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**GRAND JUNCTION CITY COUNCIL
MONDAY, AUGUST 19, 2019**

**PRE-MEETING (DINNER) 5:00 P.M. ADMINISTRATION CONFERENCE ROOM
WORKSHOP, 5:30 P.M.
CITY HALL AUDITORIUM
250 N. 5TH STREET**

To become the most livable community west of the Rockies by 2025

1. Discussion Topics

- a. Impact Fees (Fire, Police, Municipal Facilities and Parks) and Water Plant Investment Fees
- b. Update from Economic Development Partners

2. Next Workshop Topics

3. Other Business

What is the purpose of a Workshop?

The purpose of a Workshop is for the presenter to provide information to City Council about an item or topic that they may be discussing at a future meeting. The less formal setting of a Workshop is intended to facilitate an interactive discussion among Councilmembers.

How can I provide my input about a topic on tonight's Workshop agenda?

Individuals wishing to provide input about Workshop topics can:

- 1. Send an email (addresses found here www.gjcity.org/city-government/) or call one or more members of City Council (970-244-1504);
 - 2. Provide information to the City Manager (citymanager@gjcity.org) for dissemination to the City Council. If your information is submitted prior to 3 p.m. on the date of the Workshop, copies will be provided to Council that evening. Information provided after 3 p.m. will be disseminated the next business day.
-

3. Attend a Regular Council Meeting (generally held the 1st and 3rd Wednesdays of each month at 6 p.m. at City Hall) and provide comments during “Citizen Comments.”



Grand Junction City Council

Workshop Session

Item #1.a.

Meeting Date: August 19, 2019

Presented By: Greg Caton, City Manager

Department: City Manager's Office

Submitted By: Tamra Allen, Community Development Department Director

Information

SUBJECT:

Impact Fees (Fire, Police, Municipal Facilities and Parks) and Water Plant Investment Fees

EXECUTIVE SUMMARY:

In July 2018, City Council provided direction to staff to conduct a nexus study on impact fees related to a variety of city capital improvements. In the Fall of 2018, the City contracted with TischlerBise a consultancy that conducts impact fee studies across the country. TischlerBise has provided a study for the maximum fee potential for impact fees related to Police, Fire, Municipal Facilities and Parks.

TischlerBise was also contracted to provide recommendations regarding the City's Water Plant Investment Fee. The consultant, Carson Bise, will be in attendance to present on these two studies and provide a summary of findings.

We have received a position letter from community groups and a study conducted for the Grand Junction Area Realtor Association. We have attached the letter and the study, but have not verified the information contained in this study.

BACKGROUND OR DETAILED INFORMATION:

Impact Fees

Impact fees are one-time payments for new development's proportionate share of the capital cost of infrastructure. TischlerBise, on behalf of the City, has drafted an impact fee study for fire, police, municipal facilities and parks and recreation pursuant to the State enabling legislation and consistent with Colorado Revised Statutes regarding the purpose and methodology related to calculation of impact fees. The study specifically

addresses the City of Grand Junction's Municipal Facilities, Fire, Police, and Parks & Recreation facilities.

Impact fees have limitations and should not be regarded as the total solution for infrastructure funding. Rather, they are one component of a comprehensive funding strategy to ensure provision of adequate public facilities. Impact fees may only be used for capital improvements or debt service for growth-related infrastructure. They may not be used for operations, maintenance, replacement of infrastructure, or correcting existing deficiencies.

The regional Grand Valley Metropolitan Planning Organization (GVMPO) completed an update to their 2002 Transportation Impact Fee study in Fall of 2018. The report was authored by Duncan and Associates and recommended a significant increase in transportation impact fees, known as Transportation Capacity Payments (TCP).

In July of 2018, the City Council directed staff to engage a separate consultant to conduct a nexus study for development impact fees for Fire, Police, Municipal Facilities and Parks. The City engaged the consultant TischlerBise in this effort and a report was completed in April 2019. The report found that a substantial fee could be assigned to growth's share of maintaining capacity in the capital facilities related to Fire, Police and Municipal Facilities. These are areas in which the City does not currently collect impact fees. The report also recommended a significant increase in the Parks Impact Fee which was last increased over 34 years ago. A separate memo also produced by TischlerBise also recommended substantial increases to the City's Water Plant Investment Fee, a fee that also had not been increased for approximately three decades.

The Fee Study provides the following supportable fee schedule:

Residential (Per Unit)

Type	Fire	Police	Parks and Recreation	Municipal Services	Maximum Supportable Fee	Current Fee	Difference
Single-Family	\$710	\$305	\$1,605	\$785	\$3,405	\$225	\$3,180
Multi-Family	\$467	\$200	\$1,055	\$516	\$2,238	\$225	\$2,013

Nonresidential (Per 1,000 square feet)

Type	Fire	Police	Parks and Recreation	Municipal Services	Maximum Supportable Fee	Current Fee	Difference
Retail/Commercial	\$489	\$206	\$0	\$471	\$1,167	\$0	\$1,167
Office/Institutional	\$191	\$81	\$0	\$598	\$870	\$0	\$870
Industrial	\$66	\$28	\$0	\$234	\$328	\$0	\$328
Warehousing	\$34	\$14	\$0	\$69	\$117	\$0	\$117

Originally, the TCP was proposed to be adopted first, followed by discussion regarding

the other impact fees, however concern was expressed during the Planning Commission's March 26, 2019 hearing that all the fees (TCP, Fire, Police, Municipal Facilities and Parks) and the TCP fees were withdrawn from hearing at the City Council's May 1, 2019 meeting.

Since that time, staff has been working with a variety of stakeholders including representatives from the Chamber of Commerce, Western Colorado Contractor's Association, Homebuilders of Western Colorado (HBA), Associated Members of Growth and Development (AMGD), and Grand Junction Area Realtors Association (GJARA) to identify an implementation program for the fees that would be mutually agreeable between all stakeholders.

The structure of the current discussions has resulted in the proposed following implementation schedule and methodology:

All Impact Fees (Fire, Police, Municipal Facilities, Parks & TCP)

1. Fee increases for Parks and TCP will begin January 1, 2020
2. New Fee Implementation (Fire, Police, Municipal Facilities) will begin January 1, 2020
3. The City will implement the full Parks, Fire, Police, Municipal Facilities fees over 3 years in equal annual increases. The City will implement the full TCP fee over three years in equal semi-annual increases.
4. For Single-Family (detached and attached) dwelling units, full fees will be collected at time of Planning Clearance.
5. For Multi-Family dwelling units, excluding those intended to be separate fee simple ownership (eg. Duplex, Townhomes, Condominiums), implement the full fee.
6. For Multi-family and Non-Residential the fee would be established at time of complete application submittal and would be valid so long the project commenced construction within two years from the date of application submittal.
7. For TCP fees, after 3 years the fee will increase annually by a 10-year rolling average of CDOT's Construction Cost Index
8. For all other fees, after 3 years the fee will increase annually by the Denver-Aurora-Lakewood Consumer Price Index.

9. The City will retain its Redevelopment Area boundary that provides for significant reduction in fees equivalent to 50% of the fee in the area, then dividing by the number of building floors.
10. Staff also recommends that payment of fees will no longer be considered for deferral.

Safety Improvements

1. Commencing January 1, 2021, development in which traffic warrants safety improvements (eg. Turn lane and deceleration lanes) for a development (as determined by a traffic study or similar methodology) will be required to make necessary safety improvements.
2. Should the safety improvements benefit future adjacent development, a cost reimbursement agreement may be executed on behalf of the developer for a period up to 15 years.

Water Plant Investment Fees

The City's existing water connection charge of \$1,000 for a ¾-inch meter (typical single-family dwelling unit) includes a Plant Investment Fee (PIF) of \$300 and a tap fee of \$700. The PIF is intended to recover a share of the capital cost of water system infrastructure, while the tap fee is intended to recover the labor and material cost of making the physical connection to the water main and providing the service line.

The current PIF was adopted in the early 1990s and has not been adjusted for inflation. In 2015, the City contracted with Raftelis Financial Consultants, Inc. to conduct a Water Utility Financial Planning Study. One of the objectives of the study was to update the PIF.

Raftelis used the "buy-in" method to update the plant investment fee. This method is based on the concept that existing customers, through rates and other assessments, have developed a valuable water system. A new customer must "buy-in" to this system by making a contribution equal to the amount of equity a similar existing customer has in the system. With system net equity estimated at \$69.9 million, Raftelis recommended that the City increase the water PIF to \$4,100 in 2016. However, the City decided not to adopt the recommended PIF.

Following a review of the Water PIF in 2019, TischlerBise recommended that the City

consider adopting the PIF calculation provided by Raftelis. Adjusted for inflation the FY2019 Water PIF would be \$4,480. Because the growth rate in the City Water Service Area has been relatively small, no future expansion of the water treatment facilities or distribution lines is currently planned, though an aggressive capital plan is in place to replace aging infrastructure. Estimated expenditures for capital improvement plans for the water system total close to \$50 million. The increased PIF could be used to help offset the future costs needed to rehabilitate the system.

The Fee Study supports the following Water Connection Fee Schedule, inclusive of PIF and tap fee, across all commonly used meter sizes as follows:

Meter Size	Maximum Supportable Water Connection Fee	Current Water Connection Fee
3/4 x 5/8	\$5,180	\$1,000
1	\$6,850	\$1,250
1.5	\$12,580	\$2,950
2	\$18,520	\$4,150
3	\$33,360	\$9,850
4	\$54,480	\$18,400
6	\$155,632	\$28,400

FISCAL IMPACT:

Currently the only impact fee the City charges is for Parks on residential development at \$225 per unit for a total estimated revenue of \$125,000 per year. At full implementation total annual revenue from Parks (\$874,000) , Fire (\$442,000), Police (\$190,000), and Facilities (\$524,000) is estimated at \$2 million per year.

The City's Water Enterprise Fund receives on average revenues of \$70,000 from Water Connection Fees representing about 40 new meter connections per year. At full implementation, the anticipated revenue is estimated at \$400,000 per year.

SUGGESTED ACTION:

For review and discussion.

Attachments

1. Grand Junction CO Dev Impact Fee Study 4.10.19
2. Grand Junction Water PIF Review
3. GJARA_DIF Comparative Analysis_8-6
4. Position letter on impact fees

5. City Council Presentation for 8-19-19 Workshop - Tischler Bise

2019 Impact Fee Study

Prepared for:

City of Grand Junction, Colorado

August 8, 2019

Prepared by:



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IMPACT FEE STUDY

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EXECUTIVE SUMMARY

Impact fees are one-time payments for new development's proportionate share of the capital cost of infrastructure. The following study addresses the City of Grand Junction's Municipal Facilities, Fire, Police, and Parks & Recreation facilities. Impact fees do have limitations and should not be regarded as the total solution for infrastructure funding. Rather, they are one component of a comprehensive funding strategy to ensure provision of adequate public facilities. Impact fees may only be used for capital improvements or debt service for growth-related infrastructure. They may not be used for operations, maintenance, replacement of infrastructure, or correcting existing deficiencies. Although Colorado is a "home-rule" state and home-rule municipalities were already collecting "impact fees" under their home-rule authority granted in the Colorado Constitution, the Colorado Legislature passed enabling legislation in 2001, as discussed further below.

Colorado Impact Fee Enabling Legislation

For local governments, the first step in evaluating funding options for facility improvements is to determine basic options and requirements established by state law. Some states have more conservative legal parameters that basically restrict local government to specifically authorized actions. In contrast, "home-rule" states grant local governments broader powers that may or may not be precluded or preempted by state statutes depending on the circumstances and on the state's particular laws. Home rule municipalities in Colorado have the authority to impose impact fees based on both their home rule power granted in the Colorado Constitution and the impact fee enabling legislation enacted in 2001 by the Colorado General Assembly.

Impact fees are one-time payments imposed on new development that must be used solely to fund growth-related capital projects, typically called "system improvements". An impact fee represents new growth's proportionate share of capital facility needs. In contrast to project-level improvements, impact fees fund infrastructure that will benefit multiple development projects, or even the entire service area, as long as there is a reasonable relationship between the new development and the need for the growth-related infrastructure.

According to Colorado Revised Statute Section 29-20-104.5, impact fees must be legislatively adopted at a level no greater than necessary to defray impacts generally applicable to a broad class of property. The purpose of impact fees is to defray capital costs directly related to proposed development. The statutes of other states allow impact fee schedules to include administrative costs related to impact fees and the preparation of capital improvement plans, but this is not specifically authorized in Colorado's statute. Impact fees do have limitations and should not be regarded as the total solution for infrastructure funding. Rather, they are one component of a comprehensive portfolio to ensure adequate provision of public facilities. Because system improvements are larger and costlier, they may require bond financing and/or funding from other revenue sources. To be funded by impact fees, Section 29-20-104.5 requires that the capital improvements must have a useful life of at least five years. By law, impact fees can only be used for

capital improvements, not operating or maintenance costs. Also, impact fees cannot be used to repair or correct existing deficiencies in existing infrastructure.

Additional Legal Guidelines

Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against regulatory takings. Land use regulations, development exactions, and impact fees are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest. In the case of impact fees, that interest is the protection of public health, safety, and welfare by ensuring development is not detrimental to the quality of essential public services. The means to this end is also important, requiring both procedural and substantive due process. The process followed to receive community input (i.e. stakeholder meetings, work sessions, and public hearings) provides opportunities for comments and refinements to the impact fees.

There is little federal case law specifically dealing with impact fees, although other rulings on other types of exactions (e.g., land dedication requirements) are relevant. In one of the most important exaction cases, the U. S. Supreme Court found that a government agency imposing exactions on development must demonstrate an “essential nexus” between the exaction and the interest being protected (see *Nollan v. California Coastal Commission*, 1987). In a more recent case (*Dolan v. City of Tigard*, OR, 1994), the Court ruled that an exaction also must be “roughly proportional” to the burden created by development.

There are three reasonable relationship requirements for impact fees that are closely related to “rational nexus” or “reasonable relationship” requirements enunciated by a number of state courts. Although the term “dual rational nexus” is often used to characterize the standard by which courts evaluate the validity of impact fees under the U.S. Constitution, TischlerBise prefers a more rigorous formulation that recognizes three elements: “need,” “benefit,” and “proportionality.” The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the U.S. Supreme Court in the *Dolan* case. Individual elements of the nexus standard are discussed further in the following paragraphs.

All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the capacity of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to cover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle likely applies to impact fees. In this study, the impact of development on infrastructure needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific facilities, based on applicable level-of-service standards.

The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the Dolan case and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate impact fees for various types of facilities and categories of development. The demand for facilities is measured in terms of relevant and measurable attributes of development (e.g. persons per household).

A sufficient benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. The calculation of impact fees should also assume that they will be expended in a timely manner and the facilities funded by the fees must serve the development paying the fees. However, nothing in the U.S. Constitution or the state enabling legislation requires that facilities funded with fee revenues be available exclusively to development paying the fees. In other words, benefit may extend to a general area including multiple real estate developments. Procedures for the earmarking and expenditure of fee revenues are discussed near the end of this study. All of these procedural as well as substantive issues are intended to ensure that new development benefits from the impact fees they are required to pay. The authority and procedures to implement impact fees is separate from and complementary to the authority to require improvements.

Proposed Maximum Supportable Impact Fee

The impact fees are based on the actual level of service for General Government, Police, Fire, and Parks & Recreation Facilities. The Parks & Recreation components includes improvements to parks, and recreational facilities. The Parks Impact Fee is only calculated for residential development while the fee for Municipal Facilities, Fire and Police are allocated to nonresidential development as well. A summary of methodologies used in the analysis is provided in Figure 1.

Figure 1. Summary of City of Grand Junction Impact Fees

<i>Fee Category</i>	<i>Service Area</i>	<i>Incremental Expansion</i>	<i>Plan-Based</i>	<i>Cost Recovery</i>	<i>Cost Allocation</i>
Fire	Citywide	Facilities, Apparatus	N/A	N/A	Population & Nonresidential Vehicle Trips
Police	Citywide	Facilities, Vehicles	N/A	N/A	Population & Nonresidential Vehicle Trips
Municipal Facilities	Citywide	Administrative Buildings	N/A	N/A	Population & Jobs
Parks and Recreation	201 Service Bdry	Amenities	N/A	N/A	Population

Maximum Supportable Impact Fees

Figure 2 provides a schedule of the maximum supportable impact fee for Municipal Services, Fire, Police, and Parks & Recreation. The fees represent the highest amount supportable for each type of residential

and nonresidential unit, which represents new growth's fair share of the cost for capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

Figure 2. Maximum Supportable Impact Fee

Residential (Per Unit)

Type	Fire	Police	Parks and Recreation	Municipal Services	Maximum Supportable Fee	Current Fee	Difference
Single-Family	\$710	\$305	\$1,605	\$785	\$3,405	\$225	\$3,180
Multi-Family	\$467	\$200	\$1,055	\$516	\$2,238	\$225	\$2,013

Nonresidential (Per 1,000 square feet)

Type	Fire	Police	Parks and Recreation	Municipal Services	Maximum Supportable Fee	Current Fee	Difference
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Office/Institutional	\$191	\$81	\$0	\$598	\$870	\$0	\$870
Industrial	\$66	\$28	\$0	\$234	\$328	\$0	\$328
Warehousing	\$34	\$14	\$0	\$69	\$117	\$0	\$117

GENERAL METHODS FOR IMPACT FEES

There are three general methods for calculating impact fees. The choice of a particular method depends primarily on the timing of infrastructure construction (past, concurrent, or future) and service characteristics of the facility type being addressed. Each method has advantages and disadvantages in a particular situation and can be used simultaneously for different cost components.

