



Denver Revised Municipal Code (DRMC) Amendment for Gateway Impact Fees & Reappropriation

Department of Finance – Michael Kerrigan
April 23, 2024

Agenda

City Council Actions

Overview & Background

Project Statuses & Ordinance Change

Questions



Action Items

Bill Request 24-0541

- Request to amend Article III of Chapter 50 of the Denver Revised Municipal Code (DRMC) regarding the development impact fees in the Gateway area in District 11.



Bill Request 24-0542

- Approves a companion ordinance to fund a transfer and budget appropriation for the construction of a fire station in District 11.

This is a correction and administrative change to the impact fee arrangement.

Gateway Impact Fee Overview

- Fee finances a portion of costs for capital projects within the Gateway Area
 - Fee is collected with building permit payment
 - Fee is indexed to inflation and is updated every summer
- List of regional infrastructure projects codified by reference in DRMC, with 4 categories of projects:
 - Fire Stations
 - Parks & Trails
 - Roads
 - Drainage
- Regional infrastructure projects defined in the Capital Improvements Program document (“Capital Improvements Program projects”)
- Projects are financed with impact fees for the benefit of more than one property
- In addition to the city, two regional metropolitan districts collect the fee on the city’s behalf

Capital Improvements Program Project Statuses

Fire Stations

Original Regional Net Cost: \$4.8M

Eligible Remaining Impact Fees: \$10.7M

STATUS:

- Southern Fire Station, FS#2- Completed
- Northern Fire Station, FS#40- In Design



Northern Fire Station- Fire Station #40

- New location at 56th and Telluride to better serve area residents
- Building attributes:
 - Living quarters with 10 bedrooms
 - Kitchen, dining room, and day room
 - 3 apparatus bay – including ability to host Emergency Medical Services (EMS) services
 - Maintenance shop
 - Fitness and support areas

Total budget: \$19.7M

- \$1,129,000 from the Gateway Impact Fees
- Remainder funded by bond funds and annual Capital Improvement Program (CIP) allocations.

Project Timeline



- Status: In design phase
- Design completion: Summer 2024
- Construction: Fall 2024 to Winter 2025

Roadways – Lanes and Medians

Original Regional Net Cost: \$16.3M

Eligible Remaining Impact Fees: \$19.9M

STATUS:

- 40th Ave. – Completed
- Tower Road, 56th Ave., 64th Ave., Green Valley Ranch Blvd.- various road sections complete and various road sections in design



Roadways – Signals

Original Regional Net Cost: \$3.4M

Eligible Remaining Impact Fees: \$2M

STATUS:

- 18.75 Signal Equivalents- Completed
- 3.25 Signal Equivalent Remains



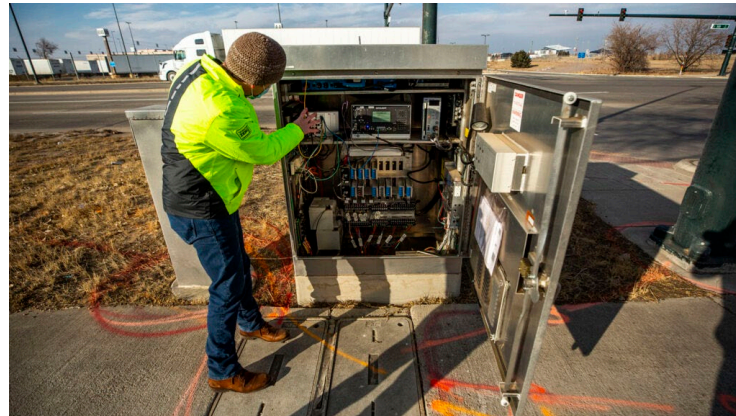
Roadways – Bike Lanes

Original Regional Net Cost: \$3M

Eligible Remaining Impact Fees: \$4.2M

STATUS:

- 3 of 6 miles completed- various street segments
- 3 of 6 miles remain- various street segments



Drainage

Original Regional Net Cost: \$866K

Eligible Remaining Impact Fees: \$1.1M

STATUS:

- 9 out of 11 facilities and improvements- completed
- Pond 305- partially completed
- Rod and Gun diversion structure remains



Ordinance Changes

Ordinance Changes

- Updates the Capital Improvements Program document.
 - Defines new locations for Southern and Northern Fire Stations.
 - Updates costs and construction status of all projects.
- Clarifies that metropolitan district-collected fees can be used on any category of Capital Improvements Program projects.
- Clarifies that future impact fees can be used on any of the remaining category of Capital Improvements Program projects when a category of project is completed.
- Once all projects as identified in the Capital Improvements Program are complete, the City may reimburse itself for associated costs.
- No other changes to the ordinance, including the amount of fees and the timing of the collection of fees.

