



Drainage Impact Fee

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January 9, 2023

Overview

- Drainage Impact Need - Top 10 Drainage Projects
- Prior Council Direction
- Drainage Impact Fee Overview
 - Existing vs Maximum Calculated
 - Proposed Fees based on Council Input
 - Preferred Economic Development Uses
- Next Steps

Drainage Impact Need

Top 10 Drainage Projects

- Table below shows the Top 10 drainage projects within the City. A list of all projects is included in the Drainage Impact Fee Study

Reach	Project Description	2021 Estimated Cost	Priority
Second Creek - 3	13900 LF Channel Improvements BNSF Railroad to Chambers Rd	\$6,072,132.75	1
Irondale Gulch - 1	1647 LF Irondale Gulch Outfall into South Platte River	\$3,820,125.85	2
Irondale Gulch - 2	Detention Pond 8953 (88th Ave and Rosemary St.)	\$2,183,782.83	3
Henderson Creek - Rag 2	O'Brian Canal Crossing	\$306,194.08	4
Henderson Creek - Rag 2	Triangle Pond and D/S Crossing (Vic. I-76)	\$9,445,859.02	5
Henderson Creek – Hend 6B	1525 LF New Channel Brighton Rd to 120th Pkwy	\$340,659.14	6
Henderson Creek - Hend 6	Havana St - US 85 Crossing and Stormwater Pipe	\$11,260,137.44	7
Third Creek - 5	O'Brian Canal Crossing	\$10,374,379.95	8
Second Creek - 3	North Detention Pond (Vicinity of O'Brian Canal Crossing)	\$48,902,465.40	9
First Creek - 4a & 5	3370 LF of Channel Improvements (Hwy US 85 to I-76) & Replacing Culverts at Hwy US 85, Union Pacific Railroad, 104th Ave, and I-76	\$12,076,599.99	10
Total =		\$104,782,336.47	

Note -The total capital need of approximately \$308.5M exists for drainage projects.

Prior Council Direction

- Dec 13, 2021 – 1st Study Session – Drainage
 - Stormwater Utility offset – Council preferred to adjust impact fees as opposed to creating new fees on existing homeowners through a utility.
 - Discussion about needs
 - Committed to adopting full fee as opposed to a phase in
 - Ensure that Metro District won't pass costs onto existing homeowners
 - Staff requested an Ordinance that increases fees on new construction with adjustments to the fees tied to a construction cost index (MHFD, CDOT).
- Feb 7, 2022 – 2nd Study Session – Drainage
 - Drainage fee postponed to discuss in Study Session where fees are the only topic

Prior Council Direction

- April 11, 2022 – Study Session
 - Needs Identified
 - Options
 - 1) Full Fee as proposed per basin
 - 2) Lower Fee by 50% for Commercial uses
 - Directive – Develop ordinance using Option 2, which is lowering maximum calculated fee by 50% for Commercial Uses
- October 03, 2022 – Council Meeting
 - Ordinance First Reading
 - Item remanded to study session
- October 24, 2022 – Study Session
 - Item postponed to later study session due to lack of meeting time

Drainage Impact Fee Overview

Existing vs. Maximum Calculated

Area	Basin	Total Capital Need	Developable Area (Acres)	Current Impact Fee/Acre ¹	Calculated Impact Fee/Remaining Developable Acre ²	Max. Calculated Impact Fee/SF ²
City	Commerce City	\$308,486,514	10,846	N/A	\$28,442	\$0.65
Basin Specific	Henderson/ DFA 0053	\$61,855,686	2029	\$3,055	\$30,486	\$0.70
	Second Creek	\$98,675,248	3081	\$1,700	\$32,027	\$0.74
	Third Creek	\$34,287,837	3720	\$1,445	\$9,217	\$0.21
	First Creek	\$90,043,483	1335	N/A	\$67,448	\$1.55
	Irondale	\$23,624,258	435	N/A	\$54,309	\$1.25

Notes:

1. Current fees are per parcel area, regardless of impervious area added
2. Costs are in 2021 Q1 dollars and fee is assessed on new impervious areas only



Drainage Impact Fee Overview

Proposed Fees Based on City Council Input

Based on City Council input on April 11, 2022 and October 24, 2022, the following proposed fees take the following into consideration:

- Fee Adjustment for Commercial Districts. The applicable drainage impact fee shall be half of the maximum calculated fee required for new commercial developments in the C-1, C-2, and C-3 districts.
- Furthermore, no fee shall be charged for Preferred Economic Development uses (see slide 8 for those land uses)



Drainage Impact Fee Overview

Preferred Economic Development Uses*

ITE Land Use	Description
Lodging	
310	Hotel
311	All Suites Hotel
312	Business Hotel
330	Resort Hotel
Recreational Land Uses	
431	Miniature Golf Course
436	Trampoline Park
437	Bowling Alley
444/445	Movie Theater
480	Amusement Park
482	Water Slide Park
Medical	
610	Hospital
650	Free-Standing Emergency Room

ITE Land Use	Description
Office	
710	General Office Building
720	Medical-Dental Office Building
Retail	
820	Shopping Center
850	Supermarket
862	Home Improvement Superstore
863	Electronics Superstore
872	Bed and Linen Superstore
876	Apparel Store
879	Arts and Crafts Store
890	Furniture Store
Services	
930	Fast Casual Restaurant
931	Quality Restaurant
932	High Turnover (Sit Down) Restaurant
971	Brewery Tap Room

* Recruited by Economic Development per City Council direction



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Notes:

1. Fee Adjustment for Commercial Districts. The applicable drainage impact fee shall be half of the maximum calculated fee required for new commercial developments in the C-1, C-2, and C-3 districts.
2. Furthermore, no fee shall be charged for Preferred Economic Development uses based on discussion at October 24th Council Study Session (see slide 8 for those land uses)



Next Steps

- Direction for Staff
 - What fee to charge per land use type?
- First Reading of Ordinance February 6, 2023
- Second Reading of Ordinance March 6, 2023
- Begin charging new fees May 1, 2023



Questions & Discussion