Reduced to its simplest terms, the process of calculating impact fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities within the designated service area. The following paragraphs discuss three basic methods for calculating impact fees and how those methods can be applied to City of Grand Junction.

Cost Recovery Method (past improvements)

The City of Grand Junction impact fees use the cost recovery method to address existing excess capacity provided at the Public Safety Building (police headquarters). The rationale for recoupment, or cost recovery, is that new development is paying for its share of the useful life and remaining capacity of facilities already built, or land already purchased, from which new growth will benefit. This methodology is often used for utility systems that must provide adequate capacity before new development can take place.

Incremental Expansion Method (concurrent improvements)

The City of Grand Junction impact fees use the incremental expansion method to document current level-of-service (LOS) standards for the infrastructure types included in the study, using both quantitative and qualitative measures. This approach assumes there are no existing infrastructure deficiencies or surplus capacity. New development is only paying its proportionate share for growth-related infrastructure. Revenue will be used to expand or provide additional facilities, as needed, to accommodate new development. An incremental expansion cost method is best suited for public facilities that will be expanded in regular increments to keep pace with development. The incremental expansion methodology is used for four infrastructure categories included in the study. This is a conservative approach, which limits the City's General Fund exposure. If a plan-based approach were utilized, reliance on long-range growth projections would be likely, which could force the City to spend more General Fund dollars to implement the plan if growth does not occur as projected.

Plan-Based Method (future improvements)

Although not used in City of Grand Junction, the plan-based method allocates costs for a specified set of improvements to a specified amount of development. Improvements are typically identified in a long-range facility plan and development potential is identified by a land use plan. There are two basic options for determining the cost per demand unit: 1) total cost of a public facility can be divided by total service units (average cost), or 2) the growth-share of the public facility cost can be divided by the net increase in service units over the planning timeframe (marginal cost).

Evaluation of Possible Credits

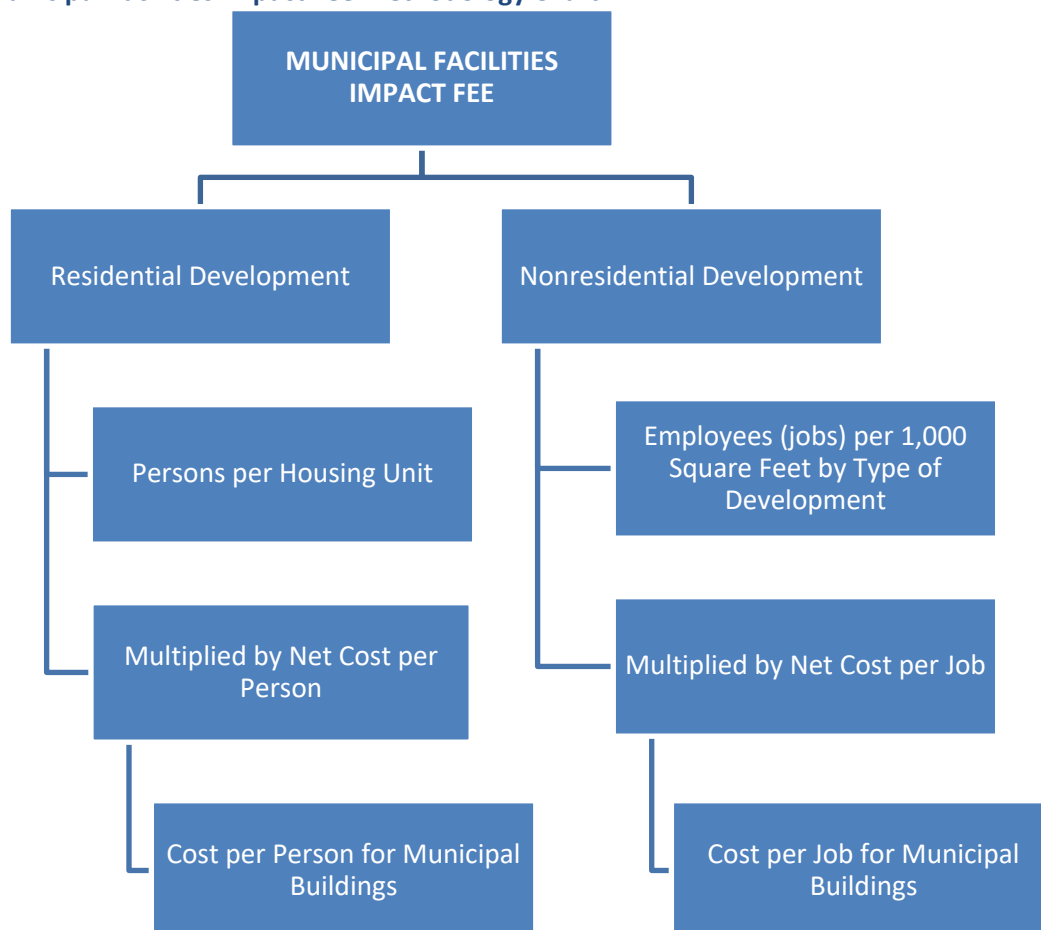
Regardless of the methodology, a consideration of “credits” is integral to the development of a legally defensible impact fee methodology. There are two types of “credits” with specific characteristics, both of which should be addressed in impact fee studies and ordinances. The first is a revenue credit due to possible double payment situations, which could occur when other revenues may contribute to the capital costs of infrastructure covered by the impact fee. This type of credit is integrated into the Fire impact fee calculation, thus reducing the fee amount. The second is a site-specific credit or developer reimbursement for construction of system improvements. This type of credit is addressed in the administration and implementation of the development impact fee program.

Please note, calculations throughout this report are based on an analysis conducted using MS Excel software. Results are discussed in the memo using one- and two-digit places (in most cases). Figures are typically either truncated or rounded. In some instances, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

MUNICIPAL FACILITIES DEVELOPMENT IMPACT FEE

The Municipal Facilities Impact Fee is calculated on a per capita basis for residential development and a per employee basis for nonresidential development. Figure M1 illustrates the methodology used to determine the development fee. It is intended to read like an outline, with lower levels providing a more detailed breakdown of the components. The residential portion is derived from the product of persons per housing unit (by type) multiplied by the net cost per person. The nonresidential portion is derived from the product of employees per 1,000 square feet of nonresidential space multiplied by the net cost per employee (job).

Figure M1. Municipal Facilities Impact Fee Methodology Chart



Municipal Facilities Proportionate Share Factors

Both residential and nonresidential developments increase the demand on Municipal Facilities infrastructure. To calculate the proportional share between residential and nonresidential demand on Municipal Facilities infrastructure, a functional population approach is used. The functional population approach allocates the cost of the facilities to residential and nonresidential development based on the activity of residents and workers in the City through the 24 hours in a day.

Residents that do not work are assigned 20 hours per day to residential development and four hours per day to nonresidential development (annualized averages). Residents that work in Grand Junction are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents that work outside Grand Junction are assigned 14 hours to residential development. Inflow commuters are assigned 10 hours to nonresidential development. Based on 2015 functional population data for Grand Junction, the cost allocation for residential development is 65 percent while nonresidential development accounts for 35 percent of the demand for municipal facilities, see Figure M2.

Figure M2. City of Grand Junction Functional Population

Demand Units in 2015		Demand Hours/Day	Person Hours	Proportionate Share
Residential				
Estimated Residents	60,588			
Residents Not Working	37,811	20	756,220	
Employed Residents	22,777			
Employed in Grand Junction	15,497	14	216,958	
Employed outside Grand Junction	7,280	14	101,920	
<i>Residential Subtotal</i>			1,075,098	65%
Nonresidential				
Non-working Residents	37,811	4	151,244	
Jobs in Grand Junction	42,565			
Residents Employed in Grand Junction	15,497	10	154,970	
Nonresident Workers (Inflow Commuters)	27,068	10	270,680	
<i>Nonresidential Subtotal</i>			576,894	35%
TOTAL			1,651,992	100%

Source: City of Grand Junction 2015 population estimate based on 2015 Census Estimate Data; U.S. Census Bureau OnTheMap 6.5 Web Application, 2015.

Municipal Facilities Level of Service and Capital Costs

The Municipal Facilities Impact Fee is based on six primary facilities serving the public, and their associated replacement costs. The use of existing standards means there are no existing infrastructure deficiencies. New development is only paying its proportionate share for growth-related infrastructure. The floor area has been provided by the City of Grand Junction staff.

The municipal buildings included in the impact fee calculation are listed in Figure M3. In total, there is 122,187 square feet of general government municipal floor area in the City.

The functional population split for the City of Grand Junction found in Figure M2 is used to allocate the square footage and corresponding replacement cost of Municipal Facilities infrastructure in Figure M3. Of the 122,187 square feet of applicable general government facilities, 65 percent is allocated to residential growth (79,518 square feet) and 35 percent (42,669 square feet) is allocated to nonresidential growth. The 2018 population or job totals divide the floor area allocations to find the residential and nonresidential level of service standard. For example, the residential level of service is 1.20 square feet per person (79,518 square feet 66,425 residents = 1.20 square feet per person).

To estimate the replacement cost of the facilities, the average cost of \$277 per square foot is used. As a result, the replacement cost of City Facilities is \$33,845,799. To find the cost per person, the level of service standards is applied to the average replacement cost. For example, the residential cost per person is \$331.60 (1.20 square feet person x \$277 per square foot = \$331.60 per person).

Figure M3. Municipal Facilities Level of Service and Cost Factors

Facility	Square Feet	Cost Per SF*	Replacement Cost
Transportation Engineering Office	3,600	\$277	\$997,200
Municipal Service Center	38,485	\$277	\$10,660,345
Municipal Operations Center	23,345	\$277	\$6,466,565
Field Engineering Building	3,234	\$277	\$895,818
Facilities Building	7,523	\$277	\$2,083,871
City Hall	46,000	\$277	\$12,742,000
TOTAL	122,187		\$33,845,799

Level-of-Service (LOS) Standards

Population in 2018	66,425
Employment in 2018	58,660
Residential Share	65%
Nonresidential Share	35%
LOS: Square Feet per Person	1.20
LOS: Square Feet per Job	0.73

Cost Analysis

Cost per Square Foot*	\$277.00
LOS: Square Feet per Person	1.20
Cost per Person	\$331.60
LOS: Square Feet per Job	0.73
Cost per Job	\$201.49

Source: City of Grand Junction; TischlerBise analysis

*2018 National Building Cost Manual

Projection of Growth-Related Municipal Facilities Facility Needs

To estimate the 10-year growth needs for Municipal Facilities infrastructure, the current level of service (1.20 square feet per person and 0.73 square feet per job) is applied to the residential and nonresidential growth projected for the City of Grand Junction. The City is projected to increase by 12,025 residents and 11,035 jobs over the next ten years (see Appendix A). Figure M4 indicates that the City will need to construct 22,422 square feet of additional space to maintain current levels of service for Municipal Facilities. By applying the average cost of a building (\$277 per square feet), the estimated growth-related cost for Municipal Facilities is approximately \$6.2 million.

Figure M4. 10-Year Municipal Facilities Infrastructure Needs to Accommodate Growth

Type of Infrastructure	Level of Service		Demand Unit	Unit Cost / Sq. Ft.
Municipal Facilities	Residential	1.20	per persons	\$277
	Nonresidential	0.73	per jobs	

Growth-Related Need for Municipal Facilities						
Year		Population	Jobs	Residential Square Feet	Nonresidential Square Feet	Total Square Feet
Base	2018	66,425	58,660	79,518	42,669	122,187
Year 1	2019	67,558	60,018	80,874	43,657	124,531
Year 2	2020	68,691	61,025	82,230	44,389	126,619
Year 3	2021	69,911	62,109	83,691	45,178	128,869
Year 4	2022	71,131	63,192	85,151	45,966	131,117
Year 5	2023	72,351	64,276	86,612	46,754	133,366
Year 6	2024	73,570	65,360	88,072	47,542	135,614
Year 7	2025	74,790	66,444	89,532	48,331	137,863
Year 8	2026	76,010	67,527	90,993	49,119	140,112
Year 9	2027	77,230	68,611	92,453	49,907	142,360
Year 10	2028	78,450	69,695	93,913	50,696	144,609
Ten-Year Increase		12,025	11,035	14,395	8,027	22,422
Projected Expenditure				\$3,987,432	\$2,223,462	\$6,210,894
Growth-Related Expenditure on Municipal Facilities						\$6,210,894

Maximum Supportable Municipal Facilities Impact Fee

Figure M5 shows the maximum supportable Municipal Facilities Impact Fee. Impact fees for Municipal Facilities are based on persons per housing unit for residential development and employees per 1,000 square feet for nonresidential development. For residential development, the total cost per person is multiplied by the persons per housing unit to calculate the proposed fee. For nonresidential development, the total cost per job is multiplied by the jobs per 1,000 square feet to calculate the proposed fee. The fees represent the highest amount supportable for each type of development, which represents new growth's fair share of the cost for capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

Figure M5. Maximum Supportable Municipal Facilities Impact Fee

Fee Component	Cost per Person	Cost per Job
Municipal Facilities Space	\$331.60	\$201.49

Residential (per unit)

Development Type	Persons per Housing Unit	Maximum Supportable Fee
Single Family	2.37	\$785
Multi-Family	1.56	\$516

Nonresidential

Type	ITE Code	Unit	Employees*	Maximum Supportable Fee
Retail/Commercial	820	1,000 SF	2.34	\$471
Office/Institutional	710	1,000 SF	2.97	\$598
Industrial	130	1,000 SF	1.16	\$234
Warehousing	150	1,000 SF	0.34	\$69

*Employment densities were calculated using data from the Institute of Transportation Engineers (ITE), Trip Generation Manual, 10th Edition.

Revenue from Municipal Facilities Impact Fee

Revenue from the Municipal Facilities Impact Fee is estimated in Figure M6. There is projected to be 4,744 new housing units and 4.7 million square feet of nonresidential space in Grand Junction by 2028. To determine the revenue from each development type, the fee is multiplied by the growth. Overall, the revenue from the impact fee covers 93 percent of the capital costs generated by projected growth in the City of Grand Junction.

Figure M6. Estimated Revenue from Municipal Facilities Impact Fee

	Total Cost	Growth Cost
Municipal Facilities	\$6,210,894	\$6,210,894
Total Expenditures	\$6,210,894	\$6,210,894

Projected Development Impact Fee Revenue

		Single-Family	Multi-Family	Commercial / Retail	Office/Inst.	Industrial
		\$785 per unit	\$516 per unit	\$471 per 1,000 Sq Ft	\$598 per 1,000 Sq Ft	\$234 per 1,000 Sq Ft
Year		Housing Units		KSF	KSF	KSF
Base	2018	22,279	6,655	11,094	14,499	6,645
Year 1	2019	22,656	6,767	11,396	14,754	6,668
Year 2	2020	23,032	6,880	11,538	14,964	6,745
Year 3	2021	23,395	6,988	11,690	15,191	6,828
Year 4	2022	23,757	7,096	11,843	15,417	6,911
Year 5	2023	24,120	7,205	11,996	15,644	6,995
Year 6	2024	24,482	7,313	12,148	15,871	7,078
Year 7	2025	24,845	7,421	12,301	16,097	7,161
Year 8	2026	25,207	7,529	12,453	16,324	7,244
Year 9	2027	25,570	7,638	12,606	16,551	7,328
Year 10	2028	25,932	7,746	12,759	16,777	7,411
Ten-Year Increase		3,653	1,091	1,664	2,279	766
Projected Revenue =>		\$2,867,795	\$563,074	\$784,765	\$1,363,580	\$179,046
Projected Revenue =>						\$5,758,259
Total Expenditures =>						\$6,210,894
General Fund's Share =>						\$452,635

