



ESTES VALLEY FIRE PROTECTION DISTRICT

PREVENT PREPARE PERFORM

CAPITAL IMPROVEMENT IMPACT FEES

COMMUNITY INFORMATION BULLETIN 2018-02

After serving the residents and guests of the Estes Valley for 103 years as the Estes Park Volunteer Fire Department, the Estes Valley Fire Protection District was created in 2010 with the mission of providing the residents and guests of the Estes Valley with fire prevention, fire protection, and emergency services. The District was founded with a very modest property tax of 1.95 mils and 7% of the sales tax from the Town of Estes Park. While these tax revenue sources have grown through time, they have not kept pace with the rate of increase for calls which have risen by 31% in that same time, from 551 (2010) to 720 (2017).

At the February 2018 Board meeting, the Fire District adopted Resolution 18-01 to enact Impact fees following the conclusion of a Nexus Study completed by Pinnacle Consulting. This proposal was presented to the Estes Park Town Board in a work session on January 23, 2018 and to the Larimer County Board of County Commissioners in a work session on March 12, 2018. This must be adopted by both the Town of Estes Park and Larimer County via Intergovernmental Agreement (IGA) before it can take effect. The target date is July 1, 2018.

Impact Fees are levied on new construction at the time of building permit issuance, with amounts calculated through a Nexus Study. These fees must be calculated “to pay for the construction or expansion of off-site capital improvements that are necessitated by and benefit the new development” (www.impactfees.com). Over the next 15 years, the District anticipates \$3.9 million in capital costs, with \$955,314 attributed to growth of the District. These growth costs include upgrading apparatus to increase their capabilities (changing engine type, increase ladder length and type) and the addition of new apparatus (second Type 3 engine for wildland urban interface and additional prevention staff vehicle). The cost of growth is distributed across anticipated new construction based on a proportionality for historic call demand between 1-2 family homes, multifamily homes, and commercial properties. Given the anticipated construction as estimated from the Town of Estes Park Comprehensive Plan, Housing Needs Assessment, and Town of Estes Park Building Permit Summaries, potential fee amounts are calculated through the Nexus study.

The proposed one-time fees applied to new construction (at the time of the Building Permit) would take effect July 1, 2018, and are: \$784.00 per new 1-2 family home, \$419.00 per multifamily unit, and \$0.37/square foot for new commercial construction. While the Nexus study calculated a potential commercial rate of \$0.74/square foot, the District is opting to cut that in half based on the fact commercial property pays a higher assessed rate in property taxes due to Gallagher.

The costs identified are due to growth of the District, and the goal of utilizing Impact Fees is to have that growth offset the additional burden it places on the District. This serves to avoid alternative means of revenue generation such as increased mill levies, which distributes the cost of growth onto all taxpayers. Existing tax revenue can be focused on operations rather than committed to capital costs for growth. The District plans a delayed initiation of fees to give developers ample time to factor into budgets for future projects.

The full Nexus study, handouts, and presentation from the Town Board work session are available for review at Estes Valley Fire District Fire Station 1 located at 901 N St. Vrain Ave in Estes Park, or available on the web at <https://www.estesvalleyfire.org/plan-review-and-inspections>.

Serving the Residents and Visitors of the Estes Valley with Superior Fire and Safety Services

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Frequently Asked Questions

What is Colorado HB 16-1088 (“Public Safety Fairness Act”)?

- CONCERNING THE AUTHORIZATION FOR A FIRE PROTECTION DISTRICT TO IMPOSE AN IMPACT FEE ON NEW DEVELOPMENT, AND, IN CONNECTION THEREWITH, ENACTING THE "PUBLIC SAFETY FAIRNESS ACT".
- The bill authorizes the board of a fire protection district to impose an impact fee on the construction of new buildings, structures, facilities or improvements, on previously improved or on unimproved real property, if the impact fee is:
 - Reasonably related to the overall cost of the fire protection district's services; and
 - Imposed in accordance with a fee schedule that is legislatively adopted by the board and that applies to all construction of new buildings, structures, facilities, or improvements.

When must the fire impact fee be paid?

- Fees are to be collected from properties within the Estes Valley Fire Protection District when building permits are issued; this includes new buildings and improvements, such as tenant finishes or remodels
- For residential buildings, this will be when the owner obtains a building permit at the Town of Estes Park or the Larimer County Building Department as applicable
- For commercial buildings in unincorporated Larimer County, the fee will be paid when the applicant obtains a building permit

How much is the impact fee for a residential building?

- The fee is \$784.00 per new 1-2 family home or \$419.00 per dwelling unit in a multi-family residential structure
- A “dwelling” is defined as any building or portion thereof that is used as the private residence or sleeping place of one or more people

How much is the impact fee for a commercial building?

- The fee for commercial development is calculated by multiplying the total square footage by 0.37.
- As an example, the impact fee for a 15,000 square foot commercial building would be \$5,500.00.
- Examples of “commercial” uses include but are not limited to: churches, hotels, motels, schools, office and professional buildings, banks, restaurants, nightclubs, retail stores, theaters, storage facilities and indoor sports facilities.

What is the impacted fee for “mixed-use” buildings?

- If a building is combined residential use and commercial use, the impact fee will be assessed using number of residential units, combined with square footage of commercial use.

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