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Aspen eyes impact fees

'Growth paying its own way'

By Janet Urquhart

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A combination of new and higher impact fees that could increase the cost of building a new home or commercial building in Aspen will get an airing before City Council next month.

The city hired outside consultants last fall to assess Aspen's existing impact fee for parks and to analyze the potential for two new ones - a transportation/air quality fee and a storm drainage impact fee. In addition, the consultants, working with the Aspen School District, reviewed the potential for a voluntary school impact fee.

"It's growth paying its own way," said Jennifer Phelan, the city's long-range planner, who has been working with the consultants.

Colorado law permits impact fees - essentially one-time assessments to recover capital costs associated with new growth - but state statutes don't specifically authorize a school impact fee. The city currently imposes a school land dedication requirement on new development, but developers can elect to pay a cash to the school district in lieu of donating land.

The consultants have preliminarily concluded Aspen could charge a maximum of \$34,584 in impact fees per new residence or lodge unit, and \$3.46 per square foot for nonresidential growth. In addition, developers could voluntarily pay \$11,132 per new residence in school impact fees. The numbers are undergoing further review, however, and could change by the time the council discusses impact fees on Jan. 10.

It will be up to the council to decide whether to charge the fees at all, or whether or not the city should collect the maximum fee it can justify, Phelan noted.

"They might not feel charging what they can is appropriate," she said.

By far the largest potential fee is for parks. Based on what Aspen has already invested in parks and recreational facilities, such as its golf course and the Aspen Recreation Center, the city could levy a \$28,619 fee on new residences and lodge rooms, according to the consultants, BBC Research & Consulting of Denver. The sum reflects new growth's share of replacing existing assets.

Future growth is calculated based on the city's existing annual cap on new growth.

The city's existing parks fee schedule charges \$3,634 for a home of three or more bedrooms. The schedule was adopted in 1988 and has seen cost-of-living adjustments, but a study of the fees had not been done since then.

An impact fee to address new growth's impacts on Aspen's transportation demand management/air quality infrastructure has also been assessed. The city could charge \$2,206 per residence and 44 cents per square foot of

nonresidential development, according to the consultants.

The fees are based on the replacement value of existing assets that include buses, car-share vehicles, street sweepers, parking meters, bus stops and Rubey Park Transit Center.

For the storm drainage impact fee, the consultants calculated a \$3,759 assessment on new residences and a \$3.02 charge per square foot for nonresidential growth to pay new growth's share of about \$17 million in proposed stormwater drainage improvements between now and 2015.

Impact fees would only be assessed on new growth, explained Chris Bendon, head of the city's Community Development Department. Someone who tears down a four-bedroom house and replaces it would not be assessed, but someone who splits off a lot from an existing property and builds a house on the newly created lot would be charged the fees, he said.

"They [impact fees] are widely used across the country," said Paul Menter, city finance director.

Fee revenues, however, can only be used to offset future capital costs associated with new development. The funds can't go toward ongoing operation and maintenance costs, or be used to address existing deficiencies.

"We can't use it on anything we want. We can only use it to mitigate for the impacts of new growth," Menter said.

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