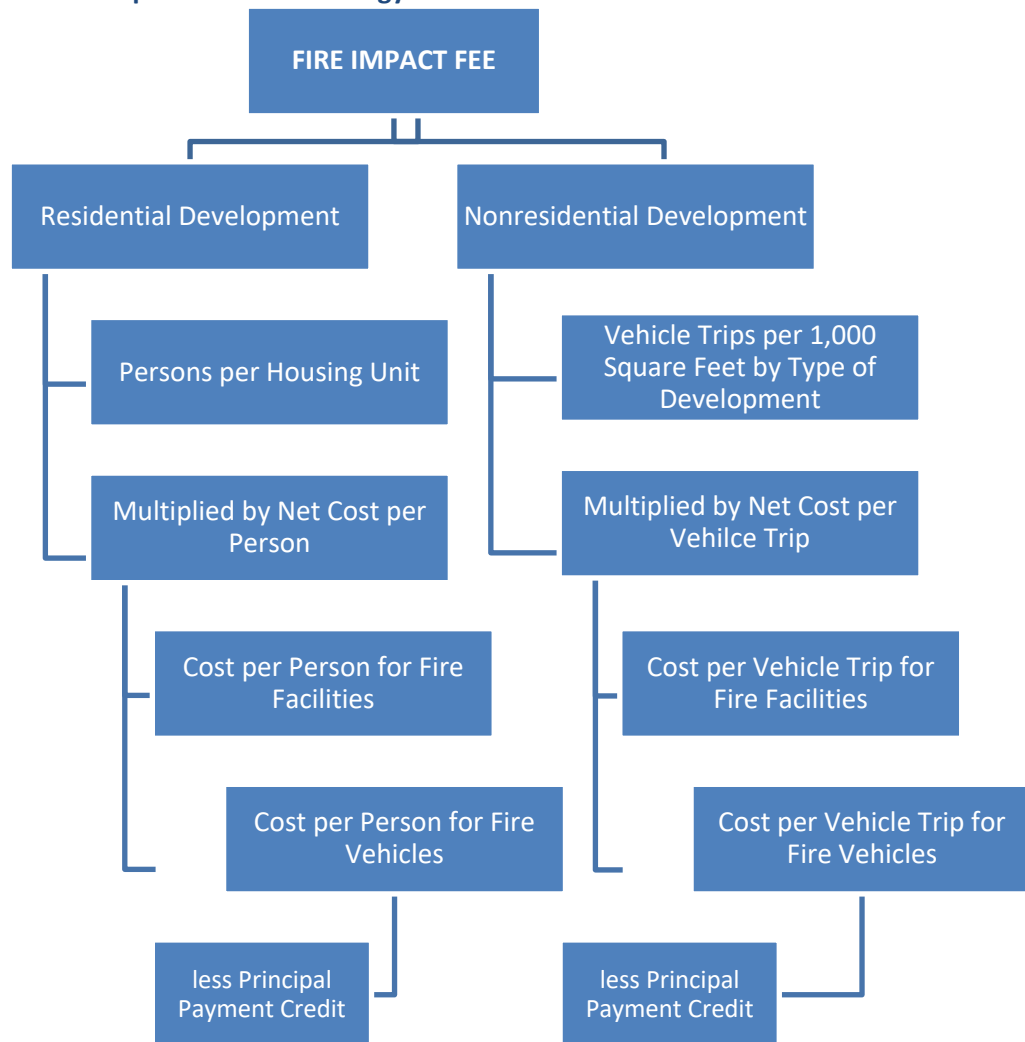
FIRE IMPACT FEE

The Fire Impact Fee is calculated on a per capita basis for residential development and a per vehicle trip basis for nonresidential development. Figure F1 illustrates the methodology used to determine the impact fee. It is intended to read like an outline, with lower levels providing a more detailed breakdown of the components. The residential portion is derived from the product of persons per housing unit (by type) multiplied by the net cost per person. The nonresidential portion is derived from the product of vehicle trips generated per 1,000 square feet of nonresidential space multiplied by the net cost per vehicle trip. There are two components to the Fire Facilities Impact Fee:

- Fire Facilities
- Fire Apparatus

The residential fire impact fees are calculated per housing unit. Because the Grand Junction Fire Department also provides emergency medical services and these calls represent the largest percentage of calls to which the Department responds, TischlerBise recommends using nonresidential vehicle trips as the best demand indicator for fire facilities and apparatus, as the trip rates will reflect the presence of people at nonresidential land uses. For example, vehicle trips are highest for commercial/retail developments, such as shopping centers, and lowest for industrial development. Office and institutional trip rates fall between the other two categories. This ranking of trip rates is consistent with the relative demand for fire and emergency medical services and facilities from nonresidential development. Other possible nonresidential demand indicators, such as employment or floor area, will not accurately reflect the demand for service. For example, if employees per thousand square feet were used as the demand indicator, fire impact fees would be too high for office and institutional development because offices typically have more employees per 1,000 square feet than retail uses.

Figure F1. Fire Facilities Impact Fee Methodology Chart



Fire Service Area

The Grand Junction Fire Department serves an area greater than the City of Grand Junction and the 201 Service Area Boundary. Because of this, that portion of the demand cannot be attributed to City residents and businesses or the impact fees will be disproportionate to demand. Therefore, we asked the Grand Junction Fire Department to conduct an analysis of calls for service inside and outside the City in order to determine the amount of activity directed toward residents and business inside the City limits. As shown in Figure F2, over the last two calendar years, the City of Grand Junction Fire Department has responded to slightly over 32,000 incidents. Of that total, 83 percent of the incidents were inside the City limits.

Figure F2. Fire and EMS Incident Data for Two-Year Period

<i>Location</i>	<i>Incidents</i>	<i>%</i>
Inside the City	26,536	83%
Incidents outside the City	5,534	17%
Total	32,070	100%

Source: Grand Junction Fire Department

Fire Proportionate Share Factors

Both residential and nonresidential developments increase the demand on Fire facilities and vehicles. To calculate the proportional share between residential and nonresidential demand on Fire facilities and vehicles, a functional population approach is used. The functional population approach allocates the cost of the facilities to residential and nonresidential development based on the activity of residents and workers in the City through the 24 hours in a day.

Residents that do not work are assigned 20 hours per day to residential development and four hours per day to nonresidential development (annualized averages). Residents that work in Grand Junction are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents that work outside Grand Junction are assigned 14 hours to residential development. Inflow commuters are assigned 10 hours to nonresidential development. Based on 2015 functional population data for Grand Junction, the cost allocation for residential development is 65 percent while nonresidential development accounts for 35 percent of the demand for Fire infrastructure, see Figure F3.

Figure F3. City of Grand Junction Functional Population

Demand Units in 2015		Demand Hours/Day	Person Hours	Proportionate Share
Residential				
Estimated Residents	60,588			
Residents Not Working	37,811	20	756,220	
Employed Residents	22,777			
Employed in Grand Junction	15,497	14	216,958	
Employed outside Grand Junction	7,280	14	101,920	
Residential Subtotal			1,075,098	65%
Nonresidential				
Non-working Residents	37,811	4	151,244	
Jobs in Grand Junction	42,565			
Residents Employed in Grand Junction	15,497	10	154,970	
Nonresident Workers (Inflow Commuters)	27,068	10	270,680	
Nonresidential Subtotal			576,894	35%
TOTAL			1,651,992	100%

Source: City of Grand Junction 2015 population estimate based on 2015 Census Estimate Data; U.S. Census Bureau OnTheMap 6.5 Web Application, 2015.

Fire Station Level of Service

The first component of the Fire Impact Fee is based on an inventory of existing Citywide facilities and replacement costs. The use of existing standards means there are no existing infrastructure deficiencies. New development is only paying its proportionate share for growth-related infrastructure. The floor area has been provided by the City of Grand Junction staff.

The Fire Department occupies 60,577 square feet in 7 facilities. To determine the level of service factors for the impact fee calculation, the amount of facility square footage (60,577) is multiplied by the percentage of activity directed inside the City limits (83%) and then by the functional population split for the City of Grand Junction (found in Figure F3) is used to allocate the square footage and corresponding replacement cost of the fire stations in Figure F4. For example, of the 60,577 square feet of fire space in the City, 50,279 square feet is directed toward City of Grand Junction (60,577 multiplied by 83%). Of this 50,279 impact fee eligible square footage, 32,721 square feet is allocated to residential growth and 17,558 square feet is allocated to nonresidential growth.

The allocated square feet of the Grand Junction fire stations are divided by the 2018 residential and nonresidential demand units (population and nonresidential vehicle trips). The result is the current level

of service for fire stations in the City. Specifically, there is 0.49 square feet of fire stations space per capita and 0.06 square feet per nonresidential vehicle trip.

To estimate the replacement cost of the fire stations, the average cost of \$450 per square foot is used. As a result, the total replacement cost for the 60,577 square feet of facilities is \$27,259,650. To find the cost per person or cost per nonresidential vehicle trip, the level of service standards is applied to the cost per square foot for fire stations. For example, the residential cost per person is \$253.92 (0.49 square feet per person x \$450 per square foot = \$221.67 per person).

Figure F4. Fire Station Level of Service and Cost Factors

<i>Station</i>	<i>Square Footage</i>	<i>Cost per Square Foot*</i>	<i>Replacement Cost</i>
Fire Administration Building	14,576	\$450.00	\$6,559,200
Fire Station No. 1	13,544	\$450.00	\$6,094,800
Fire Station No. 2	8,461	\$450.00	\$3,807,450
Fire Station No. 3	5,477	\$450.00	\$2,464,650
Fire Station No. 4	8,982	\$450.00	\$4,041,900
Fire Station No. 5 Training	1,916	\$450.00	\$862,200
Fire Station No. 5	7,621	\$450.00	\$3,429,450
TOTAL	60,577	\$450.00	\$27,259,650

Level-of-Service (LOS) Standards

Percentage of Activity in City of Grand Junction	83%
Population in 2018	66,425
Nonresidential Vehicle Trip Ends in 2018	271,362
Residential Share	65%
Nonresidential Share	35%
LOS: Sq. Ft. per Person	0.49
LOS: Sq. Ft. per Vehicle Trip End	0.06

Cost Analysis

Cost per Square Foot*	\$450
LOS: Square Feet per Person	0.49
Cost Per Person	\$221.67
LOS: Square Feet per Vehicle Trip End	0.06
Cost per Vehicle Trip End	\$29.12

**Source: City of Grand Junction*

Fire Apparatus Level of Service

The second component of the Fire impact fee involves the fire apparatus. The City's current inventory of apparatus is contained in Figure F5, which consists of 38 pieces with a total replacement value of \$12.2 million, or a weighted average cost of \$322,771 per piece of apparatus. Similar to the facilities component, the apparatus inventory is compared to the percentage of activity directed inside the City of Grand Junction, and then allocated based on the proportionate share factors shown in Figure F3. For example, of the 38 pieces of apparatus in the City, approximately 31.5 pieces of the inventory are directed toward City of Grand Junction (38 pieces of apparatus multiplied by 83%). Of the 31.5 pieces of impact fee eligible apparatus, approximately 20.5 pieces are allocated to residential growth and approximately 11 pieces are allocated to nonresidential growth. These allocations are divided by the demand units (population for residential development and nonresidential vehicle trips for nonresidential development) to calculate the current level of service. The current level of service is multiplied by the weighted average cost per fire apparatus to calculate the cost per capita and nonresidential vehicle trip.

For example, there is .00031 pieces of fire apparatus per person in Grand Junction ($20.5 \text{ apparatus} / 66,425 \text{ persons} = .00031 \text{ apparatus per person}$). As discussed above, a new piece of fire apparatus has an average cost of \$322,771, which results in the residential cost equaling \$99.72 per person ($.00031 \text{ vehicles per person} \times \$322,711 \text{ per apparatus} = \99.72 per person).

Figure F5. Fire Apparatus Inventory and Level of Service

Description	Model	# of Units	Unit Cost*	Replacement Cost
Truck	Smeal 100' Quint	1	\$1,253,000	\$1,253,000
Truck	Smeal 75' Quint	1	\$1,253,000	\$1,253,000
Engine	Smeal	4	\$714,000	\$2,856,000
Engine	E-One Pumper	2	\$714,000	\$1,428,000
Battalion	Dodge Ram	1	\$65,000	\$65,000
HazMat	BLM	1	\$300,000	\$300,000
Ambulance	Dodge/Ford/Chevy	8	\$322,000	\$2,576,000
Medic	Ford F150	1	\$75,000	\$75,000
Rescue	SVI Heavy Rescue Truck	1	\$1,000,000	\$1,000,000
Brush	HME	1	\$379,000	\$379,000
Brush	Ford F450	1	\$294,000	\$294,000
Tender	International Tender	1	\$350,000	\$350,000
UTV	Yamaha Rhino	2	\$18,000	\$36,000
ATV	Suzuki	2	\$12,000	\$24,000
Air Trailer	Air Trailer	1	\$40,000	\$40,000
Trailers	Various	4	\$10,000	\$40,000
Administrative	SUV	3	\$55,000	\$165,000
Administrative	Pick Ups	3	\$43,000	\$129,000
TOTAL		38	\$322,711	\$12,263,000

Level-of-Service (LOS) Standards

Percentage of Activity in City of Grand Junction	83%
Population in 2018	66,425
Nonresidential Vehicle Trip Ends in 2018	271,362
Residential Share	65%
Nonresidential Share	35%
LOS: Units per Person	0.00031
LOS: Units per Vehicle Trip End	0.00004

Cost Analysis

Average Cost per Unit	\$322,711
LOS: Units per Person	0.00031
Cost per Person	\$99.72
LOS: Units per Vehicle Trip End	0.00004
Cost per Vehicle Trip End	\$13.10

*Source: City of Grand Junction.

Projection of Growth-Related Fire Needs

To estimate the 10-year growth needs for Fire infrastructure, the current level of service (0.49 square feet per person and 0.06 square feet per nonresidential vehicle trip) is applied to the residential and nonresidential growth projected for the City of Grand Junction. The City is projected to increase by 12,025 residents and 40,643 nonresidential vehicle trips over the next ten years (see Appendix A). As shown in Figure F6, there is a projected need for 8,554 square feet of Fire station space in the City to accommodate the growth at the present level of service. By applying the average cost of a building (\$450 per square feet), the total projected expenditure to accommodate new development is estimated \$3.8 million.

Figure F6. 10-Year Fire Infrastructure Needs to Accommodate Growth

Level-of-Service		Demand Unit	Unit Cost
Residential	0.49	Square Feet	per Person
Nonresidential	0.06		per Trip End
			\$450

Growth-Related Need for Facilities						
Year		Population	Nonres. Vehicle Trips	Residential Sq. Ft.	Nonres. Sq. Ft.	Total
Base	2018	66,425	271,362	32,721	17,558	50,279
Year 1	2019	67,558	277,672	33,279	17,966	51,245
Year 2	2020	68,691	281,244	33,837	18,197	52,035
Year 3	2021	69,911	285,089	34,438	18,446	52,884
Year 4	2022	71,131	288,934	35,039	18,695	53,734
Year 5	2023	72,351	292,779	35,640	18,944	54,584
Year 6	2024	73,570	296,625	36,241	19,193	55,434
Year 7	2025	74,790	300,470	36,842	19,441	56,283
Year 8	2026	76,010	304,315	37,443	19,690	57,133
Year 9	2027	77,230	308,160	38,044	19,939	57,983
Year 10	2028	78,450	312,005	38,645	20,188	58,832
Ten-Year Increase		12,025	40,643	5,924	2,630	8,554
Growth-Related Expenditure				\$2,665,693	\$1,183,388	\$3,849,081

To estimate the 10-year growth needs for fire apparatus, the current level of service (.00031 apparatus per person and 0.00004 vehicles per nonresidential vehicle trip) is applied to the residential and nonresidential growth projected for the City of Grand Junction. The City is projected to increase by 12,025 residents and 40,643 nonresidential vehicle trips over the next ten years (see Appendix A). As shown in Figure F7, there is a projected need for approximately 5 additional growth-related pieces of apparatus. By applying the average cost of a vehicle (\$322,711), the total projected growth-related expenditure is estimated at approximately \$1.6 million.

Figure F7. 10-Year Fire Apparatus Needs to Accommodate Growth

Level-of-Service		Units	Demand Unit	Unit Cost
Residential	0.00031		per Person	\$322,711
Nonresidential	0.00004		per Trip End	

Growth-Related Need for Apparatus						
Year		Population	Nonres. Vehicle Trips	Residential Vehicles	Nonres. Vehicles	Total
Base	2018	66,425	271,362	21	11	32
Year 1	2019	67,558	277,672	21	11	32
Year 2	2020	68,691	281,244	21	11	33
Year 3	2021	69,911	285,089	22	12	33
Year 4	2022	71,131	288,934	22	12	34
Year 5	2023	72,351	292,779	22	12	34
Year 6	2024	73,570	296,625	23	12	35
Year 7	2025	74,790	300,470	23	12	35
Year 8	2026	76,010	304,315	23	12	36
Year 9	2027	77,230	308,160	24	13	36
Year 10	2028	78,450	312,005	24	13	37
Ten-Year Increase		12,025	40,643	4	2	5
Growth-Related Expenditure				\$1,290,842	\$645,421	\$1,613,553

Fire Debt Service Credit

The City of Grand Junction has existing debt obligations from past fire facility projects: Tax Revenue Bond Series 2010A and Tax Revenue Build America Bond Series 2010B. The proceeds from these bonds funded a number of fire facilities including Fire Station #1, #2 and the Fire Administration building for a total of \$7,100,000 of improvements, representing 20 percent of the 2010 Bonds. Figure F8 lists the remaining principal payment schedules for the bonds.

The total remaining annual principal payment schedule is distributed to the equivalent residential and nonresidential share, City's population and vehicle trip ends, to find the debt cost per attributed user. To account for the time value of money, annual payments are discounted using a net present value formula based on the applicable discount (7.1%) rate. This results in a credit of \$21.68 per person, and \$2.94 per nonresidential trip end.