Next Steps

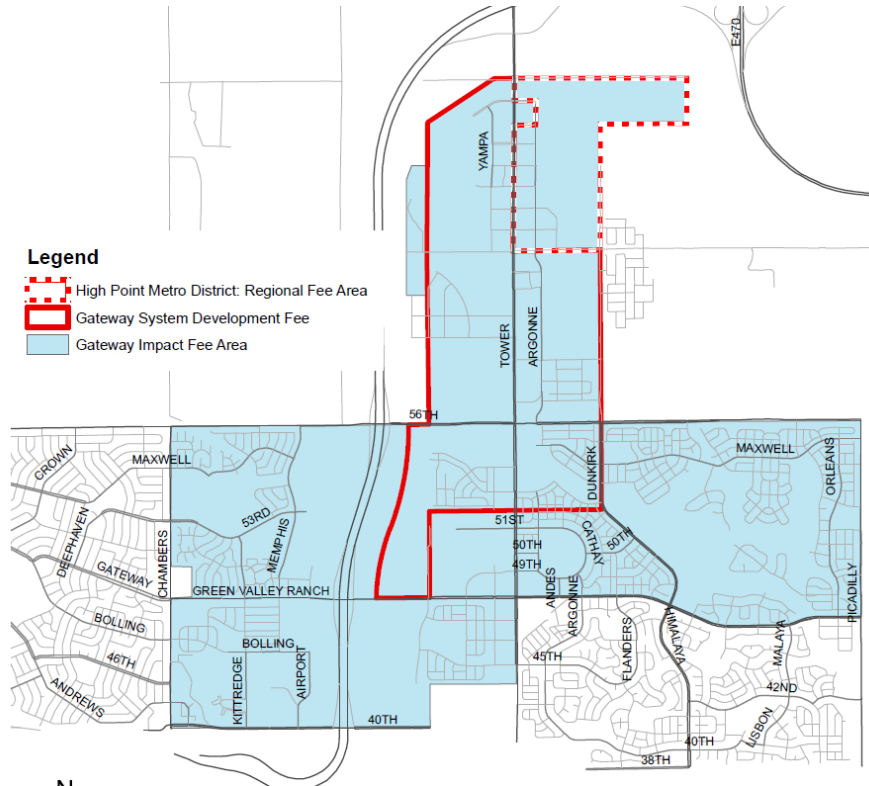
- 1st Reading – May 6
- 2nd Reading – May 13



Questions?

Appendix

Background



- Every property within the Gateway Impact Fee area is required to pay the impact fee prior to issuance of a building permit.
- The Gateway Impact Fee funds four general project categories:
 - Fire projects
 - Parks projects
 - Road projects
 - Drainage projects
- Amount of the Impact Fee is determined by development intensity, type of project being constructed, and location of project within Gateway Impact Fee area.
- Fee is indexed to inflation.
 - Updated every summer by Department of Transportation and Infrastructure (DOTI) via a Memorandum of Record

Background

- **1990s**- Mayor Webb wanted a way for development to pay its way as movement for DEN relocation from its Stapleton site was gaining momentum, **concept of a development impact fee** for the Gateway area determined to be best path.
- **1999- Cost study completed** as a nexus for Gateway Impact Fee, Regional Improvement Project list identified.
- **2000- Gateway Impact Fee Ordinance approved**, authorizes a set of fees to pay for Regional Improvement Project list of improvements. Codified in the DRMC.
 - Regional Improvement Project list contains list of projects that have a regional impact.
 - Regional Improvement Project list contained within a document filed with the City Clerk entitled the “Capital Improvements Program”.
 - Gateway Impact Fees can only be used to fund projects identified in the Capital Improvements Program.
- Gateway Impact Fees were always meant to be a partial funding solution for the projects listed in the Capital Improvements Program.
 - City bond funds, City CIP funds, special district funds, and other sources were also meant to help fund the full cost for the projects identified in the Capital Improvements Program.







