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County considering two new impact fees Concept on back burner, for now

Times Staff Writer Originally published 2009-08-06

As the number of people and businesses in Gunnison County increase in coming years, and that growth creates increasing demands for services, taxpayers will be left with the tab.

That's a scenario that two impact fees on new construction Gunnison County is considering would seek to avoid.

Gunnison County Commissioners this week mulled over the concept of fees that would aid in addressing the need for expansion of traffic-created and law enforcement-related capital projects.

And, in coming months, they may be seeking buy-in from local municipalities.

The commissioners gave staff direction to begin work on a proposal for implementation of the fees, which is expected to be brought back for consideration in January. They decided to hold off on revisiting the fees until then, citing the weakened state of the local economy.

The commissioners previously were presented with two reports during a work session April 28.

The reports — one for road and bridge projects and another for law enforcement needs, including a new jail — laid the case for instating impact fees to help cover those costs as development occurs over the next 20 years. Both reports were prepared by RPI Consulting of Durango.

It's noted in the reports that more traffic will increase the need for additional capacity of the county's road system; and, likewise, more people will increase the demand for law enforcement and justice services.

Based on 20-year projections for population growth and current demand for services, RPI calculated fees that would need to be assessed in order to cover capital project demands resulting from that growth (see table). The reports project Gunnison County's population to grow by 4,000 people by 2028.

The idea behind the fees is that if funding from growth isn't allocated for such capital projects, then either the current level of service will decline, or the demands for service from future development would, in effect, be subsidized.

For example, the county increased law enforcement staff by 21 percent between 1999 and 2007, but that increase has not been met with a proportionate increase in law enforcement-related facilities in which to conduct business.

Currently, either services would have to decline as growth occurs, because there would be nowhere to house additional staff, or taxpayers would have to pay for new facilities (which would also serve future growth) in their entirety.

RPI recommends collecting the fees when building permits are pulled.

In coming months, County Manager Matthew Birnie recommended looking at the fees for commercial construction that are recommended by RPI. "Even the consultant said that based on those formulas, they come out high," he said, also citing a higher tax burden for commercial property in Colorado. "We'd probably want to come off what the full recommendation is."

Birnie added that revisiting the concept in January would still be prior to next year's building season coming into full swing. It would also give the county an opportunity to assess the local economy at that time.

"I don't know if we're even going to be able to take that step in January," cautioned Commissioner Paula Swenson, adding that she doesn't see the need for staff to conduct further work in coming months.

Commissioners Hap Channell and Jim Starr, however, countered that if additional work is needed after January and the fees aren't adopted until next spring, current taxpayers would continue paying for impacts caused by growth.

"Permitting season is different from building season," said Channell, "but I'm certainly sensitive to the fact that we don't want to inhibit (economic) recovery by an untimely imposition."

Municipalities may be approached

The reports note that while municipal residents place demands on county roadways and law enforcement services, there is currently no means by which new residents in the municipalities can be assessed for their impacts.

As a result, Channell questioned whether there was a model of a partnership with municipalities for such fees.

"City residents use county roads and county residents use city roads," he said, by way of example. "These are not stand-alone issues."

County leaders agreed that such a concept would be much easier to talk about with local municipalities concerning law enforcement-related capital fees vs. a potential road and bridge impact fee.

Also, the county sees a significant impact on law enforcement facilities — like the jail — from the municipalities.

In recent weeks, county and City of Gunnison leaders have preliminarily discussed the possibility of partnering in a justice center to replace the current jail. County leaders are expected to begin planning for a new jail this year.

"In a perfect world, I could see ... all of us passing it at the same time," Channel said, referring to an impact fee that would help fund a justice center.

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