Figure F8. Fire Debt Principal Payment Credit

Year	Principal Payment	Residential Share (65%)	Population	Debt Cost per Capita	Nonresidential Share (35%)	Nonres. Vehicle Trips	Debt Cost per Trip End
2019	\$165,000	\$107,250	67,558	\$1.59	\$57,750	277,672	\$0.21
2020	\$171,000	\$111,150	68,691	\$1.62	\$59,850	281,244	\$0.21
2021	\$177,000	\$115,050	69,911	\$1.65	\$61,950	285,089	\$0.22
2022	\$185,000	\$120,250	71,131	\$1.69	\$64,750	288,934	\$0.22
2023	\$193,000	\$125,450	72,351	\$1.73	\$67,550	292,779	\$0.23
2024	\$202,000	\$131,300	73,570	\$1.78	\$70,700	296,625	\$0.24
2025	\$211,000	\$137,150	74,790	\$1.83	\$73,850	300,470	\$0.25
2026	\$220,000	\$143,000	76,010	\$1.88	\$77,000	304,315	\$0.25
2027	\$230,000	\$149,500	77,230	\$1.94	\$80,500	308,160	\$0.26
2028	\$241,000	\$156,650	78,450	\$2.00	\$84,350	312,005	\$0.27
2029	\$252,000	\$163,800	79,862	\$2.05	\$88,200	316,292	\$0.28
2030	\$265,000	\$172,250	81,300	\$2.12	\$92,750	320,823	\$0.29
2031	\$278,000	\$180,700	82,763	\$2.18	\$97,300	325,436	\$0.30
2032	\$291,000	\$189,150	84,253	\$2.25	\$101,850	330,132	\$0.31
2033	\$306,000	\$198,900	85,769	\$2.32	\$107,100	334,912	\$0.32
2034	\$321,000	\$208,650	87,313	\$2.39	\$112,350	339,778	\$0.33
2035	\$337,000	\$219,050	88,885	\$2.46	\$117,950	344,732	\$0.34
2036	\$354,000	\$230,100	90,485	\$2.54	\$123,900	349,775	\$0.35
2037	\$372,000	\$241,800	92,113	\$2.63	\$130,200	354,909	\$0.37
2038	\$390,000	\$253,500	93,771	\$2.70	\$136,500	360,135	\$0.38
2039	\$409,000	\$265,850	95,459	\$2.78	\$143,150	365,456	\$0.39
2040	\$430,000	\$279,500	97,178	\$2.88	\$150,500	370,872	\$0.41
Total	\$6,000,000	\$3,900,000			\$2,100,000		

Discount Rate		7.1%		7.1%
Net Present Value		\$21.68		\$2.94

Maximum Supportable Fire Impact Fee

Figure F9 shows the maximum supportable Fire Impact Fee. Impact fees for Fire are based on persons per housing unit for residential development and vehicle trips per 1,000 square feet for nonresidential development. For residential development, the total cost per person is multiplied by the persons per housing unit to calculate the proposed fee. For nonresidential development, the total cost per vehicle trip is multiplied by the trips per 1,000 square feet, hotel room or other applicable factor to calculate the proposed fee.

The fees represent the highest amount supportable for each type of development, which represents new growth's fair share of the cost for capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

Figure F9. Maximum Supportable Fire Impact Fee

<i>Fee Component</i>	<i>Cost per Person</i>	<i>Cost per Vehicle Trip</i>
Facilities	\$221.67	\$29.12
Vehicles	\$99.72	\$13.10
Existing Principal Credit	(\$21.68)	(\$2.94)
NET COST PER DEMAND UNIT	\$299.71	\$39.28

Residential

<i>Housing Type</i>	<i>Persons per Housing Unit</i>	<i>Maximum Supportable Fee</i>
Single-Family	2.37	\$710
Multi-Family	1.56	\$467

Nonresidential

<i>Type</i>	<i>ITE Code</i>	<i>Unit</i>	<i>Average Daily Vehicle Trips*</i>	<i>Trip Adjustment Factor*</i>	<i>Maximum Supportable Fee</i>
Retail/Commercial	820	1,000 SF	37.75	33%	\$489
Office/Institutional	710	1,000 SF	9.74	50%	\$191
Industrial	130	1,000 SF	3.37	50%	\$66
Warehousing	150	1,000 SF	1.74	50%	\$34

*Institute of Transportation Engineers (ITE), Trip Generation Manual, 10th Edition, 2017

Revenue from Fire Impact Fee

Revenue from the Fire Impact Fee is estimated in Figure F10. There is projected to be 4,744 new housing units and 4.7 million square feet of new nonresidential development in Grand Junction by 2028. To find the revenue from each development type, the fee is multiplied by the growth. Overall, the revenue from the impact fee covers approximately 80 percent of the capital costs generated by projected growth in the City of Grand Junction.

Figure F10. Estimated Revenue from Fire Impact Fee

	Total Cost	Growth Cost
Facilities	\$3,849,081	\$3,849,081
Vehicles	\$1,613,553	\$1,613,553
Total Expenditures	\$5,462,634	\$5,462,634

Projected Fire and Rescue Impact Fee Revenue

		Single-Family	Multi-Family	Commercial/ Retail	Office/Instit.	Industrial
		\$710 per Unit	\$467 per Unit	\$489 per KSF	\$191 per KSF	\$66 per KSF
Year		Housing Units	Housing Units	KSF	KSF	KSF
Base	2018	22,279	6,655	11,094	14,499	6,645
1	2019	22,656	6,767	11,396	14,754	6,668
2	2020	23,032	6,880	11,538	14,964	6,745
3	2021	23,395	6,988	11,690	15,191	6,828
4	2022	23,757	7,096	11,843	15,417	6,911
5	2023	24,120	7,205	11,996	15,644	6,995
6	2024	24,482	7,313	12,148	15,871	7,078
7	2025	24,845	7,421	12,301	16,097	7,161
8	2026	25,207	7,529	12,453	16,324	7,244
9	2027	25,570	7,638	12,606	16,551	7,328
10	2028	25,932	7,746	12,759	16,777	7,411
10-year Increase		3,653	1,091	1,664	2,279	766
10-year Projected Revenue		\$2,593,395	\$509,224	\$814,447	\$435,874	\$50,701
Projected Revenue =>						\$4,403,640
Total Expenditures =>						\$5,462,634
General Fund's Share =>						\$1,058,994

POLICE IMPACT FEE

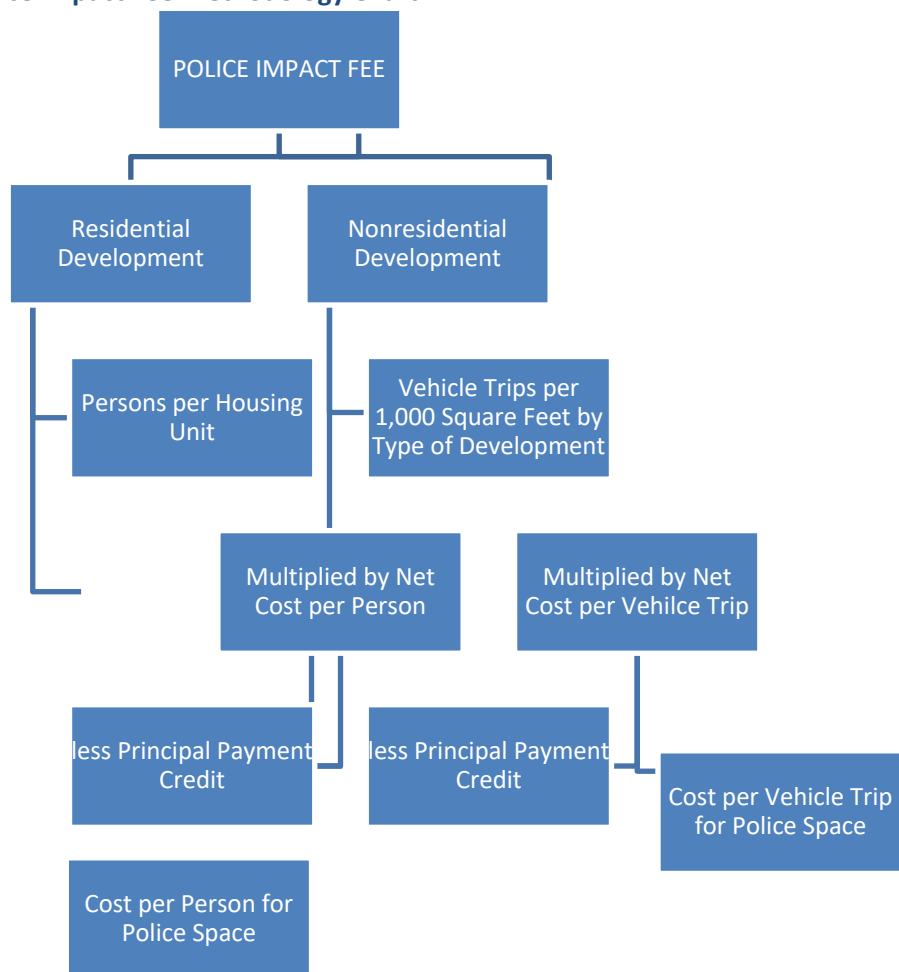
The Police Impact Fee is calculated on a per capita basis for residential development and a per vehicle trip basis for nonresidential development. Figure P1 illustrates the methodology used to determine the impact fee. It is intended to read like an outline, with lower levels providing a more detailed breakdown of the components. The residential portion is derived from the product of persons per housing unit (by type) multiplied by the net cost per person. The nonresidential portion is derived from the product of vehicle trips generated per 1,000 square feet of nonresidential space multiplied by the net cost per vehicle trip. There are two components to the Police Impact Fee:

- Police Station – Incremental Expansion

One of the key considerations when developing impact fees is the ability to establish the existing level of service. Further detail about current and future level of service is provided in following sections of the report. For the police station component, the cost recovery methodology is used to calculate the portion of the facility attributed to future growth so that new development pays only its fair share of the cost of existing excess capacity which was provided by the original overbuilding of the facilities. In consideration of any outstanding debt associated with facility construction, TischlerBise incorporates a residential level-of-service debt recovery calculation based on the final year of debt payment, 2040, and the correlating residential population and vehicle trips. Additional detail regarding the debt recovery is provided in following sections of the report.

The residential police impact fees are calculated per housing unit. TischlerBise recommends using nonresidential vehicle trips as the best demand indicator for police facilities. Trip generation rates are used for nonresidential development because vehicle trips are highest for commercial/retail developments, such as shopping centers, and lowest for industrial development. Office and institutional trip rates fall between the other two categories. This ranking of trip rates is consistent with the relative demand for police services and facilities from nonresidential development. Other possible nonresidential demand indicators, such as employment or floor area, will not accurately reflect the demand for service. For example, if employees per thousand square feet were used as the demand indicator, police impact fees would be too high for office and institutional development because offices typically have more employees per 1,000 square feet than retail uses.

Figure P1. Police Impact Fee Methodology Chart



Police Proportionate Share Factors

Both residential and nonresidential developments increase the demand on police facilities. To calculate the proportional share between residential and nonresidential demand on police facilities, a functional population approach is used. The functional population approach allocates the cost of the facilities to residential and nonresidential development based on the activity of residents and workers in the City through the 24 hours in a day.

Residents that do not work are assigned 20 hours per day to residential development and four hours per day to nonresidential development (annualized averages). Residents that work in Grand Junction are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents that work outside Grand Junction are assigned 14 hours to residential development. Inflow commuters are assigned 10 hours to nonresidential development. Based on 2015 functional population data for Grand

Junction, the cost allocation for residential development is 65 percent while nonresidential development accounts for 35 percent of the demand for police facilities, see Figure P2.

Figure P2. City of Grand Junction Functional Population

Demand Units in 2015		Demand Hours/Day	Person Hours	Proportionate Share
Residential				
Estimated Residents	60,588			
Residents Not Working	37,811	20	756,220	
Employed Residents	22,777			
Employed in Grand Junction	15,497	14	216,958	
Employed outside Grand Junction	7,280	14	101,920	
<i>Residential Subtotal</i>			1,075,098	65%
Nonresidential				
Non-working Residents	37,811	4	151,244	
Jobs in Grand Junction	42,565			
Residents Employed in Grand Junction	15,497	10	154,970	
Nonresident Workers (Inflow Commuters)	27,068	10	270,680	
<i>Nonresidential Subtotal</i>			576,894	35%
TOTAL			1,651,992	100%

Source: City of Grand Junction 2015 population estimate based on 2015 Census Estimate Data; U.S. Census Bureau OnTheMap 6.5 Web Application, 2015.

Police Station Level of Service

The first component of the Police Impact Fee is based on an inventory of existing citywide facilities and replacement costs. The use of existing standards means there are no existing infrastructure deficiencies. New development is only paying its proportionate share for growth-related infrastructure. The floor area has been provided by the City of Grand Junction staff.

The City of Grand Junction Police Department is housed in the Public Safety Building. The Police Department occupies 63,863 square feet. To determine the residential level of service, the current Police space square footage (63,863) is multiplied by the residential proportionate share factor (65%) and divided by the current population (66,425) for a level of service standard of 0.63 square feet per person. The nonresidential level of service standard of 0.08 square feet per nonresidential vehicle trip was determined by multiplying the current facility square footage (63,863) by the nonresidential proportionate share factor (35%) and divided by the current average daily nonresidential vehicle trips (271,362).

As shown in Figure P3, the estimated replacement cost is \$344.20 per square foot. I do know there was some concern about the fleet issue and our dire needs there. This cost is based on the estimated cost for construction of a future Police Annex prepared by the Blythe Group. When the residential (0.63 per person) and nonresidential (0.08 per vehicle trip) per square foot level of service standards are multiplied by the cost per square foot (\$344.20), the resulting cost per demand units are \$215.36 per person and \$28.29 per vehicle trip.

Figure P3. Police Station Level of Service and Cost Factors

<i>Facility Components</i>	<i>Square Footage</i>	<i>Cost per Square Foot*</i>	<i>Replacement Cost</i>
Police Station Building	63,863	\$344.20	\$14,317,814
TOTAL	63,863	\$344.20	\$14,317,814

*Source: City of Grand Junction

Level-of-Service (LOS) Standards

Population in 2018	66,425
Nonresidential Vehicle Trip Ends in 2018	271,362
Residential Share	65%
Nonresidential Share	35%
LOS: Square Feet per Person	0.63
LOS: Square Feet per Vehicle Trip End	0.08

Cost Analysis

Cost per Square Foot*	\$344.20
LOS: Square Feet per Person	0.63
Cost per Person	\$215.36
LOS: Square Feet per Vehicle Trip	0.08
Cost per Vehicle Trip	\$28.29

Projection of Growth-Related Police Facility Needs

To estimate the 10-year growth needs for Police space, the current level of service (.63 square feet per person and 0.08 square feet per nonresidential vehicle trip) is applied to the residential and nonresidential growth projected for the City of Grand Junction. The City is projected to increase by 12,025 residents and 40,643 nonresidential vehicle trips over the next ten years (see Appendix A). Listed in Figure P4, there is projected need for 10,864 square feet of growth-related Police space to accommodate new development in the City at the present level of service. By applying the average cost per square foot (\$344.20), the total projected growth-related building space expenditure is approximately \$3.7 million.

Figure P4. 10-Year Police Space Needs to Accommodate Growth

Level-of-Service				Demand Unit	Unit Cost
Residential	0.63	Square Feet		per Person	\$344
Nonresidential	0.08			per Trip End	

Growth-Related Need for Facilities						
Year		Population	Nonres. Vehicle Trips	Residential Sq. Ft.	Nonres. Sq. Ft.	Total
Base	2018	66,425	271,362	41,561	22,302	63,863
Year 1	2019	67,558	277,672	42,270	22,820	65,091
Year 2	2020	68,691	281,244	42,979	23,114	66,093
Year 3	2021	69,911	285,089	43,743	23,430	67,172
Year 4	2022	71,131	288,934	44,506	23,746	68,252
Year 5	2023	72,351	292,779	45,269	24,062	69,331
Year 6	2024	73,570	296,625	46,032	24,378	70,410
Year 7	2025	74,790	300,470	46,796	24,694	71,490
Year 8	2026	76,010	304,315	47,559	25,010	72,569
Year 9	2027	77,230	308,160	48,322	25,326	73,648
Year 10	2028	78,450	312,005	49,086	25,642	74,727
Ten-Year Increase		12,025	40,643	7,524	3,340	10,864
Growth-Related Expenditure				\$2,589,761	\$1,149,628	\$3,739,389

Police Debt Service Credit

The City of Grand Junction has existing debt obligations for the construction of the present Public Safety Building. The proceeds from these bonds funded a number of fire facilities including Fire Station #1, #2 and the Fire Administration building for a total of \$7,100,000 of improvements, representing 20 percent of the 2010 Bonds. Figure P5 lists the remaining principal payment schedule for the bonds, which is totals \$24 million.

The total remaining annual principal payment schedule is distributed to the equivalent residential and nonresidential share, City's population and vehicle trip ends, to find the debt cost per attributed user. To

account for the time value of money, annual payments are discounted using a net present value formula based on the applicable discount (7.1%) rate. This results in a credit of \$86.71 per person, and \$11.74 per nonresidential trip end.