Northern Fire Station- Fire Station #40 Floor Plan



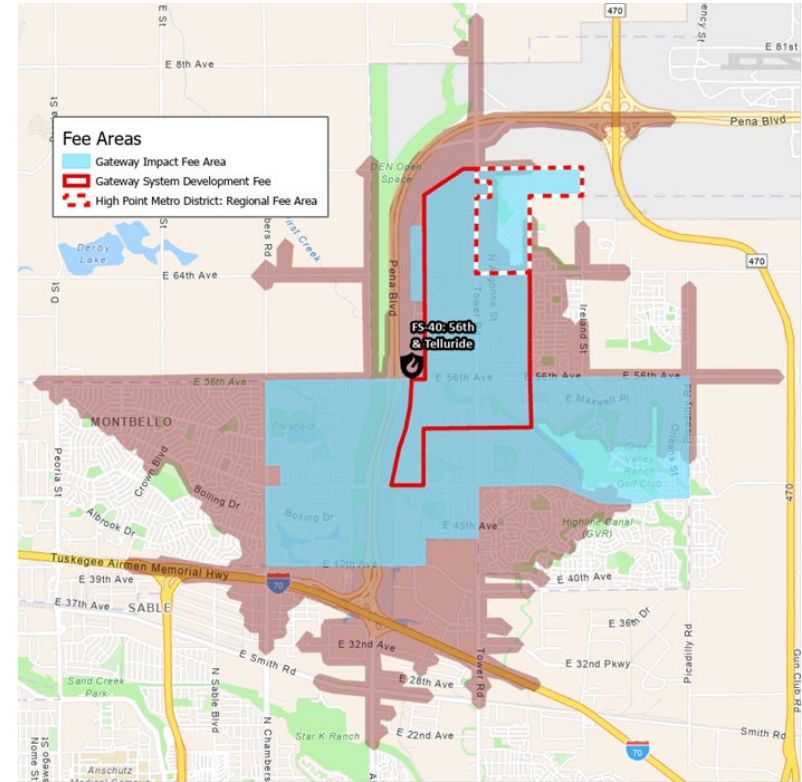
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Fall 2024 to Winter 2025

