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## Board schooled on road impact fees' needs, uses

*BY DAVID PERSONS*  
*editor@windsorbeacon.com*

The Windsor Town Board went back to school on Monday night to learn more about road impact fees.

The board, which updated its fees in two years ago, had stated recently that it was unclear about the road impact fee process and wanted more information about how those fees are determined and just how the money collected could be used.

Bob Felsburg, of the transportation consulting firm of Felsburg Holt and Ullevig, met with the board during Monday night's work session and provided an ABC of road impact fees.

"The history of road impact fees is that they have been around quite a while," Felsburg said. "Prior to 2001, only home rule communities (in Colorado) were allowed to assess impact fees to address impacts imposed by development.

"You did (road impact fees) for the first time in 2002 and updated them in 2007."

Felsburg said of the 15 governments in Northern Colorado, all but three have implemented road impact fees. Those who haven't are Eaton, Garden City and LaSalle.

The consultant said the purpose of the fee was to address impacts created by growth/development. He pointed out that streets were growing much faster than funds to deal with street impacts thus creating a funding gap.

"Road impact fees are not the sole answer, just an opportunity to close the gap," Felsburg said. "If you tried to close the gap entirely with impact fees, it would not be economically feasible. This is just a tool to close the gap."

As for the uses of road impact fees, Felsburg said the fee, which is collected when builders pull building permits, cannot be used to solve existing defects. It is only intended to address the impacts

of new development. He said, for example, they could be used for capital facilities, not for maintaining roads.

He said the fees could be applied to pay for new arterial and collector streets and even on streets that are part of the state highway system, just as Main Street (Colorado Highway 392).

"A lot of communities have done that (use impact fees) for seed money, to leverage money (for projects on the state highway system)," Felsburg said. "What that does is it allows your project to move up the project list (and be completed years sooner)."

He said road impact fees could also be used to address highway railroad crossings.

The area where road impact fees can be applied is the town's entire growth management area or GMA, he added.

Felsburg explained that road impact fees are calculated on a formula that includes: roads operating at a Level C, trip generations, trip lengths and a cost-per-vehicle-mile-traveled.

Felsburg then showed a chart illustrating that Windsor's road impact fees, while less than Fort Collins and Larimer County, were higher than Weld County's for single-family homes, general office space and shopping centers. However, Windsor was slotted about even with most other communities in Northern Colorado.

When Felsburg finished, he answered several board questions.

Windsor Mayor John Vazquez wanted to know why road impact fees were collected when building permits were issued and not when a building gets a certificate of occupancy (CO).

"It seems it would help everybody (to collect fee later)," Vazquez said. "The only advantage is that we get it sooner than later.

"It doesn't affect single-family homes because they have short construction (times). But, with large commercial (projects), they have a long build out."

Felsburg said he wasn't sure why the fee had to be collected at that point. Windsor Assistant Town Attorney John Frey said the main reason is that the town isn't set up to collect fees when COs are issued.

One of the questions board members had was how much money should be set aside to reimburse developers for new road work and how much should be set aside in a trust fund, the two uses of road

impact fees.

Currently, Windsor is obligated to use 25 percent of its annual road impact fee collections to reimburse developers. It then puts the rest into a trust fund for other road projects.

"How much you pay in reimbursements and how much you put in a trust fund is a good question," Felsburg said. "Each year you should work on prioritization of projects. Determine how much you need in the trust fund and how much to reimburse.

Vazquez said he was nervous having a reserve fund to pay for future projects.

Felsburg said the town should identify its top capital projects and use the money on them.

Windsor Town Manager Kelly Arnold pointed out that the fees could be used to pay for such growth projects as roundabouts and road improvements near such new projects as the Severance Middle School.

"They all happen because of growth," Arnold said.

Arnold then suggested to the board that he and his staff put together a 5 to 10-year plan to see what some possible impacts of growth might be and see what projects would qualify for funding with road impact fees. Arnold said he would have the information for the board in September.

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