Figure P5. Police Debt Principal Payment Credit

Year	Principal Payment	Residential Share (65%)	Population	Debt Cost per Capita	Nonresidential Share (35%)	Nonres. Vehicle Trips	Debt Cost per Trip End
2019	\$660,000	\$429,000	67,558	\$6.35	\$231,000	277,672	\$0.83
2020	\$684,000	\$444,600	68,691	\$6.47	\$239,400	281,244	\$0.85
2021	\$708,000	\$460,200	69,911	\$6.58	\$247,800	285,089	\$0.87
2022	\$740,000	\$481,000	71,131	\$6.76	\$259,000	288,934	\$0.90
2023	\$772,000	\$501,800	72,351	\$6.94	\$270,200	292,779	\$0.92
2024	\$808,000	\$525,200	73,570	\$7.14	\$282,800	296,625	\$0.95
2025	\$844,000	\$548,600	74,790	\$7.34	\$295,400	300,470	\$0.98
2026	\$880,000	\$572,000	76,010	\$7.53	\$308,000	304,315	\$1.01
2027	\$920,000	\$598,000	77,230	\$7.74	\$322,000	308,160	\$1.04
2028	\$964,000	\$626,600	78,450	\$7.99	\$337,400	312,005	\$1.08
2029	\$1,008,000	\$655,200	79,862	\$8.20	\$352,800	316,292	\$1.12
2030	\$1,060,000	\$689,000	81,300	\$8.47	\$371,000	320,823	\$1.16
2031	\$1,112,000	\$722,800	82,763	\$8.73	\$389,200	325,436	\$1.20
2032	\$1,164,000	\$756,600	84,253	\$8.98	\$407,400	330,132	\$1.23
2033	\$1,224,000	\$795,600	85,769	\$9.28	\$428,400	334,912	\$1.28
2034	\$1,284,000	\$834,600	87,313	\$9.56	\$449,400	339,778	\$1.32
2035	\$1,348,000	\$876,200	88,885	\$9.86	\$471,800	344,732	\$1.37
2036	\$1,416,000	\$920,400	90,485	\$10.17	\$495,600	349,775	\$1.42
2037	\$1,488,000	\$967,200	92,113	\$10.50	\$520,800	354,909	\$1.47
2038	\$1,560,000	\$1,014,000	93,771	\$10.81	\$546,000	360,135	\$1.52
2039	\$1,636,000	\$1,063,400	95,459	\$11.14	\$572,600	365,456	\$1.57
2040	\$1,720,000	\$1,118,000	97,178	\$11.50	\$602,000	370,872	\$1.62
Total	\$24,000,000	\$15,600,000			\$8,400,000		
Discount Rate				7.1%	7.1%		
Net Present Value				\$86.71	\$11.74		

Maximum Supportable Police Impact Fee

Figure P6 shows the maximum supportable Police Impact Fee. Impact fees for Police are based on persons per housing unit for residential development and vehicle trips per 1,000 square feet for nonresidential development. For residential development, the total cost per person is multiplied by the housing unit size to calculate the proposed fee. For nonresidential development, the total cost per vehicle trip is multiplied by the trips per 1,000 square feet to calculate the proposed fee.

The fees represent the highest amount supportable for each type of development, which represents new growth's fair share of the cost for capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

Figure P6. Maximum Supportable Police Impact Fee

<i>Fee Component</i>	<i>Cost per Person</i>	<i>Cost per Vehicle Trip</i>
Police Space	\$215.36	\$28.29
Existing Principal Credit	(\$86.71)	(\$11.74)
NET COST PER DEMAND UNIT	\$128.65	\$16.55

Residential

<i>Housing Type</i>	<i>Persons per Housing Unit</i>	<i>Maximum Supportable Fee</i>
Single-Family	2.37	\$305
Multi-Family	1.56	\$200

Nonresidential

<i>Type</i>	<i>ITE Code</i>	<i>Unit</i>	<i>Average Daily Vehicle Trips*</i>	<i>Trip Adjustment Factor*</i>	<i>Maximum Supportable Fee</i>
Retail/Commercial	820	1,000 SF	37.75	33%	\$206
Office/Institutional	710	1,000 SF	9.74	50%	\$81
Industrial	130	1,000 SF	3.37	50%	\$28
Warehousing	150	1,000 SF	1.74	50%	\$14

*Institute of Transportation Engineers (ITE), Trip Generation Manual, 10th Edition, 2017

Revenue from Police Impact Fee

Revenue from the Police Impact Fee is estimated in Figure P7. There is projected to be 4,744 new housing units and 4.7 million square feet of nonresidential development in Grand Junction by 2028. To find the revenue from each development type, the fee is multiplied by the growth for each land use. Overall, the projected revenue from the Police impact fee totals approximately \$1.6 million. Impact fee revenue is less than the projected expenditures due to the required debt credit.

Figure P7. Estimated Revenue from Police Impact Fee

	Growth Cost
Police Facilities	\$3,739,389
Total Expenditures	\$3,739,389

Projected Development Impact Fee Revenue

		Single-Family	Multi-Family	Commercial / Retail	Office/Instit.	Industrial
		\$305 per unit	\$200 per unit	\$81 per 1000 Sq Ft	\$81 per 1000 Sq Ft	\$28 per 1000 Sq Ft
Year		Housing Units	Housing Units	KSF	KSF	KSF
Base	2018	22,279	6,655	11,094	14,499	6,645
Year 1	2019	22,656	6,767	11,396	14,754	6,668
Year 2	2020	23,032	6,880	11,538	14,964	6,745
Year 3	2021	23,395	6,988	11,690	15,191	6,828
Year 4	2022	23,757	7,096	11,843	15,417	6,911
Year 5	2023	24,120	7,205	11,996	15,644	6,995
Year 6	2024	24,482	7,313	12,148	15,871	7,078
Year 7	2025	24,845	7,421	12,301	16,097	7,161
Year 8	2026	25,207	7,529	12,453	16,324	7,244
Year 9	2027	25,570	7,638	12,606	16,551	7,328
Year 10	2028	25,932	7,746	12,759	16,777	7,411
Ten-Year Increase		3,653	1,091	1,664	2,279	766
Projected Revenue =>		\$1,113,195	\$218,580	\$134,161	\$183,665	\$21,364
Projected Revenue =>					\$1,670,965	
Total Expenditures =>					\$3,739,389	
General Fund's Share =>					\$2,068,424	

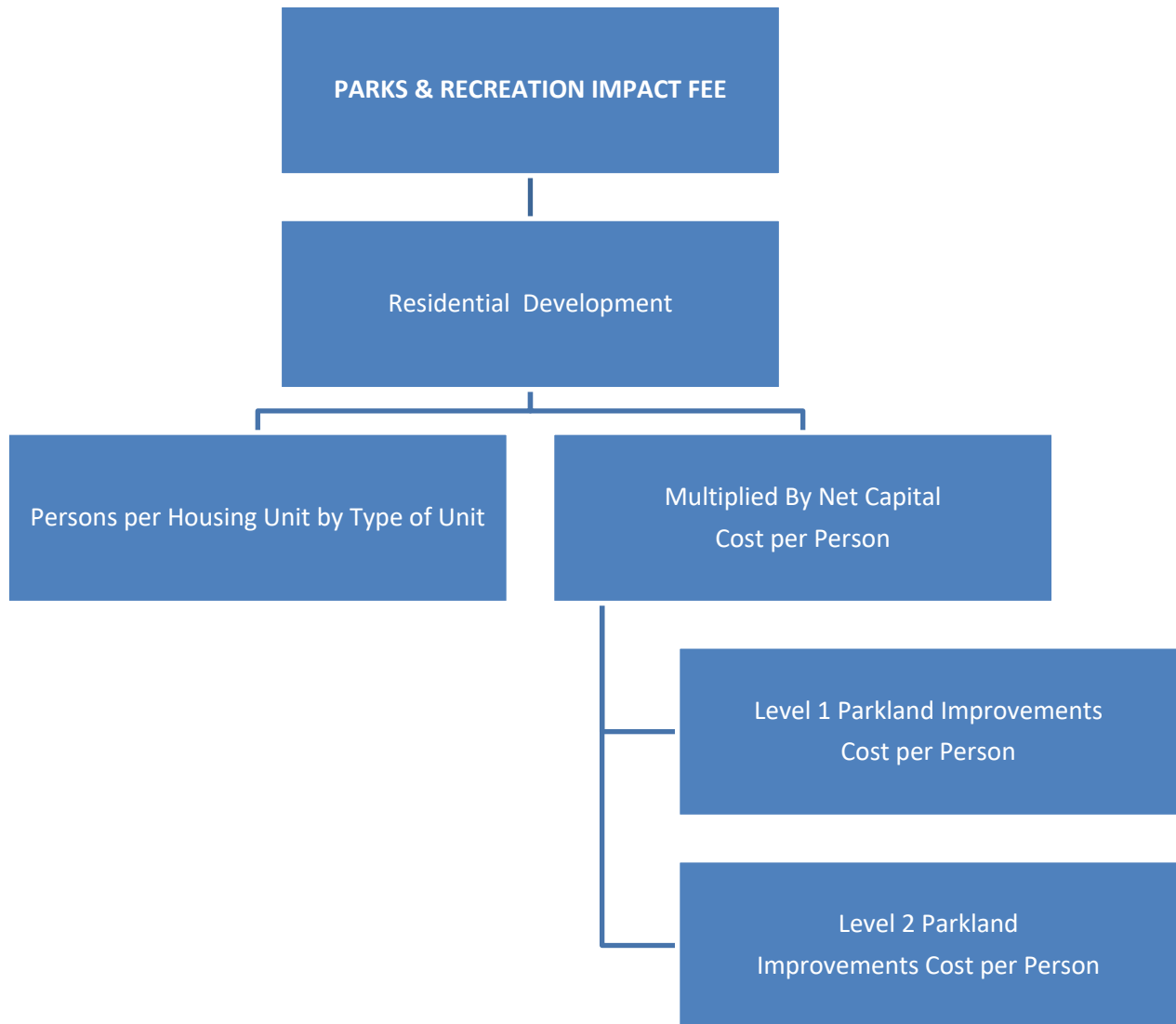
PARKS & RECREATION IMPACT FEE

The Parks & Recreation Impact Fee is based on the incremental expansion methodology. The impact fee methodology assumes the City will construct additional recreation improvements through the development of existing parks and banked park land to serve future growth to maintain current levels of service incrementally over time. The study includes only the replacement costs of improvements to park and recreational facilities, land acquisition is not included. However, the City will still maintain its current park land dedication requirement. Due to the recognition that Grand Junction Parks provide services to the larger population residing throughout the broader 201 Sewer Service Boundary, recreation capital improvements are allocated 100 percent to residential development within this area to establish the current level of service. No revenue credit is necessary to avoid double payments as there is no current debt obligations for the park improvements included in the impact fee calculations. There are two components to the Parks and Recreation Impact Fee:

- Level 1 Parkland Improvements
- Level 2 Parkland Improvements

Figure PR1 diagrams the general methodology used to calculate the Parks & Recreation impact fee. It is intended to read like an outline, with lower levels providing a more detailed breakdown of the impact fee components. The Parks and Recreation impact fee is derived from the product of persons per housing unit (by type of unit) multiplied by the net capital cost per person. The boxes in the next level down indicate detail on the components included in the fee.

Figure PR1. Parks & Recreation Impact Fee Methodology



Parks & Recreation Level of Service and Cost Factors

The Parks & Recreation Impact Fee is based on an inventory of existing developed City parks and current values of recreation improvements. The impact fee does not include a land purchase component as it is assumed the Parks and Recreation Department's focus over the next 5-10 years will be the buildout of existing park land. However, as mentioned previously, the City will still maintain its current park land dedication requirement. Improvement costs have been provided by the City of Grand Junction staff, referencing the *2011 City of Grand Junction Park Inventory and Future Needs Assessment* report, (updated in 2017). The use of existing standards means there are no existing infrastructure deficiencies. New development is only paying its proportionate share for growth-related infrastructure.

Discussions with City staff indicate the City's park system essentially serves residents who reside within the 201 Sewer Service Boundary. For purposes of determining level of service standards, this population base will be referred to as the "park population," which is larger than the existing population base of the City.

Current Inventory of Parkland and Improvements

Figure PR2 and PR3 lists the current inventory of parkland owned by the City of Grand Junction. For the purpose of this study, City staff allocated parks into one of two categories, Level-1 and Level-2 facilities. Figures PR2 and PR3 also indicate the total amount of Level-1 and Level-2 park acreage compared to the amount that is actually developed.

Level-1 parks are those improved with Phase-1 infrastructure, consisting of adequate soil preparation, irrigation systems, sewer and electrical services along with turf and tree plantings. Based on the development cost identified in the *Parks Inventory and Future Needs Assessment Report*, Phase-1 park improvements average \$112,500 per acre.

Level-2 parks are categorized as parks with Phase-II improvements, typically including a wide range of amenities including; restroom facilities, playgrounds, shelters and walking paths. Special features in these parks can include, but are not limited to; swimming pools, tennis courts, sports fields, disk golf, skate parks and many other like features.

The *Parks Inventory and Future Needs Assessment Report* estimates Phase-2 park improvements to average \$80,000 per acre (plus the cost of Level-1 improvements), for a total of \$192,500 per acre. In total, there are seven Level-1 parks with an improved value of \$812,250, and 29 Level-2 parks with a total improved value of \$56.7 million.

Parkland Improvements Level of Service

To calculate the current level of service, the existing developed parkland acreage, (10.32 for Level-1 parks and 357.54 for Level-2 parks) is divided by the current park population (103,224). This results in level of service standards of 0.0001 acres of developed Level-1 parkland per person and 0.0035 acres of developed Level-2 parkland per person.

The parkland improvements cost per acre (\$112,500 Level-1 and \$192,500 Level-2) is then utilized to generate a cost per person factor which is calculated by applying the level of service factor to the total development cost per acre. As shown in Figure PR2, Level-1 parkland improvements of 0.0001 acres per person x \$112,500 per acres = \$11.25 per person. Similarly, Figure PR3 displays the breakdown for Level-2 parkland in the City, which results in park development cost of \$666.76 per person.

Figure PR2. Level 1 Parkland Level of Service

Park	Park Type	Total Acreage	Developed Acreage	Improved Value
Autumn Ridge Park	Neighborhood/Mini Park	1.5	1.5	\$168,750
Hidden Valley Park	Neighborhood/Mini Park	7	1	\$112,500
Hillcrest Park	Neighborhood/Mini Park	0.23	0.23	\$25,875
Lilac Park	Undeveloped/Open Space	1.7	1.7	\$191,250
Ridges Tot Lot Park	Neighborhood/Mini Park	1.8	1.8	\$201,375
Shadow Lake Park	Neighborhood/Mini Park	5.7	1	\$112,500
Spring Valley Park	Neighborhood/Mini Park	3.1	3.1	\$348,750
TOTAL		21.02	10.32	\$1,161,000

Level-of-Service (LOS) Standards

Developed Acreage	10.32
Park Population in 2018 (includes 201 Boundary)	103,224
LOS: Improved Acres per Person	0.0001

Cost Analysis

Improvement Value per Acre*	\$112,500
LOS: Improved Acres per Person	0.0001
Cost per Person	\$11.25

*Source: City of Grand Junction

Figure PR3. Level 2 Parkland Level of Service

Park	Park Type	Total Acreage	Developed Acreage	Improved Value
Canyon View Park	Community/Regional Park	114.2	114.2	\$21,983,500
Columbine Park	Community/Regional Park	12	12	\$2,310,000
Cottonwood Meadows Park	Neighborhood/Mini Park	0.8	0.8	\$154,000
Darla Jean Park	Neighborhood/Mini Park	2.2	2.2	\$423,500
Duck Pond Orchard Mesa Park	Neighborhood/Mini Park	4.4	4.4	\$847,000
Duck Pond Park - Ridges	Neighborhood/Mini Park	2.82	2.82	\$542,850
Eagle Rim Park	Neighborhood/Mini Park	12	12	\$2,310,000
Emerson Park	Neighborhood/Mini Park	2.52	2.52	\$485,100
Hawthorne Park	Neighborhood/Mini Park	3.5	3.5	\$673,750
Honeycomb Park	Neighborhood/Mini Park	3.5	3.5	\$673,750
Las Colonias Park	Community/Regional Park	140	115	\$10,060,000
Lincoln Park	Community/Regional Park	42	42	\$8,085,000
Pineridge Park	Neighborhood/Mini Park	15.7	3	\$577,500
Paradise Hills Park	Neighborhood/Mini Park	5.57	2.78	\$535,150
Rocket Park	Neighborhood/Mini Park	2.7	2.7	\$519,750
Riverside Park	Neighborhood/Mini Park	1.5	1.5	\$288,750
Sherwood Park	Neighborhood/Mini Park	13.87	13.87	\$2,669,975
Spring Valley II Park	Neighborhood/Mini Park	2.52	2.52	\$485,100
Washington Park	Neighborhood/Mini Park	3	3	\$577,500
Whitman Park	Neighborhood/Mini Park	2.5	2.5	\$481,250
Williams Park	Neighborhood/Mini Park	0.37	0.37	\$71,225
Westlake Park	Neighborhood/Mini Park	10	5.5	\$1,058,750
Wingate Park	Neighborhood/Mini Park	4.86	4.86	\$935,550
Burkey Park North	Undeveloped/Open Space	18.37	0	\$0
Burkey Park South	Undeveloped/Open Space	9.61	0	\$0
Flint Ridge	Undeveloped/Open Space	3.3	0	\$0
Horizon Park	Undeveloped/Open Space	12.65	0	\$0
Matchett Park	Undeveloped/Open Space	205.52	0	\$0
Saccomanno Park	Undeveloped/Open Space	30.73	0	\$0
TOTAL		682.71	357.54	\$56,748,950

Level-of-Service (LOS) Standards

Developed Acreage	357.54
Park Population in 2018 (includes 201 Boundary)	103,224
LOS: Improved Acres per Person	0.0035

Cost Analysis

Improvement Value per Acre*	\$192,500
LOS: Improved Acres per Person	0.0035
Cost per Person	\$666.76

*Source: City of Grand Junction

Projection of Growth-Related Park Improvement Needs

To estimate the 10-year growth needs for Level 1 park improvements, the current level of service (0.0001 acres person) is applied to the projected park population growth. The 201 Sewer Service area is projected to increase by 18,688 residents over the next ten years (see Appendix A). As shown in Figure PR4, it is projected that the City will need to develop 1.3 acres of Level 1 park land to accommodate the needs generated by new development. By applying the average development cost for Level 1 parks (\$112,500 per acre), the estimated growth-related expenditure is approximately \$210,000.

