



TOWN BOARD WORK SESSION

October 18, 2021 - 5:30 PM

1st Floor Conference Room, 301 Walnut Street, Windsor, CO 80550

GOAL of this Work Session is to have the Town Board receive information on topics of Town business from the Town Manager, Town Attorney and Town staff in order to exchange ideas and opinions regarding these topics.

Members of the Public in attendance are asked to be recognized by the Mayor before participating in any discussions of the Town Board

AGENDA

1. Comprehensive Fee Update - J. Thornhill, Community Development Director; E. Lucas, Public Services Director; J. Humphries, Administrative Services Director
2. Wastewater Treatment Plant Financing Considerations - D. Moyer, Director of Finance
3. Future Meetings Agenda

The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 by noon on the Thursday prior to the meeting to make arrangements.



MEMORANDUM

Date: October 18, 2021
To: Mayor and Town Board
Via: Shane Hale, Town Manager
From: John Thornhill, Com. Dev. Director; Eric Lucas, Public Serv. Director; Jessica Humphries Admin. Ser
Re: Comprehensive Fee Update
Item #: 1.

Background / Discussion:

Please see attached memo.

ATTACHMENTS:

- ▢ Comprehensive Fee Memo



MEMORANDUM

Date: October 18, 2021
To: Mayor and Town Board
Via: Shane Hale, Town Manager
From: Karl Gannon, Budget Analyst; Dean Moyer, Finance Director; John Thornhill, Community Development Director; Eric Lucas, Public Services Director; Scott Ballstadt, AICP, Director of Planning; Jessica Humphries, Administrative Services Director
Re: Comprehensive Fee Update

Background / Discussion

The various impact fees that the Town assesses with the issuance of building permits have been adopted by separate ordinances at various times over the years and, as a result, they have come to be periodically reviewed and updated separately as well. The purpose of this discussion is to provide Town Board with an overview of the respective impact fees and update processes, as well as proposed 2021 fee adjustments, so that the fees can be considered collectively and with a comprehensive understanding.

Road Impact Fees

The Town adopted Windsor's first road impact fees in 2001 with Ordinance No. 2001-1092. The purpose of the ordinance is to establish a system for the imposition of road impact fees within the Town to assure that new development contributes its proportionate share of the cost of providing, and benefits from the provision of, road capital improvements to the Town's road network.

Road impact fees are based upon the Roadway Improvement Plan. Based upon Section 17-15-100 of the Municipal Code, the Town determines whether any comprehensive updates are necessary approximately every five years. The last comprehensive update was completed in 2017, and the Roadway Improvement Plan is now part of the Transportation Master Plan (TMP) that was adopted in 2020. The Town has typically budgeted for consulting services to assist with these comprehensive updates, particularly public outreach and technical analysis and fee calculations.

Sec. 17-15-100. - Review every five years.

- (a) At least once every five (5) years, the Road Impact Fee Administrator shall recommend to the Town Board whether any changes should be made to the Road Impact Fee Study and this Article. The purpose of this review is to analyze the effects of inflation on actual costs, to assess potential changes in needs, to assess any changes in the characteristics of land uses and to ensure that the road impact fees will not exceed a proportionate share.

In addition to periodic review and updates to the plans, Section 17-15-100(b) of the Municipal Code also requires the Town to perform an annual review of the Road Impact Fee Table and make adjustments to account for inflation based on the most recent two-year moving average of the annual Colorado Construction Cost Index by the Colorado Department of Transportation.

Sec. 17-15-100.

- (b) In each year during which a comprehensive update is not performed, the fee schedule shall be adjusted to account for construction cost inflation, pursuant to the provisions of this Section. The Road Impact Fee Administrator shall calculate adjustments to the road impact fee rates by multiplying them by a ratio, the numerator of which is the most recently available two-year moving average of the annual Colorado Construction Cost Index by the Colorado Department of Transportation, and the denominator of which is the same index for a period one (1) year earlier than the numerator. The adjusted fee schedule shall become effective upon and in accordance with the approval thereof by the Town Board. The Road Impact Fee Administrator shall make the adjusted impact fee schedule publicly available.

Proposed Road Impact Fee Table Updates:

The 2021 annual review (based on 2020 CCCI figures) to account for inflation as required by Section 17-15-100(b) of the Municipal Code is reflected in the below calculation averaging the two year period of 2019-2020 and 2018-2019.

