Proportionality Rates	
Single Family	62%
Multifamily	15%
Commercial	23%
Cost Per Land Use Type	
Single Family	\$ 591,998
Multifamily	\$ 145,848
Commercial	\$ 217,468
Future Development (2018-2032)	
Single Family (in units)	755
Multifamily (in units)	348
Commercial (in square feet)	295,656
Impact Fee by Land Use Type	
Single Family (per units)	\$ 784.10
Multifamily (per units)	\$ 419.10
Commercial (per square feet)	\$ 0.74

By utilizing the model above, the District should be able to fully recover the costs of capital associated with growth.

Recommendations

- The District should establish a Capital Fee Fund separate of the General Fund, whereby funds are withdrawn only to pay for the growth-related capital noted above.
- The District should adhere to legal requirements associated with collecting and spending impact fees.
- The District should update this study every five years, or sooner if major changes are expected.
- The District should adjust amounts by an inflation indicator on an annual basis.