Figure PR4. 10-Year Level 1 Park Improvement Needs to Accommodate Growth

Type	Level of Service	Demand Unit	Unit Cost / Acre
Level 1 Park Improvements	0.0001 Acres	per person	\$112,500

Growth-Related Need for Level 1 Park Improvements			
Year		Population	Improved Acres
Base	2018	103,224	10.32
Year 1	2019	104,985	10.50
Year 2	2020	106,746	10.67
Year 3	2021	108,642	10.86
Year 4	2022	110,538	11.05
Year 5	2023	112,434	11.24
Year 6	2024	114,329	11.43
Year 7	2025	116,225	11.62
Year 8	2026	118,121	11.81
Year 9	2027	120,016	12.00
Year 10	2028	121,912	12.19
Ten-Year Increase		18,688	1.87
Projected Expenditure			\$210,375

Growth-Related Expenditure on Level 1 Park Improvements	\$210,375
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To estimate the 10-year growth needs for Level 2 park improvements, the current level of service (0.0035 acres person respectively for Level-2 improvements) is applied to the projected park population growth. The 201 Sewer Service area is projected to increase by 18,688 residents over the next ten years (see Appendix A). As shown in Figure PR5, it is projected that the City will need to develop 65 acres of Level 2 park land to accommodate the needs generated by new development. By applying the average development cost for Level 2 parks (\$192,500 per acre), the estimated growth-related expenditure is approximately \$12.5 million.

Figure PR5. 10-Year Level 2 Park Improvement Needs to Accommodate Growth

Type	Level of Service	Demand Unit	Unit Cost / Acre
Level 2 Park Improvements	0.0035 Acres	per 1,000 persons	\$192,500

Growth-Related Need for Level 2 Park Improvements			
Year		Population	Improved Acres
Base	2018	103,224	357.54
Year 1	2019	104,985	363.64
Year 2	2020	106,746	369.74
Year 3	2021	108,642	376.31
Year 4	2022	110,538	382.87
Year 5	2023	112,434	389.44
Year 6	2024	114,329	396.00
Year 7	2025	116,225	402.57
Year 8	2026	118,121	409.14
Year 9	2027	120,016	415.70
Year 10	2028	121,912	422.27
Ten-Year Increase		18,688	65
Projected Expenditure			\$12,512,500

Growth-Related Expenditure Level 2 Park Improvements	\$12,512,500
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Parks & Recreation Impact Fee

Figure PR6 shows the cost factors for each component of the City of Grand Junction's Parks and Recreation Impact Fee. Impact fees for parks and recreation are based on persons per housing unit and are only assessed against residential development. The fees for park improvements are calculated per person, so by multiplying the total cost per person by the housing unit size calculates the maximum supportable fee.

The fees represent the highest amount supportable for each type of housing unit, which represents new growth's fair share of the cost for capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

Figure PR6. Maximum Supportable Park & Recreation Impact Fee

Fee Component	Cost per Person
Level 1 Parkland Improvements	\$11.25
Level 2 Parkland Improvements	\$666.76
COST PER DEMAND UNIT	\$678.01

Type	Persons per Housing Unit	Maximum Supportable Fee	Current Fee	Increase / (Decrease)
Single-Family	2.37	\$1,605	\$225	\$1,380
Multi-Family	1.56	\$1,055	\$225	\$830

Revenue from Parks & Recreation Impact Fee

Revenue from the City's Parks & Recreation Impact Fee is estimated in Figure PR7. Demand for park improvements is driven by both City residents and current/future residents within the 201 Sewer Service Boundary. Therefore, it is difficult to estimate impact fee revenue for parks and recreation because it is not known when (and if) the projected housing units in the 201 Sewer Service Boundary will be annexed into the City of Grand Junction prior to their construction (which is the time the impact fee is paid). Therefore, the impact fee revenue projection is based on projected units in the City of Grand Junction over the next ten years. By multiplying the projected residential growth in the City by the impact fee amounts, we estimate projected impact fee revenue of approximately \$7.0 million. Projected expenditures total \$12.7 million.

Figure PR7. Estimated Revenue from Parks & Recreation Impact Fee

	Growth Cost
Level 1 Parkland Improvements	\$210,375
Level 2 Parkland Improvements	\$12,512,500
Total Expenditures	\$12,722,875

Projected Development Impact Fee Revenue

		Single-Family	Multi-Family
		\$1,605 per unit	\$1,055 per unit
Year		Housing Units	Housing Units
Base	2018	22,279	6,655
Year 1	2019	22,656	6,767
Year 2	2020	23,032	6,880
Year 3	2021	23,395	6,988
Year 4	2022	23,757	7,096
Year 5	2023	24,120	7,205
Year 6	2024	24,482	7,313
Year 7	2025	24,845	7,421
Year 8	2026	25,207	7,529
Year 9	2027	25,570	7,638
Year 10	2028	25,932	7,746
Ten-Year Increase		3,653	1,091
Projected Revenue =>		\$5,863,453	\$1,151,246
Projected Revenue =>			\$7,014,699
Total Expenditures =>			\$12,722,875
General Fund's Share =>			\$5,708,176

IMPLEMENTATION AND ADMINISTRATION

Impact fees should be periodically evaluated and updated to reflect recent data. City of Grand Junction will continue to adjust for inflation. If cost estimates or demand indicators change significantly, the City should redo the fee calculations.

Colorado's enabling legislation allows local governments to "waive an impact fee or other similar development charge on the development of low or moderate income housing, or affordable employee housing, as defined by the local government."

Credits and Reimbursements

A general requirement that is common to development impact fee methodologies is the evaluation of credits. A revenue credit may be necessary to avoid potential double payment situations arising from one-time development impact fees plus on-going payment of other revenues that may also fund growth-related capital improvements. The determination of revenue credits is dependent upon the development impact fee methodology used in the cost analysis and local government policies.

Policies and procedures related to site-specific credits should be addressed in the resolution or ordinance that establishes the development impact fees. Project-level improvements, required as part of the development approval process, are not eligible for credits against development impact fees. If a developer constructs a system improvement included in the fee calculations, it will be necessary to either reimburse the developer or provide a credit against the fees due from that particular development. The latter option is more difficult to administer because it creates unique fees for specific geographic areas.

Service Area

A development impact fee service area is a region in which a defined set of improvements provide benefit to an identifiable amount of new development. Within a service area, all new development of a type (single-family, commercial, etc.) is assessed at the same development impact fee rate. Land use assumptions and development impact fees are each defined in terms of this geography, so that capital facility demand, projects needed to meet that demand, and capital facility cost are all quantified in the same terms. Development impact fee revenue collected within a service area is required to be spent within that service area.

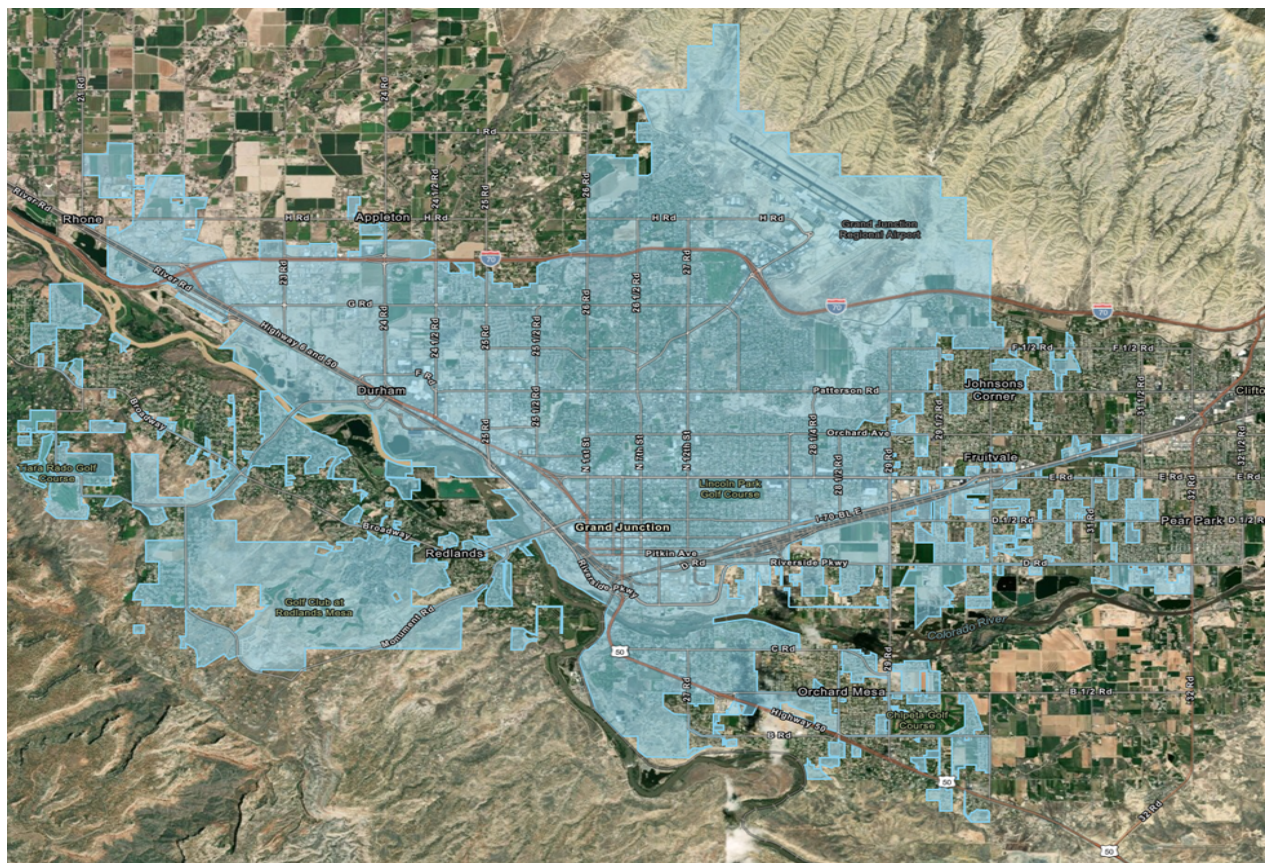
Implementation of a large number of small service areas is problematic. Administration is complicated and, because funds collected within the service area must be spent within that area multiple service areas may make it impossible to accumulate sufficient revenue to fund any projects within the time allowed.

As part of our analysis of the City and the type of facilities and improvements included in the development impact fee calculation, TischlerBise has determined that a citywide service area is appropriate for the City of Grand Junction for all impact fees with the exception of parks and recreation, which includes the 201 Service Area Boundary.

Overview

Impact fees are based on the need for growth-related capital improvements, and they must be proportionate by type of land use. The demographic data and development projections are used to demonstrate proportionality and to anticipate the need for future infrastructure. Demographic data reported by the U.S. Census Bureau, and data provided by Grand Junction and Mesa County Regional Transportation Planning Organization (RTPO) staff, are used to calculate base year estimates and annual *projections* for a 10-year horizon. Impact fee studies typically look out five to ten years, with the expectation that fees will be updated every three to five years.

Figure A1: Grand Junction Municipal Boundary



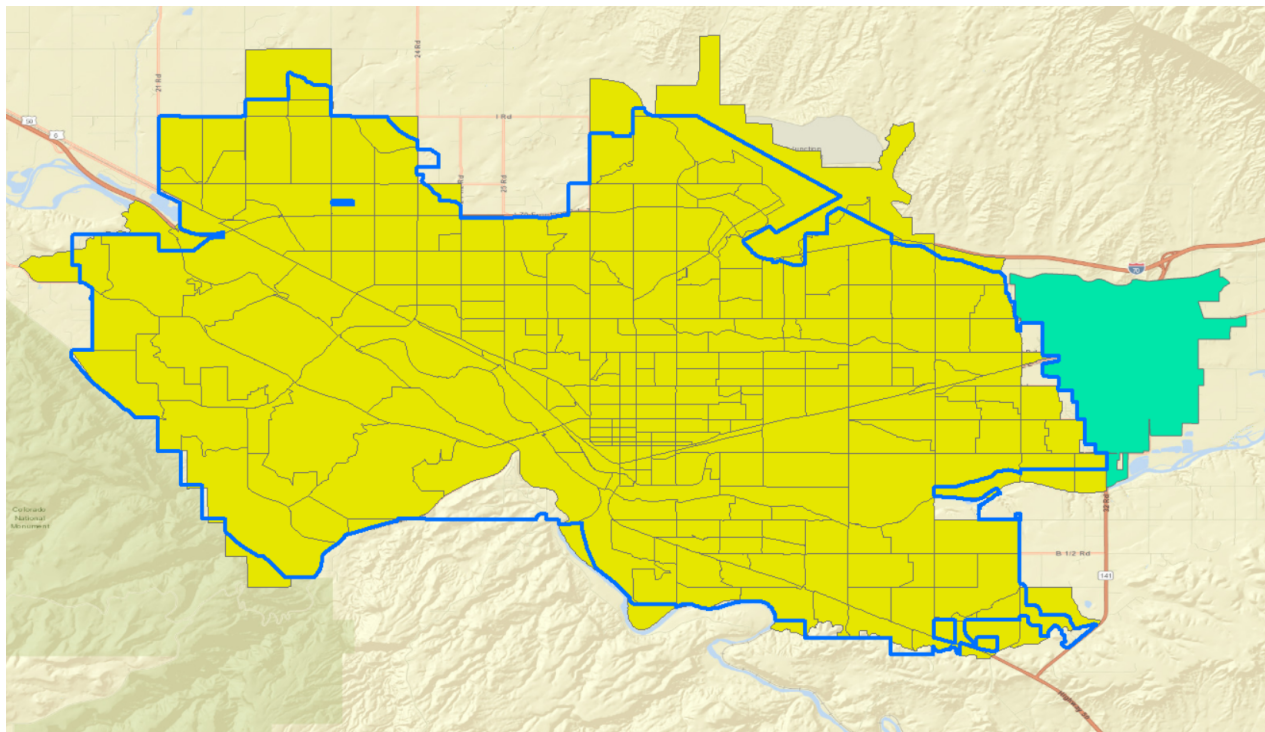
Residential Development

Current estimates and future projections of residential development are detailed in this section, including population and housing units by type (e.g., single-family versus multi-family units).

Population and Housing Units

Due to differing development patterns both in and outside of City limits, TischlerBise reviewed base year population and housing unit estimates for the City of Grand Junction and specific TAZ boundaries from the Transportation Master Plan which are also associated with the 201 Sewer Service Area Boundary. The task at hand is to provide baseline population and housing unit estimates for those areas of the 201 Sewer Service Area Boundary which can reasonably be expected to be annexed into the City of Grand Junction over the next ten years. Figure A2 depicts the 201 Sewer Service Area Boundary (light blue line) and TAZ areas (yellow) incorporated into the study population and housing estimates.

Figure A2: Map of 201 Sewer Service Boundary and TAZ Areas



Persons per Housing Unit

In 2010 the U.S. Census Bureau transitioned from the traditional long-form questionnaire to the American Community Survey (ACS), which is less detailed and has smaller sample sizes. As a result, Census data now has more limitations than before. For example, data on detached housing units are now combined with attached single units (commonly known as townhouses). For impact fees in Grand Junction, “single-family” residential includes detached units and townhouses that share a common sidewall but are constructed on

an individual parcel of land. The second residential category includes all multi-family structures with two or more units on an individual parcel of land. The third residential category (All Other Types) includes mobile homes and recreational vehicles.

According to the Census Bureau, a household is a housing unit that is occupied by year-round residents. Impact fees often use per capita standards and persons per housing unit, or persons per household, to derive proportionate-share fee amounts. When persons per housing unit are used in the fee calculations, infrastructure standards are derived using year-round population. When persons per household are used in the fee calculations, the impact fee methodology assumes all housing units will be occupied, this requiring seasonal or peak population to be used when deriving infrastructure standards.

To estimate population for future years, the analysis applies growth assumptions derived from the *Grand Valley 2040 Transportation Master Plan 201 TAZ Estimates*, City GIS parcel data, 2018 ESRI Business Survey, Mesa County Building Permit data and standards from the Institute of Transportation Engineers, 10th addition. For the impact fee calculations, TischlerBise will rely on the above referenced as well as a variety of local and regional data sources including the 2017 ACS results shown at the top of Figure A3. Collectively, this information is used to indicate the relative number of persons per housing unit, by units in a residential structure, (2.37 PPHU Single-Family, 1.70 PPHU Multi-Family) and the housing mix (67% Single-Family, 27% Multi-Family) in Grand Junction. Because of the minimal seasonal population residing in the City, TischlerBise recommends that impact fees for residential development be imposed according to housing unit type.