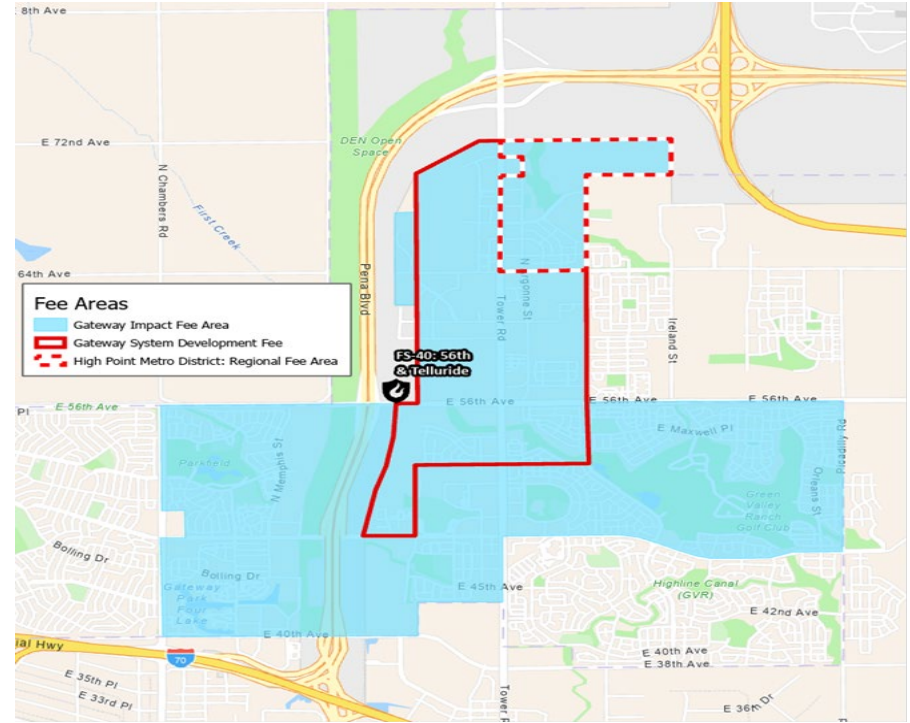
Service Improvements at New Locations

- New location provides faster response times for a greater proportion of Denver residents in the area
- Approximately 12,000 single family residential parcels within a 4-minute drive of FS-40 at 56th & Telluride (i.e., an 82% improvement from the 60th & Richfield site, stats below)
- This compares to ~3,400 single family residential parcels from the 72nd & Tower site and ~6,600 from the 60th & Richfield site.



Service Improvements at New Locations

- New location provides a closer service nexus within the Gateway Impact Fee Area (i.e. the ratepayers)
- There is no change to the coverage of business within the 4-minute drive surface, most notably the hotels between 64th Ave & Pena Blvd.
- Approval of this ordinance will allow Fire Station #40 to access approximately \$1,129,000 (as of April '24) for its construction budget.



Current Gateway Impact Fees as of 8/1/2023 Memorandum of Record

(1) Fire impact fee per unit

<u>Development type</u>	<u>Fee Per unit</u>
Single family house	\$235.40 per du
Multifamily dwellings	\$433.40 per du
Retail building	\$182.60 Per 1000 SF
Hotel building	\$640.20 Per 1000 SF
Office building	\$176.00 Per 1000 SF
Other commercial	\$178.20 Per 1000 SF

(all figures in year 2023 dollars)

(2) Parks and trails impact fee per unit

<u>Development type</u>	<u>Fee Per unit</u>
Single family house	\$822.80 per du
Multifamily dwellings (8-18 du/acre)	\$686.40 per du
Multifamily dwellings (over 18 du/acre)	\$550.00 per du
Nonresidential building	\$886.60 per acre

(3) Road impact fee per unit

<u>Development type</u>	<u>Subarea 1</u>	<u>Subarea 2</u>	<u>Subarea 3</u>
	<u>Fee</u>	<u>Fee</u>	<u>Fee Per unit</u>
Single family house	\$1,554.00	\$1,646.40	\$996.80 per du
Multifamily dwellings (8-18 du/acre)	\$758.80	\$803.60	\$484.40 per du
Multifamily dwellings (19+ du/acre)	\$686.00	\$686.00	\$439.60 per du
Retail building	\$2.66	\$2.83	\$1.71 Per SF
Hotel building	\$2.66	\$2.83	\$1.71 Per SF
Office building	\$2.66	\$2.83	\$1.71 Per SF
Other commercial	\$2.66	\$2.83	\$1.71 Per SF

(all figures in year 2023 dollars)

(4) Drainage impact fee per unit

<u>Development Type</u>	<u>Irondale Gulch</u>	<u>1st Creek</u>
	<u>Fee</u>	<u>Fee</u>
Single family house	\$862.40	\$246.40
Multifamily dwellings (8-18 du/ac)	\$387.20	\$110.00
Multifamily dwellings (19+ du/ac)	\$176.00	\$48.40
Retail building	\$6,467.54	\$1,873.70 per impervious acre
Hotel building	\$6,467.54	\$1,873.70 per impervious acre
Office building	\$6,467.54	\$1,873.70 per impervious acre
Other commercial	\$6,467.54	\$1,873.70 per impervious acre

Remaining Regional Improvement Projects

- Northern Fire Station (56th/Telluride)
- Parks – Various Trail Segments of Highline, 1st Creek, and 2nd Creek: approx. 37.5% remaining
- Bike Lanes (Yampa and Argonne GVR to 72nd): approx. 54.5% remaining
- Traffic Signals: 3.25 signal equivalents of 22 remaining (2 full signals, 1@50%, and 3@25%)
- Regional Portions of Arterial Roadways (2 lanes and medians)
- Portions of Tower, 56th, 64th, GVR Blvd remaining
- Drainage Projects: 1 full (Rod and Gun) and one partial (Pond 305) drainage facilities remaining