Year	Q1	Q2	Q3	Q4	Change from Prior Year
2019	3.08	-13.3	-9.3	14.14	-1.345
2020	9.12	4.39	2.95	-4.71	2.9375
					0.79625
2018	0.56	19.65	11.53	3.18	8.73
2019	3.08	-13.3	-9.3	14.14	-1.345
					3.6925
2-Year Average					2.24%

Below please find a table that compares current fees to fees that have been adjusted to reflect this 2.24% increase.

Sec. 17-15-50(c)(1) Road Impact Fee Table

Land Use Type	Unit	Fee/Unit (current)	Difference	Fee/Unit +2.24% adjustment
Single-family detached	Dwelling	\$4,361	\$98	\$4,459
Multi-family	Dwelling	\$2,768	\$62	\$2,830
Mobile Home Park	Site	\$1,313	\$29	\$1,342
Retail/Commercial	1,000 sq. ft.	\$5,768	\$129	\$5,897
Office	1,000 sq. ft.	\$5,311	\$119	\$5,430
Public/Institutional	1,000 sq. ft.	\$3,220	\$72	\$3,292
Industrial	1,000 sq. ft.	\$2,291	\$51	\$2,342
Warehouse	1,000 sq. ft.	\$2,135	\$48	\$2,183
Mini-Warehouse	1,000 sq. ft.	\$1,499	\$34	\$1,533
Oil and Gas Well	Wellhead	\$2,399	\$54	\$2,453

Drainage Fees

Section 13-3-50 of the Municipal Code established a New Growth Basin Impact Fee and Monthly Basin User Fee.

Sec. 13-3-50. - New Growth Basin Impact Fee and Monthly Basin User Fee established.

- (a) The Town Board hereby establishes a New Growth Basin Impact Fee and a Monthly Basin User Fee to be paid by the owners of developed property in the Town.
- (b) The New Growth Basin Impact Fee shall be collected prior to the issuance of any building permit or, in the event construction is undertaken and no building permit is required, upon commencement of construction. Any change in the amount of the New Growth Basin Impact Fee shall be effective only as to property that has not paid the fee in full prior to any subsequent modification of the New Growth Basin Impact Fee. After the collection of the New Growth Basin Impact Fee as to a particular property, the amount of the fee for that property shall not be increased, except in the case where additions, expansion or redevelopment of the property results in an increase in impervious surface in excess of three-hundred-fifty (350) square feet, in which case the fee for that property shall be increased only to reflect the increased impervious surface. Except as otherwise provided in this Article regarding additions or expansion of developed property, a New Growth Basin Impact Fee shall not be assessed against any property for which any stormwater drainage plant investment fee has been paid pursuant to any previous ordinance in effect prior to the effective date of the ordinance codified herein.
- (c) Any change in the New Growth Basin Impact Fee as calculated by the ordinance codified herein shall be effective for all property to be developed within the Town and shall be calculated by the formula set forth below. The Monthly Basin User Fee as calculated pursuant to this Article shall be effective for all developed property within the Town and shall be collected by the formula set forth below.

Section 13-3-80 of the Municipal Code requires the Town to perform a periodic, annual, five and ten-year reviews of rates to consider necessary adjustments:

Sec. 13-3-80. - Periodic Reviews; Annual Reviews, Five-Year Reviews, Ten-Year Reviews.

The Town Board shall periodically review the rates established by this Ordinance and, by subsequent ordinance, shall consider adjustments to those rates as may be necessary to accomplish the purpose and intent of this Article and the Drainage Master Plan. Such adjustment shall be based upon a revision of the estimates of the cost of the construction and maintenance of such facilities and the rate at which revenue therefor is received by the Town.

At a minimum, the following reviews shall be conducted:

- (a) The New Growth Basin Impact Fee shall be adjusted annually to account for construction cost inflation. The adjustment shall be accomplished by multiplying the New Growth Impact Fee by a ratio, the numerator of which is the most recently available two-year moving average of the annual Colorado Construction Cost Index by the Colorado Department of Transportation, and the denominator of which is the same index for a period one (1) year earlier than the numerator. The adjusted fee schedule shall become effective upon and in accordance with the approval thereof by the Town Board. The adjusted New Growth Basin Impact Fee shall be published upon adoption.