Figure A3: Persons per Household and Persons per Housing Unit by Type of Housing

<i>Units in Structure</i>	<i>Persons</i>	<i>Households</i>	<i>Persons per Household</i>	<i>Housing Units</i>	<i>Persons per Housing Unit</i>	<i>Housing Mix</i>	<i>Vacancy Rate⁴</i>
Single-Family Units ¹	46,611	18,710	2.49	19,679	2.37	73%	4.92%
Multi-Family Units	11,391	6,788	1.68	7,316	1.56	27%	7.22%
Subtotal	58,002	25,498	2.27	26,995	2.15		5.55%
Group Quarters	2,880						
Total	60,882						

Source: U.S. Census Bureau, 2017 American Community Survey, Tables B25024, B25032, B25033, and B26001

1. Includes detached and attached units (i.e. townhouses) and mobile homes.

Recent Residential Construction

The City of Grand Junction provided TischlerBise with recent City residential building permit activity, shown in Figure A4. A total of 2,356 single-family and 514 multi-family permits were issued in the City from 2011 through 2018. Unit distribution over this period was 18 percent multi-family and 82 percent single-family. This ratio is slightly higher than the overall housing unit mix in the City which based on GIS parcel data analysis show that 77 percent of existing residential structures are single-family units and 23 percent are multi-family. It is worth mentioning that at the time of the writing of this report, over 150 multi-family units are in some stage of development review, which if constructed, would bring the 10-year average unit split closer to ratio reflected in the GIS parcel data.

Figure A4: Recent Grand Junction Residential Permit Activity

Year	Single Family	%	Multi-Family	%	Total
2011-2018	2,356	82%	514	18%	2,870

Source: City of Grand Junction, CO Building Permit Data

Current Population and Housing within Grand Junction City Limits

By December 31, 2018, Grand Junction's population grew to approximately 66,425 residing in 28,934 housing units according to analysis performed by TischlerBise which relied on the 2017 DOLA population estimate of 66,224, plus 1,201 new residents which represents observed growth over 2018. This rate of growth is above the average annual growth from 2011-2018 of 359 units and 798 persons per year (295 SF units x 2.37 PPHU=699) +(64 MF units x 1.56 PPHU=99) as shown below in Figure A5.

Figure A5: Grand Junction 2018 Population and Housing Unit Estimate

	DOLA 2017 est.	2011-2018 New Construction ¹	Avg. Annual New Units 2011-2018	2018 Housing Units Added	PPHU ²	Est. 2018 Population Growth	Total
Single-Family Units		2,356	295	498	2.37	1,180	
Multi-Family Units		514	64	13	1.56	20	
Housing Units	28,423		359	511			28,934
Population	65,224					1,201	66,425

Sources: 1.City of Grand Junction Building Permit Data, TischlerBise Analysis

2. U.S. Census 2017 ACS 5-year Estimate

Current Population and Housing within 201 Growth Area Boundary

Population and housing unit estimates for the 201 Sewer Service Area Boundary were compiled from sewer boundary specific TAZ areas, less specific portions of zones which included neighborhood sewer systems and therefore are unlikely to be annexed into the City. TischlerBise applied the population, housing unit estimates found within the *Grand Valley 2040 Transportation Master Plan* in each TAZ) to derive the number of existing housing units in the service area but outside of the City limits. The resulting estimates, shown in Figure A6, suggest approximately 14,217 housing units (28,934 units within current municipal boundary-43,151 units within the sewer service area) exist in the 201 Sewer Service Area Boundary, outside of the City limits for which *impact fees will not be collected*. Deducting the estimated 2018 Grand Junction population from the 201 Sewer Service Area Boundary TAZ area (66,425-103,224) results in an estimated population of 36,800 currently residing in the 201 Sewer Service Area, outside of City limits.

Figure A6: 2018 Population and Housing Unit Estimates 201 Boundary Selected TAZ

Development Type	2018	2018	
Residential	City Limits	201 Sewer Service Boundary	Total
Population	66,425	36,800	103,224
Housing Units	28,934	14,217	43,151

Source: Grand Valley 2040 Transportation Master Plan 201 TAZ Estimates

Projected Population and Housing Units

The selected Transportation Master Plan TAZ areas, shown in Figure A7, include new housing unit projections from 2018 to 2028 of 708 units annually. A total of 50,227 housing units, (7,076 net new units) are projected in the area by 2028. Given historic housing dispersion throughout the 201 Sewer Boundary and observed residential unit composition for the area, housing estimates were broken down between existing City limits and areas currently outside but within the 201 Boundary. As observed within the City GIS parcel data, 77 percent of current Grand Junction housing units are single-family. City housing unit growth projections have mirrored this observed ratio resulting in an estimated addition of 3,653 single-family and 1,091 multi-family units by 2028. For areas outside current City limits but within the 201 Sewer Service Area Boundary, 100 percent the grow of new housing units, 2,331, have been attributed to single-family development reflecting the rural composition of the area.

The Transportation Master Plan model estimates a ten-year population increase of 18,688 persons for the selected 201 Sewer Service Area boundary TAZ areas. All totals shown below in Figure A7 represent estimates as of January 1st of each year.

Figure A7: Grand Junction Residential Development Projections for Selected TAZ Areas

		5-Year Increment							10-Year Increase
		2018	2019	2020	2021	2022	2023	2028	
		Base Year	1	2	3	4	5	10	
POPULATION									
	Grand Junction	66,425	67,558	68,691	69,911	71,131	72,351	78,450	12,025
	201 /Outside City	36,800	37,428	38,055	38,731	39,407	40,083	43,462	6,662
	Total	103,224	104,985	106,746	108,642	110,538	112,434	121,912	18,688
HOUSING UNITS									
	GJ Single-Family	22,279	22,656	23,032	23,395	23,757	24,120	25,932	3,653
	GJ Multi-Family	6,655	6,767	6,880	6,988	7,096	7,205	7,746	1,091
Grand Junction Total		28,934	29,423	29,912	30,383	30,854	31,324	33,678	4,744
	201 Bdry Single-Family	14,217	14,458	14,698	14,929	15,161	15,392	16,549	2,331
	Total Housing Units	43,151	43,881	44,610	45,312	46,014	46,717	50,227	7,076

Nonresidential Development

In addition to data on residential development, the calculation of impact fees requires data on nonresidential development. All land use assumptions and projected growth rates are consistent with socioeconomic data from the Grand Valley 2040 Regional Transportation Plan and the 2018 ESRI Business Summary Report for Grand Junction. TischlerBise uses the term “jobs” to refer to employment by place of

work. In Figure A8, the nonresidential development prototypes used by TischlerBise to derive nonresidential floor area and average weekday vehicle trips ends are shown.

Employment Density Factors and Trip Generation Factors

The prototype for future projections of commercial / retail development is an average-size Shopping Center (ITE 820). Commercial / retail development (i.e. retail and eating / drinking places) is assumed to average 427 square feet per job. For future industrial development, Industrial Park (ITE 130) is a reasonable proxy with an average of 864 square feet per job. For office / other service development, General Office (ITE 710) is the prototype for future development, with an average of 337 square feet per job.

Figure A8: Nonresidential Demand Indicators

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit*	Wkdy Trip Ends Per Employee*	Emp Per Dmd Unit	Sq. Ft. Per Emp
110	Light Industrial	1,000 Sq Ft	4.96	3.05	1.63	615
130	Industrial Park	1,000 Sq Ft	3.37	2.91	1.16	864
140	Manufacturing	1,000 Sq Ft	3.93	2.47	1.59	628
150	Warehousing	1,000 Sq Ft	1.74	5.05	0.34	2,902
254	Assisted Living	bed	2.60	4.24	0.61	na
320	Motel	room	3.35	25.17	0.13	na
520	Elementary School	1,000 Sq Ft	19.52	21.00	0.93	1,076
530	High School	1,000 Sq Ft	14.07	22.25	0.63	1,581
540	Community College	student	1.15	14.61	0.08	na
550	University/College	student	1.56	8.89	0.18	na
565	Day Care	student	4.09	21.38	0.19	na
610	Hospital	1,000 Sq Ft	10.72	3.79	2.83	354
710	General Office (avg size)	1,000 Sq Ft	9.74	3.28	2.97	337
760	Research & Dev Center	1,000 Sq Ft	11.26	3.29	3.42	292
770	Business Park	1,000 Sq Ft	12.44	4.04	3.08	325
820	Shopping Center (avg size)	1,000 Sq Ft	37.75	16.11	2.34	427

* Trip Generation, Institute of Transportation Engineers, 10th Edition (2017).

Nonresidential Floor Area and Employment

To determine future employment growth TischlerBise utilized different data sources to forecast future nonresidential development in the study area. To project future employment, our analysis relies on the observed 2018 jobs to population ratio of .88 (88 jobs per 100 residents) resulting in a 1.8 percent annual growth in employment rather than the 2.3 percent annual growth forecasted in the Transportation Master Plan. In order better understand the relationship between Grand Junction City limits employment and nonresidential growth and areas outside but within the 201 Sewer Boundary, TischlerBise reviewed the areas separately. The findings show that for the base year of 2010, 99.5 percent of all 201 Boundary jobs were located within Grand Junction while .5 percent were located outside of the City. Utilizing this ratio as a proxy allows for the allocation of future projected nonresidential floor area and estimated job growth between the 201 Sewer Boundary and City limits.

Figure A9: 2010 Grand Junction vs. 201 Sewer Boundary Employment Distribution

Total Employment	2010		
	City Limits	Sewer Service Boundary	Total
Jobs	57,609	283	57,892

Source: Grand Valley 2040 Transportation Master Plan 201 TAZ Estimates for City Growth Boundary

TischlerBise then applied ESRI employment estimates (58,660) for Grand Junction to derive a 2018 base, with jobs allocated to one of three nonresidential categories: Commercial / Retail, Industrial / Flex, and Office / Institutional. Grand Junction staff provided floor area estimates from their GIS data for 2018 totaling approximately 32,237,608 million square feet of nonresidential construction. This results in a base year estimate of approximately 33 percent of jobs occupying 11 million square feet of Commercial / Retail development, 18 percent of jobs occupying 6.6 million square feet of Industrial development, and 49 percent of jobs occupying approximately 14.5 million square feet of Office / Institutional development.

Figure A10: Grand Junction Nonresidential Floor Area and Employment Estimates 2018

Industry Sector	2018 Jobs ¹	Share of Total Jobs	SF per Employee ²	2018 Estimated Floor Area ²	Jobs per 1,000 SF
Commercial/Retail ³	19,099	33%	581	11,094,208	1.72
Office/Institutional ⁴	28,811	49%	503	14,498,503	1.99
Industrial/Flex ⁵	10,750	18%	618	6,644,897	1.62
TOTAL	58,660	100%		32,237,608	

1. ESRI Business Summary, Grand Junction, CO, 2018.

2. City of Grand Junction GIS Parcel Data, 2018

3. Major sector is Eating & Drinking places.

4. Major sectors are Health Services and Other Services.

5. Major sector are Construction and Manufacturing.

Projected Nonresidential Floor Area and Employment

Once the 2018 employment data was derived for the City, TischlerBise then established future employment growth by industry across the entire 201 Sewer Service Area Boundary. TAZ employment growth projections were distributed according to observed 2018 ESRI employment sector percentages for the City of Grand Junction (33% Commercial/Retail, 49% Office/Institutional, 18 % Industrial/Flex) (Figure A10). The resulting analysis results in an increase of 11,090 jobs throughout the study area of which 11,035 (11,090 x 99.5%) can be attributed to growth within the City limits. To calculate growth of nonresidential floor area, TischlerBise applied ITE Sq. Ft. per employee estimates (Figure A8) by estimated sector employment to derive net new annual growth. Projected nonresidential development over the next ten years results in an increase of 4.73 million square feet of floor area of which 4.7 million Sq. Ft. are projected to be developed within existing City limits. All totals shown below in Figure A11 represent estimates as of January 1st of each year.

Figure A11: Nonresidential Development Projections–Selected 201 Boundary TAZ Areas

		5-Year Increment						10-Year Increase	
		2018	2019	2020	2021	2022	2023		2028
		Base Year	1	2	3	4	5		10
POPULATION									
	Grand Junction	66,425	67,558	68,691	69,911	71,131	72,351	78,450	12,025
	201 /Outside City	36,800	37,428	38,055	38,731	39,407	40,083	43,462	6,662
	Total	103,224	104,985	106,746	108,642	110,538	112,434	121,912	18,688
EMPLOYMENT BY TYPE									
	GJ Commercial/Retail	19,099	19,806	20,138	20,496	20,853	21,211	22,999	3,900
	GJ Office/Institutional	28,811	29,409	29,902	30,433	30,964	31,495	34,150	5,339
	GJ Industrial/Flex	10,750	10,803	10,984	11,180	11,375	11,570	12,545	1,795
	Grand Junction Total	58,660	60,018	61,025	62,109	63,192	64,276	69,695	11,035
	201 Commercial/Retail	97	99	101	102	104	106	115	18
	201 Office/Institutional	144	147	150	152	155	157	171	27
	201 Industrial/Flex	53	54	55	56	57	58	63	10
	Total Employment	58,953	60,318	61,330	62,419	63,508	64,597	70,043	11,090
NONRES. FLOOR AREA (X 1,000 SF)									
	GJ Commercial/Retail	11,094	11,396	11,538	11,690	11,843	11,996	12,759	1,664
	GJ Office/Institutional	14,499	14,754	14,964	15,191	15,417	15,644	16,777	2,279
	GJ Industrial/Flex	6,645	6,668	6,745	6,828	6,911	6,995	7,411	766
	Grand Junction Total	32,238	32,817	33,247	33,709	34,172	34,634	36,947	4,709
	201 Commercial/Retail	41	42	43	44	44	45	49	8
	201 Office/Institutional	48	50	50	51	52	53	58	9
	201 Industrial/Flex	32	33	34	34	35	36	39	6
	201 Bdry Total	122	125	127	129	132	134	145	23
	Total Nonres. Floor Area	32,360	32,942	33,247	33,709	34,172	34,634	36,947	4,732

* Nonres Floor Area derived from Trip Generation, Institute of Transportation Engineers, 10th Edition (2017) Sq. Ft Per Emp. Multiplied by net new employment by sector.

* Population growth from TMP for Taz areas of 1.8%.

* Housing unit growth from TMP for TAZ areas of 1.6%

*Employment growth reflecting 2018 job/population ratio .8883. Applies sector % distribution from 2018 ESRI data.

*201 Outside City Employment .05% of Grand Junction employment held constant.

Summary of Growth Indicators

Key development projections for Grand Junction’s impact fee study are housing units and nonresidential floor area, summarized above. These projections are used to estimate impact fee revenue and to indicate the anticipated need for growth-related infrastructure. The goal is to have reasonable projections without being overly concerned with precision, because impact fees methodologies are designed to reduce sensitivity to development projections in the determination of the proportionate-share fee amounts. If actual development is slower than projected, impact fee revenue will decline, but so will the need for growth-related infrastructure. In contrast, if development is faster than anticipated, Grand Junction will receive more impact fee revenue, but it will also need to accelerate infrastructure improvements to keep pace with the actual rate of development.

Based on these projections, development in the combined 201 Sewer Service area and City over the next ten years is expected to average 707 residential units per year and 473,000 square feet of nonresidential floor area per year. Although significantly above the average annual increase of 359 housing units from 2011 to 2018, these projections include the larger 201 Sewer Growth Boundary.

Figure A12: Summary of Development Projections and Growth Rates

5-Year Increment								2018 to 2028 Average Annual	
	2018	2019	2020	2021	2022	2023	2028	Increase	Compound Growth Rate
GJ Housing Units	28,934	29,423	29,912	30,383	30,854	31,324	33,678	474	1.53%
201 Growth Bdry Housing Units	14,217	14,458	14,698	14,929	15,392	16,549	16,549	233	1.53%
GJ Nonresidential Sq. Ft x1,000	32,238	32,817	33,247	33,709	34,172	34,634	36,947	471	1.37%
201 Growth Bdry Nonresidential Sq. Ft x1,000	122	125	127	129	132	134	145	2	1.74%

Development Projections

Provided below is a summary of cumulative development projections used in the development impact fee study. Base year estimates for 2018 are used in the development impact fee calculations and *reflect the entirety of the City and Sewer Service 201 growth boundary*. Development projections are used to illustrate a possible future pace of demand for service units and cash flows resulting from revenues and expenditures associated with those demands. All totals represent estimates as of January 1st of each year.

