



TOWN OF ELIZABETH

PATRICK G. DAVIDSON, TOWN ADMINISTRATOR

TO: Honorable Mayor, Mayor Pro Tem, and Members of the Board of Trustees
FROM: Patrick Davidson, Town Administrator
DATED: December 10, 2024
SUBJECT: Resolution Amending Inflation Calculation for Impact Fees

BACKGROUND

Impact fees are fees charged by a municipality to assist in offsetting the financial burdens created through development within the municipality. For example, growth and development within Elizabeth creates capital demands upon the Town's police department, public buildings, parks, open spaces and trails, and public works facilities which are not otherwise offset by routine taxes. By assessing impact fees upon new development, the Town is provided with a source of funds to offset increased demands arising from growth and development.

The Town of Elizabeth previously retained the services of BBC Research and Consulting to analyze and assess growth and development projections to determine the demand for capital facilities and improvements anticipated to be placed upon the Town's infrastructure. On August 28, 2023, BBC submitted its Impact Fee Study to the Board of Trustees. On October 24, 2023, by and through Ordinance 23-08, the Town approved the imposition of Impact Fees.

Section 4-8-130 (j) requires that the impact fees imposed in the original Ordinance be amended annually, beginning on January 1, 2025, to reflect increases in inflation. The Ordinance dictates that the inflation increases are to be determined by making use of the Engineering News Record data, reflecting the cost index for the Denver metropolitan area. As an alternative, the Board may select an alternative means of calculating inflation and may do so by Board Resolution.

For water, sewer and renewable water tap fees, the Town has used the Consumer Price Index (CPI) for the Denver-Aurora-Lakewood area. Consistency would indicate that an inflation adjustment to Impact Fees should be made through the CPI, just as is done for other development fees. Additionally, the data provided through the Engineering News Record is not free, while the data published for the CPI is free and consistent for our region of the country.

STAFF RECOMMENDATION

Staff recommends the Board consider amending Section 4-8-130 (j) of the Impact Fee Ordinance, to allow for inflation to be calculated by means of CPI for the Denver-Aurora-Lakewood area, rather than through Engineering News Record.

BUDGET CONSIDERATIONS

Unlimited digital access to the Engineering News Record is \$99.99/year. The Consumer Price Index information is published by the U.S. Bureau of Labor Statistics and is freely available.

ATTACHMENTS

Resolution Amending Inflation Adjustments to Town of Elizabeth Impact Fees

RESOLUTION 24R50

A RESOLUTION ESTABLISHING THAT ANNUAL ADJUSTMENTS TO IMPACT FEES BE BASED ON THE CONSUMER PRICE INDEX (CPI) FOR THE DENVER-AURORA-LAKEWOOD AREA AND NOT UPON THE ENGINEERING NEWS RECORD COST INDEX FOR THE DENVER METROPOLITAN AREA.

WHEREAS, on October 24, 2023, the Board of Trustees established, by Ordinance 23-08, the imposition of impact fees for future development within the Town of Elizabeth; and

WHEREAS Section 4-8-130(j) of the Ordinance prescribes an adjustment to impact fees, beginning on January 1, 2025, to reflect increases in inflation; and

WHEREAS, Section 4-8-130(j) establishes any adjustment to impact fees, to reflect inflation, shall be done by means of the Engineering News Record, reflecting the cost index for the Denver metropolitan area, unless an alternative means of calculating inflation is selected and approved by Board Resolution; and

WHEREAS the Town already makes use of the Consumer Price Index (CPI) for the Denver-Aurora-Lakewood area in calculating inflation for adjustments for water, wastewater, and renewable water resource tap fees, and for purposes of standardization, all current and future impact fee adjustments should likewise be made by means of the Consumer Price Index (CPI) for the Denver-Aurora-Lakewood area.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF ELIZABETH, COLORADO AS FOLLOWS:

SECTION 1. The Board of Trustees establishes that all annual adjustments to impact fees, as established in Section 4-8-130(j) of the Town Code shall be by means of the Consumer Price Index (CPI) for the Denver-Aurora-Lakewood area and not through the Engineering News Record's cost index for the Denver metropolitan area.

PASSED, APPROVED, and ADOPTED this 10th day of December 2024, by the Board of Trustees of the Town of Elizabeth, Colorado, on first and final reading, by a vote of _____ for and _____ against.

Angela Ternus, Mayor

ATTEST:

Michelle M. Oeser, Town Clerk