Proposed New Growth Basin Impact Fee

Due to higher costs for capital expenditures, staff is requesting New Growth Basin Impact Fee to increase by 2.244%. This request follows the most recently available two-year moving average of the Colorado Construction Cost Index (CCCI) from CDOT. The current impervious rate factor of \$0.2246 per square foot, will increase to \$.23008 per square foot. This rate change that is predicated on the CCCI adjustment, will result in an annual revenue increase of approximately \$23,141. This estimate is based on a 2.244% increase to the average revenue received, 2018 through 2020.

Parks Impact Fees

Chapter 17, Article XVIII of the Municipal Code addresses Park, Open Space and Trail Fees, Dedications and Reservations. Section 17-18-60 established the park and trail development fee:

Sec. 17-18-60. - Park and trail development fee.

- (a) There is hereby established a Park and Trail Development Fee, which shall be imposed pursuant to the provisions of this Article for the purpose of funding capital facilities related to the provision of community parks

and recreational trails in accordance with (i) the 2016 Town of Windsor, Colorado, Parks, Recreation and Culture Master Plan and (ii) the Town's current Trails Master Plan and any cost analysis to be prepared at the direction of the Director of Parks, Recreation and Culture in association therewith. All fees collected pursuant to this Article shall be expended for the acquisition of community park land, construction of developed community parks, acquisition of easements for trails, and development of trails. This Park and Trail Development Fee is designed to address the need for such capital facilities brought about by development and is separate and distinct from the impact fees otherwise addressed by this Article and other provisions of this Code. Such fee shall be due and payable upon the issuance of every building permit and shall initially be established at five thousand two hundred thirteen dollars (\$5,213.00) per dwelling unit, subject to annual adjustment as provided in Section 17-18-100 below.

- (b) No Park and Trail Development Fee funds shall be used for the maintenance, improvement or redevelopment of existing capital facilities. These fees shall be segregated, credited and deposited into a special fund and shall not be transferred therefrom except to pay for the expenses directly attributable to the acquisition of community park land, construction of developed community parks, acquisition of easements for trails, and development of trails as addressed herein. These fees shall not be used for general or other governmental or proprietary purposes of the Town except to pay for the equitable share of the cost of accounting and management thereof.

Section 17-18-100 requires the Town to adjust these fees annually for inflation:

Sec. 17-18-100. - Annual adjustment of fees, costs and land valuation.

The fees established by this Article shall be adjusted annually to reflect the effects of inflation. Commencing on January 1, 2019, and on January 1 of each following year, unless the fees herein established are otherwise revised or replaced, such amounts set forth in this Article shall be adjusted for inflation by multiplying them by a ratio, the numerator of which is the most recently available two-year moving average of the annual Colorado Construction Cost Index by the Colorado Department of Transportation, and the denominator of which is the same index for a period one (1) year earlier than the numerator. The adjusted fee schedule shall be maintained by the Director of Parks, Recreation and Culture and made publicly-available upon request.

Proposed Park and Trail Impact Fee

Development fees began in the early 2000's to provide funding for buildout of the park system. The fee is annually increased for inflation based on the Colorado Construction Index (CCI). The current Park and Trail Impact fee is \$5,955.00 per dwelling unit. While we know what our system buildout looks like, Windsor had not studied the cost of buildout and fee projection since its inception. With that in mind, Windsor hired a consultant to study the cost of buildout and determine if our development fee would sustain

In July of this year staff presented the attached Park Impact Fee Study from Green Play that recommends a one-time \$300 increase in the Town Park Impact Fee to make up for a \$4.3 million dollar projected shortfall for buildout of the Windsor park and trail system. Additionally, they recommended the re-instatement of the Development Fee in Lieu of Land to aid in the acquisition of open space.

Taking this addition of the \$300 in consideration and the addition of CCI fee of 3%, the proposed new park and trail impact fee would be \$6,442 per dwelling unit. See the table below for a comparison.

	Existing Park Impact Fee	Proposed Park Impact Fee
Per dwelling unit	\$5,955.00	\$6,442.00

Raw Water Cash in-Lieu Fee

Section 13-2-80 in the Windsor Municipal Code, states that all premises requesting original water service from the Town shall furnish water rights without cost to the Town. That section also states that such water rights shall be transferred to the Town in accordance with the applicable subdivision or site development improvements agreement and, in the case of cash paid in lieu of required raw water dedication, at the time that the request for building permit approval is presented to the Town. Windsor sets cash-in-lieu based on data from the Town's water

rate model. Currently, the Town anticipates at least a 3% increase in cash-in-lieu annually for the next five years. The current cash-in-lieu rate is \$61,800 per acre-feet.

