



Legislation Text

File #: Ord 2213, **Version:** 1

AN ORDINANCE AMENDING THE LAND DEVELOPMENT CODE AND ENACTING A NEW SECTION 21-9260 AUTHORIZING THE COLLECTION OF AN OIL AND GAS TRANSPORTATION IMPACT FEE

Summary and Background Information:

The City currently collects road impact fees on new residential, commercial, office and industrial developments using a fee schedule applied to those uses. Oil and gas development is not currently included in the impact fee schedule. Several other area jurisdictions, including Adams County, have recently implemented or studied transportation impact fees for oil and gas development. In assessing impacts and defensible fees for oil and gas two unique characteristics of the industry need to be considered:

- The impact on roads is primarily attributed to the weight of trucks, not merely the number of vehicles.
- Much of the impact occurs during the early development phase for oil and gas wells and pads.

The City engaged Felsburg Holt & Ullevig in late 2018 to conduct an Oil & Gas Transportation Impact Study with project management by the Public Works and Community Development departments.

Study objectives include:

- Estimate general magnitude of oil and gas truck traffic per pad and well
- Identify impacts of oil and gas traffic on Commerce City roads
- Calculate an oil and gas impact fee per pad and per well to allow the City to offset impacts to the City road system
- Incorporate reductions for pipelines that replace truck trips

The full impact report (attached) provides the following:

- A recommendation to City Council for maximum defensible fees,
- A detail model and methodology for such recommendations,
- A fee per pad, and fee per well recommendation,
- And varying fee amounts for a full no-pipeline scenario, and reduced fees to account for reductions in truck trips due to fresh water, water disposal, and product pipelines

The city has hosted an industry stakeholder meeting (5/10) and a community wide input meeting (5/23) to receive public comment and feedback on the proposed fee methodology. A Planning Commission Study Session (5/7), and City Council Study Session (6/17) were also held to receive feedback on the fee methodology. A final impact report, fee structure and ordinance was presented to Planning Commission (6/18), who voted 5-0 to recommend approval to City Council.

Staff Responsible (Department Head): Domenic Martinelli, City Planner

Staff Member Presenting: Domenic Martinelli, City Planner

Financial Impact: N/A

Funding Source: N/A

Planning Commission Recommendation: Recommended approval.