Broomfield construction fee extension set for council vote

Step is precursor to ballot question

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The fate of a tax on new construction that since 1995 has generated \$19.7 million for Broomfield and local schools will go before City Council for a vote on Tuesday.

The Services Expansion Fee charges builders of new houses and apartment complexes \$1 for every square foot of living space they build. It will expire in December 2010 unless voters reauthorize it. Before they can do that, City Council has to put the question on the ballot. Council and staff discussed the language of the ballot measure during a study session last week, and it will approve or reject the measure after a public comment period Tuesday.

The Services Expansion Fee is intended to offset the costs Broomfield and school districts incur when they add and maintain infrastructure to accommodate new residents. Voters passed the measure in 1995 by a margin of 2,074 to 1,861, or 52.7 percent to 47.3 percent.

The measure included a provision that automatically repeals the tax 15 years after it went into effect, which will be Dec. 19, 2010.

The measure that could be on the ballot would permanently extend the tax. The tax is projected to raise another \$16 million by the time Broomfield hits its projected peak population of 87,000 around the year 2025, Assistant City and County Manager Kevin Standbridge said in July, when City Council first took up the issue.

Half of the tax revenue goes toward facilities the city shares with school districts. The other 50 percent is used for infrastructure in subdivisions built since 1995, such as Broadlands and Anthem. The bulk of that money is used for street construction.

Council members debated the fairness of the tax during a July meeting. Mayor Pro Tem Walt Spader termed it "the hypocrite tax," because the people voting for it would not pay it unless they built a new home in Broomfield.

Randy Ahrens said the tax is a way the city compensates school districts when they build facilities such as gyms and ball fields that are used by city residents.

Last week's discussion was more technical. Staff presented a report outlining fees and taxes builders of new homes pay in Broomfield and compared them to development and impact fees in other cities. The average impact fee for a new single-family home in Broomfield is \$2,400. The comparable fee in Westminster is \$1,654. Thornton doesn't charge a fee, although it has much less new construction. When compared to seven metro-area communities, Broomfield ranked third highest for fees charged on single-family home construction and lowest for fees on multi-family construction. Aurora was the lowest and Castle Rock the highest for single-family fees. The highest fees for multi-family construction also are charged by Castle Rock.

While council members can voice their views Tuesday and beyond, the city is required to remain neutral. Broomfield can only publish basic information about the tax proposal and not anything that indicates a preference about how residents should vote, City and County Attorney Bill Tuthill said.

Council has to decide now because the language for a ballot question must be set 60 days before Election Day, which is Nov. 3. The next council meeting would fall after that deadline.

The issue is coming up this year because the Taxpayers` Bill of Rights, which requires votes on tax increases or extensions be held in odd-numbered years.