Proposed Cash-in-Lieu Fee

The Town of Windsor is 100% cash-in-lieu for raw water dedication. With the 3% annual increase, the new cash-in-lieu rate would be \$63,700.00. A single-family home with a non-potable water system for irrigation must dedicate 0.25 acre-feet of raw water through cash-in-lieu. A single-family home without separate non-potable water system for irrigation must dedicate 0.50 acre feet of raw water through cash-in-lieu

The table below shows the increase in rates versus the current rate for single-family homes.

Dedication Requirement for:	Existing Cash-in-lieu	Proposed Cash-in-lieu
Single-family home with non-potable water supply for irrigation (0.25 acre-feet)	\$15,450.00	\$15,925.00
Single-family home without non-potable water supply for irrigation (0.50 acre-feet)	\$30,900.00	\$31,850.00

Water Plant Investment Fee

Sec. 13-2-70 Water plant investment fee (PIF)

Any applicant desiring to take and use water from the water utility of the Town shall pay a water plant investment fee for each individual service pursuant to the schedule of fees set forth herein. Such fees shall be paid in full prior to the time water is used for any purpose.

Town staff has worked with Stantec Consulting over the last three years to create and update a rate model for the water fund. The intent of the model is to provide Town staff and the Town Board with long range financial planning tools to ensure growth pays for growth; services are appropriately funded long term; mandates are addressed; and infrastructure is updated and maintained in a timely manner. The model is updated annually.

Proposed Water Plan Investment Fee

Within the model a 3% increase annually is planned and recommended for the Water Plant Investment fee. A single-family home with non-potable water supply for irrigation is charged 61.5% of the full fee. Please see the table below.

	Current Water PIF	New Water PIF
Single-family home with non-potable water supply for irrigation	\$5,871.00	\$5,955.00
Single-family home without non-potable water supply for irrigation	\$9,400.00	\$9,682.00

Sewer Plant Investment Fee

Sec 13-1-10 Sewer Fees (Sewer PIF)

A onetime charge to connect sewer service to finance growth portion of system capacity. The fee is calculated annually through the Sewer rate model.

In addition to the authority found within Section 13-1-90 of the Windsor Municipal code, Section 12.2 of the Windsor Home Rule Charter authorizes the Town Board to establish rates for the use of the municipal sanitary sewer system.

In 2020, Stantec Consulting was chosen to assist in updating the rates/fees for the sewer fund. Through their work with staff they created a rate model for the sewer fund. The intent of the model is to provide Town staff and the Town Board with long range financial planning tools to ensure growth pays for growth' services are appropriately funded long term; mandates are addressed; and infrastructure is updated and maintained in a timely manner. The model is updated annually.

In 2020, the model indicated no need to increase the Sewer Plant Investment fee which is set at \$4,400 per ¾" tap. This continues to be true for 2021; therefore, no increase in the impact fee is recommended.

2021 to 2022 Comparison

The graphic below illustrates the impact of the current (2021) versus the proposed (2022) fees on a single family home permit.

Estimate for single family detached home in Windsor water service area with updated impact fees				
Total Value: \$323,704.03 Plus Electric		Town of Windsor		
Total Fees: \$43,836.48		Planning Department		
		301 Walnut Street		
		Windsor, CO 80550		
		(970) 674-2436		
		fx (970) 674-2456		
Date:	9/28/2021			
Name of requestor:				
Type of project:	SFRN			
Subdivision Name:	XYZ Subdivision			
Address:	1234 America Drive			
Square footage of lot:	7,406			
		2021		2022
Building Fee	Based on Fee Schedule	Line 1	\$2,248.15	\$2,248.15
Electrical Fee	Based on Fee Schedule	Line 2	\$642.50	\$642.50
Construction Meter	Always \$57.50	Line 3	\$57.50	\$57.50
Plan Check Fee	30% of line 1		\$674.45	\$674.45
Administrative Fee	25% of lines 1, 2, and 3		\$737.04	\$737.04
Raw Water	Winter Farm 3rd Filing		\$15,450.00	\$15,925.00
Water Plant Investment Fee	Windsor, ¾"		\$5,781.00	\$5,955.00
Sewer Plant Invest.	Windsor, ¾"		\$4,400.00	\$4,400.00
Park and trail fee	Residential cost only; per unit \$5,955		\$5,955.00	\$6,442.00
Fire Impact Fees	Residential cost only; per unit \$693.		\$693.00	\$693.00
Drainage Fee	Per Ord 2003-1148	0.4	\$653.51	\$681.59
Water Meter and Yoke	Windsor, ¾"		\$534.34	\$534.34
Storm Water Inspection Fee	Storm Water inspection; per unit \$200.00		\$200.00	\$200.00
Construction Meter	Fort Collins/Loveland Water Dist		N/A	N/A
Windsor Use Tax	3.95% of 1/2 of Valuation		\$6,393.15	\$6,393.15
Larimer County Use Tax	0.8% of 1/2 of Valuation		N/A	N/A
Road Impact Fee	Per Ord 2009-1318		\$4,361.00	\$4,459.00
		TOTAL	\$48,780.63	\$50,042.71
		DIFFERENCE		\$1,262.08



MEMORANDUM

Date: October 18, 2021
To: Mayor and Town Board
Via: Shane Hale, Town Manager
From: Dean Moyer, Finance Director
Re: Wastewater Treatment Plant Financing Options
Item #: 2.

ATTACHMENTS:

- ▢ WWTP Financing Memo



MEMORANDUM

Date: 10/15/2021
To: Town Board Members
Via: Shane Hale
From: Dean Moyer
Re: Wastewater Treatment Plant Financing Considerations

Overview

Mentioned in our Capital Improvement Plan, staff has been discussing two major capital projects involving the Town Sewer Treatment Plant (WWTP). The ongoing and planned capital improvements at the WWTP over the next four years are anticipated to reach approximately \$63.8M. The estimated non-operating beginning 2022 fund balance for the Sewer Fund is \$16.9M. In order to complete the planned capital improvement program, namely the completion of the ongoing Biosolids Handling project and the design & construction of a new WWTP facility, additional funding will be required.

Over the last six months, staff, with assistance from our outside consulting partners, Stantec and Stifel, have devised a financing strategy to fund the capital improvement program at the WWTP. Staff are recommending that the Board consider the following financing strategy:

1. Pay down the existing debt obligations in the Sewer Fund
2. Borrow \$15M via a bond issuance in 2022
3. Borrow \$35M via a bond issuance in 2024 or year of anticipated construction of new WWTP

Financial Impact

The immediate impact of paying down existing debt obligations in the Sewer Fund will result in savings of \$116,000 in foregone interest and principal



payments. With the new debt of \$15M for the Biosolids Project, annual debt service payments of \$745,000 will be incurred in 2022. Beginning in 2024, a further \$1.9M will be incurred with the issuance of \$35M in debt that is related to the WWTP construction.

Recommendation

Staff recommends that the Board consider and approve the proposed borrowing strategy.



FUTURE TOWN BOARD MEETINGS

October 25, 2021 5:30 p.m.	Town Board Work Session Follow-up Budget Items Sherview Trust for Public Land
October 25, 2021 7:00 p.m.	Town Board Regular Meeting
November 1, 2021 5:30 p.m.	Town Board Work Session Eastman Park Corridor Plan Special Event Discussion
November 8, 2021 5:30 p.m.	Town Board/Planning Commission Joint Work Session Town Board-Manager-Attorney Monthly Meeting Downtown Corridor Plan Height Limits
November 15, 2021 5:30 p.m.	Town Board Work Session Meet the Board Sustainable Windsor Colorado Presentation
November 15, 2021 7:00 p.m.	Town Board Special Meeting/Executive Session Manager/Attorney Annual Review
November 22, 2021 5:30 p.m.	Town Board Work Session
November 22, 2021 7:00 p.m.	Town Board Regular Meeting
November 29, 2021	Cancelled – 5 th Monday
December 6, 2021 5:30 p.m.	Town Board Work Session
December 13, 2021 5:30 p.m.	Town Board Work Session Town Board-Manager-Attorney Monthly Meeting
December 13, 2021 7:00 p.m.	Town Board Regular Meeting
December 20, 2021 5:30 p.m.	Town Board Work Session Board-Manager-Attorney social/dinner
December 27, 2021 5:30 p.m.	Cancelled

Future Work Session Topics

- DDA Entertainment District
- Urban3 Follow-up
- Telecom Code (Pending FCC Rules)
- Regional Water Treatment Plant Site
- Presentation by Carolyn Steffl regarding SB21-262 – Special District Transparency
- Proportional services and amenities for planned population
- Economic development/retail needs based on population levels (following retail assessment)