Figure A13: Development Projections Summary Selected TAZ Areas

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10-Year Increase
	Base Year	1	2	3	4	5	6	7	8	9	10	
POPULATION												
Grand Junction	66,425	67,558	68,691	69,911	71,131	72,351	73,570	74,790	76,010	77,230	78,450	12,025
201 /Outside City	36,800	37,428	38,055	38,731	39,407	40,083	40,759	41,435	42,110	42,786	43,462	6,662
Total	103,224	104,985	106,746	108,642	110,538	112,434	114,329	116,225	118,121	120,016	121,912	18,688
HOUSING UNITS												
GJ Single-Family	22,279	22,656	23,032	23,395	23,757	24,120	24,482	24,845	25,207	25,570	25,932	3,653
GJ Multi-Family	6,655	6,767	6,880	6,988	7,096	7,205	7,313	7,421	7,529	7,638	7,746	1,091
Grand Junction Total	28,934	29,423	29,912	30,383	30,854	31,324	31,795	32,266	32,737	33,208	33,678	4,744
201 Bdry Single-Family	14,217	14,458	14,698	14,929	15,161	15,392	15,623	15,855	16,086	16,317	16,549	2,331
Total Housing Units	43,151	43,881	44,610	45,312	46,014	46,717	47,419	48,121	48,823	49,525	50,227	7,076
EMPLOYMENT BY TYPE												
GJ Commercial/Retail	19,099	19,806	20,138	20,496	20,853	21,211	21,569	21,926	22,284	22,642	22,999	3,900
GJ Office/Institutional	28,811	29,409	29,902	30,433	30,964	31,495	32,026	32,557	33,088	33,619	34,150	5,339
GJ Industrial/Flex	10,750	10,803	10,984	11,180	11,375	11,570	11,765	11,960	12,155	12,350	12,545	1,795
Grand Junction Total	58,660	60,018	61,025	62,109	63,192	64,276	65,360	66,444	67,527	68,611	69,695	11,035
201 Commercial/Retail	97	99	101	102	104	106	108	110	111	113	115	18
201 Office/Institutional	144	147	150	152	155	157	160	163	165	168	171	27
201 Industrial/Flex	53	54	55	56	57	58	59	60	61	62	63	10
Total Employment	58,953	60,318	61,330	62,419	63,508	64,597	65,687	66,776	67,865	68,954	70,043	11,090
NONRES. FLOOR AREA (X 1,000 SF)												
GJ Commercial/Retail	11,094	11,396	11,538	11,690	11,843	11,996	12,148	12,301	12,453	12,606	12,759	1,664
GJ Office/Institutional	14,499	14,754	14,964	15,191	15,417	15,644	15,871	16,097	16,324	16,551	16,777	2,279
GJ Industrial/Flex	6,645	6,668	6,745	6,828	6,911	6,995	7,078	7,161	7,244	7,328	7,411	766
Grand Junction Total	32,238	32,817	33,247	33,709	34,172	34,634	35,097	35,559	36,022	36,484	36,947	4,709
201 Commercial/Retail	41	42	43	44	44	45	46	47	48	48	49	8
201 Office/Institutional	48	50	50	51	52	53	54	55	56	57	58	9
201 Industrial/Flex	32	33	34	34	35	36	36	37	37	38	39	6
201 Bdry Total	122	125	127	129	132	134	136	138	141	143	145	23
Total Nonres. Floor Area	32,360	32,942	33,247	33,709	34,172	34,634	35,097	35,559	36,022	36,484	36,947	4,732

* Nonres Floor Area derived from Trip Generation, Institute of Transportation Engineers, 10th Edition (2017) Sq. Ft Per Emp. Multiplied by net new employment by sector.

* Population growth from TMP for Taz areas of 1.8%.

* Housing unit growth from TMP for TAZ areas of 1.6%

*Employment growth reflecting 2018 job/population ratio .8883. Applies sector % distribution from 2018 ESRI data.

*201 Outside City Employment .05% of Grand Junction employment held constant.

Found below in Figure A14, in the base year, there is a total of 271,362 average weekday vehicle trips in the City of Grand Junction. The trip totals are calculated by multiplying the average weekday vehicle trip factors with the base year nonresidential floor area.

To project the 10-year increase in trips, the growth in nonresidential floor area is used. It is projected that over the next ten years there will be an increase of 40,643 nonresidential vehicle trips in the City of Grand Junction.

Figure A14: Nonresidential Vehicle Trip Projections

	5-Year Increment-->							10-Year Increase
	2018 Base Yr	2019 1	2020 2	2021 3	2022 4	2023 5	2028 10	
Commercial/Retail	184,275	189,286	191,641	194,176	196,711	199,246	211,921	27,647
Office/Institutional	70,608	71,850	72,875	73,979	75,083	76,186	81,705	11,097
Industrial/Flex	16,479	16,536	16,727	16,934	17,140	17,347	18,379	1,900
Total Nonres. Vehicle Trips	271,362	277,672	281,244	285,089	288,934	292,779	312,005	40,643

1. Trip rates are customized for Grand Junction.

2. Trip rates are from the Institute of Transportation Engineers (ITE) Trip Generation Manual (2017).

APPENDIX B: LAND USE DEFINITIONS

Residential Development

As discussed below, residential development categories are based on data from the U.S. Census Bureau, American Community Survey. Grand Junction will collect development fees from all new residential units. One-time development fees are determined by site capacity (i.e. number of residential units). This category also contains mobile homes and recreational vehicles

Single-Family: Single-Family detached is a one-unit structure detached from any other house, that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A one-family house that contains a business is considered detached as long as the building has open space on all four sides. Also included in the definition is Single family attached (townhouse), which is a one-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.

Multi-Family: 2+ units (duplexes and apartments) are units in structures containing two or more housing units, further categorized as units in structures with “2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more apartments.”

Nonresidential Development

The proposed general nonresidential development categories (defined below using 2017 ITE Land Use Code) can be used for all new construction within Grand Junction. Nonresidential development categories represent general groups of land uses that share similar average weekday vehicle trip generation rates and employment densities (i.e., jobs per thousand square feet of floor area).

Land Use: 820 Shopping Center Description. A shopping center is an integrated group of commercial establishments that is planned, developed, owned, and managed as a unit. A shopping center’s composition is related to its market area in terms of size, location, and type of store. A shopping center also provides on-site parking facilities sufficient to serve its own parking demands. Factory outlet center (Land Use 823) is a related use.

Land Use: 710 General Office Building Description. A general office building houses multiple tenants; it is a location where affairs of businesses, commercial or industrial organizations, or professional persons or firms are conducted. An office building or buildings may contain a mixture of tenants including professional services, insurance companies, investment brokers, and tenant services, such as a bank or savings and loan institution, a restaurant, or cafeteria and service retail facilities. A general office building with a gross floor area of 5,000 square feet or less is classified as a small office building (Land Use 712). Corporate headquarters building (Land Use 714), single tenant office building (Land Use 715), office park (Land Use 750), research and development center (Land Use 760), and business park (Land Use 770) are

additional related uses. If information is known about individual buildings, it is suggested that the general office building category be used rather than office parks when estimating trip generation for one or more office buildings in a single development. The office park category is more general and should be used when a breakdown of individual or different uses is not known. If the general office building category is used and if additional buildings, such as banks, restaurants, or retail stores are included in the development, the development should be treated as a multiuse project. On the other hand, if the office park category is used, internal trips are already reflected in the data and do not need to be considered. When the buildings are interrelated (defined by shared parking facilities or the ability to easily walk between buildings) or house one tenant, it is suggested that the total area or employment of all the buildings be used for calculating the trip generation. When the individual buildings are isolated and not related to one another, it is suggested that trip generation be calculated for each building separately and then summed.

Land Use: 130 Industrial Park Description. An industrial park contains a number of industrial or related facilities. It is characterized by a mix of manufacturing, service, and warehouse facilities with a wide variation in the proportion of each type of use from one location to another. Many industrial parks contain highly diversified facilities—some with a large number of small businesses and others with one or two dominant industries. General light industrial (Land Use 110) and manufacturing (Land Use 140) are related uses.

Land Use: 150 Warehousing Description. A warehouse is primarily devoted to the storage of materials, but it may also include office and maintenance areas. High-cube transload and short-term storage warehouse (Land Use 154), high-cube fulfillment center warehouse (Land Use 155), high-cube parcel hub warehouse (Land Use 156), and high-cube cold storage warehouse (Land Use 157) are related uses.

MEMORANDUM

TO: Tamra Allen, AICP, Community Development Director
City of Grand Junction, Colorado

FROM: Carson Bise, AICP, TischlerBise, Inc. *LCB*

DATE: May 21, 2019

SUBJECT: Review of Water Plant Investment Fee

Background

TischlerBise was retained by the City of Grand Junction to prepare an impact fee study for parks/recreation, fire/ems, police, water and wastewater. As part of our project initiation activities, we met with representatives of the City's Utilities Department to discuss existing rates and charges for utilities. This memorandum discusses our review of the City's Water Plant Investment Fees (PIF).

Impact Fee vs. Plant Investment Fee

There is a "grey area" not only in Colorado, but nationally about what is an "impact fee," in relation to utility charges. According to Colorado Revised Statute Section 29-20-104.5, impact fees must be legislatively adopted at a level **no greater than necessary** to defray impacts generally applicable to a broad class of property. The purpose of impact fees is to **defray capital costs directly related** to proposed development. To be funded by impact fees, Section 29-20-104.5 requires that the capital improvements must have a useful life of at least five years. By law, impact fees can only be used for capital improvements, not operating or maintenance costs. Also, **impact fees cannot be used to repair or correct existing deficiencies** in existing infrastructure.

In Colorado (and elsewhere), the term "impact fee" and "plant investment fee" seem to be used almost interchangeably. This is not unusual. For example, in states where impact fees are not allowed, municipal utilities have assessed "plant investment fees," "system development charges," "connection charges," and "capacity charges" to recoup the cost of 1) providing additional utility capacity, and/or 2) or recoup the cost of the proving excess utility capacity.

The Colorado Supreme Court concluded that a Plant Investment Fee was a legislatively determined service fee, and was not, therefore, subject to the taking's analysis¹, or required to meet the Nollan/Dolan test²; instead, the fee merely needed to be "reasonably related to the overall cost of service." The Colorado Supreme Court has also concluded that impact fees fall in the same category.

Water Plant Investment Fee

The City water service area covers 9 square miles and serves a population of just over 27,000 people. The majority of the service area is in the center of the City, and west Orchard Mesa (the Kannah Creek Water Treatment Plant and service area is separate). The rest of the incorporated portions of the City is served by the Ute Water Conservancy District.

There are approximately 9,800 metered water customers in the City's water utility service area. Average day demand can range from 2.7 million gallons per day (MGD) in the winter months to almost 8 MGD in the summer months, due to irrigation needs. The City has 308 miles of water distribution piping. Water is supplied to the City by the Kannah Creek and Whitewater Creek watersheds located on the west edge of the Grand Mesa. There are 17 reservoirs located on top of Grand Mesa plus Juniata and Purdy Mesa reservoirs, which serve as terminal storage.

The City's current Water PIF for a ¾-inch meter is \$300 (the City also charges a tap fee based on actual labor and material costs which starts at \$700 for a ¾ inch meter). The tap fee is separate from the PIF and is solely intended to recover the cost of City staff making the physical connection to the water main and providing service line (labor and material). Since these tap fees have not increased, they have likely not kept up with the current labor and material costs. According to conversations with City staff, the current Water PIF was adopted prior to 1994 and has not been adjusted for inflation. As part of the City's 2015 Utility Rate Study conducted by Raftelis a Water PIF was calculated, but the City chose to keep the 1994 PIF in place.

¹Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against regulatory takings. Land use regulations, development exactions, and impact fees are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest.

² There is little federal case law specifically dealing with impact fees, although other rulings on other types of exactions (e.g., land dedication requirements) are relevant. In one of the most important exaction cases, the U. S. Supreme Court found that a government agency imposing exactions on development must demonstrate an "essential nexus" between the exaction and the interest being protected (see *Nollan v. California Coastal Commission*, 1987). In a more recent case (*Dolan v. City of Tigard*, OR, 1994), the Court ruled that an exaction also must be "roughly proportional" to the burden created by development.

The 2015 PIF calculation prepared by Raftelis utilized the buy-in method, based on a calculated net system equity of \$69.9 million. This method is based on the concept that existing customers, through rates and other assessments, have developed a valuable water system. A new customer must “buy-in” to this system by making a contribution equal to the amount of equity a similar existing customer has in the system. The cost to replace the City’s water system was developed using historical cost information from fixed asset records and restating these costs in current dollars using the Denver Region Construction Cost Index (D-CCI) published by Engineering News-Record (ENR). The proposed 2015 Water PIF per capacity unit was \$4,100 (Cash Financed Scenario). With a 3% inflation escalator, the FY2019 Water PIF would be \$4,480 (please note that the tap fee is an additional charge based on actual labor and material costs).

Because the growth rate in the City Water Service Area has been relatively small, no future expansion of the water treatment facilities or distribution lines is currently planned, though an aggressive capital plan is in place to replace aging infrastructure. From our perspective, we would recommend the City consider adopting the 2015 PIF calculation provided by Raftelis, which could be used to help offset the future costs needed to rehabilitate the system.

The second method is a combination of one-time charges (impact fees, PIF, system development charges, etc.) for utility infrastructure such as water/wastewater treatment, storage, and supply, with development agreements governing the provision of major trunk lines. The benefit of a development agreement is that it is area specific, can reflect actual/unique costs for the area in question and the City benefits from having the developer act as the “banker” for required line extensions. The downsides are the administration/tracking of the agreements and the lack of certainty for the development community.

Please let us know if you have any questions about this memorandum.



GRAND JUNCTION DEVELOPMENT IMPACT FEE COMPARATIVE ANALYSIS

GRAND JUNCTION, COLORADO

PREPARED FOR:

GRAND JUNCTION AREA REALTOR ASSOCIATION

August 6, 2019

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August 6, 2019

Mrs. Diane Schwenke
Grand Junction Area Realtor Association
2743 Crossroads Blvd
Grand Junction, CO 81506

RE: Grand Junction Development Impact Fee Comparative Analysis ("Analysis")

Dear Mrs. Schwenke:

Metrostudy is pleased to present this Analysis of the development impact fees for comparative municipalities to the City of Grand Junction, Colorado. We have provided a detailed analysis of the development impact fees as well as accompanying demographic and housing, and mill levy and tax information on the following pages and Appendix for the Grand Junction Area Realtor Association ("Client"). This Analysis was conducted by Steven Saules, Manager. Metrostudy has been engaged in analyzing residential market conditions with its proprietary lot-by-lot survey nationally since 1975, and locally within the state of Colorado since 2001.

Please contact us at your convenience with any comments or questions regarding this Analysis, or with any other matters relevant to your real estate market research needs.

Respectfully Submitted,

Metrostudy

metrstudy

The following Grand Junction Development Impact Fee Comparative Analysis included herein summarizes the total estimated development impact fees associated with the new construction of two (2) property types ("Property Types") within the City of Grand Junction, Colorado ("City"), as well as within five (5) comparative Colorado municipalities. The Property Types include a 2,000 square foot single-family detached home and a 10,000 square foot single-structure office building. The five municipalities include the Town/City of Fruita, Montrose, Gunnison, Pueblo, and Sterling, Colorado (collectively the "Municipalities"). The development impact fees are collected for capital infrastructure items categorized for; however, not limited to police, fire, school, transportation, parks and recreation, public safety, etc., as well as those development impact fees pertaining to water and sewer plant investment fees exclusive of raw water rights (collectively the "DIFs"). The current Municipality DIFs are summarized in **Table-1** of the Analysis, while the detailed analysis for both Property Types is shown in **Table-2** and in **Table-3** on the following pages.

The current DIFs included in this Analysis are based on estimates and calculations derived from the applicable Municipalities' 2019 or most current fee schedules and Municipality provided data. The DIFs were affirmed through multiple iterations of research and conversations with Municipality staff and associated external entities.

Additionally, Metrostudy has reviewed and provided accompanying demographic and housing, and mill levy and tax information in order to further the Client's understanding of how the Municipalities' DIFs truly compare within the context of additional housing market affordability factors. Certain DIFs shown in the Analysis required different calculations depending on the Municipality.

Finally, the assumptions upon which all DIFs in this Analysis were estimated is shown by Product Type in **Exhibit-A**, while a map of the Municipalities' locations is detailed in **Exhibit-B** of the Appendix. As shown below, the DIFs associated with the construction of a new 2,000 square foot single-family detached home, and a new 10,000 square foot office building in Grand Junction are approximately 52.8 percent and 27.3 percent higher than that of the average of the comparative Municipalities, respectively.

Table-1: Summary of Total Development Impact Fees by Municipality

<i>Total Development Impact Fees (\$)</i>	<i>Fruita</i>	<i>Montrose</i>	<i>Gunnison</i>	<i>Pueblo</i>	<i>Sterling</i>	<i>Average</i>	<i>Grand Junction</i>	<i>Difference (%)</i>
<u>Single-Family Detached</u>								
<i>Metric: \$/unit</i>								
Total (\$)	23,315	11,554	7,500	8,227	5,040	11,127	17,000	52.8%
<u>Office</u>								
<i>Metric: \$/building</i>								
Total (\$)	53,903	14,200	13,500	9,800	7,623	19,805	25,216	27.3%

Source: Municipality/DPFG

Table-2: Single-Family Detached Development Impact Fee Detailed Analysis (\$/unit)

Development Impact Fees*	Fruita**	Montrose***	Gunnison	Pueblo****	Sterling*****	Average	Grand Junction*****	Difference
<u>Demographics and Housing</u>	1	1	1	1	1		1	
Population	13,463	20,328	6,602	111,368	11,271	27,505	59,121	-
Households	5,035	8,300	2,583	45,209	4,867	13,199	24,495	-
Median Household Income (\$)	56,018	44,801	45,219	37,453	39,519	44,602	48,844	-
Average New Home Price (All) (\$)	372,509	299,771	299,000	263,409	251,579	297,254	311,739	-
Annual Income to Home Price	15.0%	14.9%	15.1%	14.2%	15.7%	15.0%	15.7%	4.4%
<u>Annual Taxes</u>	2	2	2	2	2		2	
Mill Levy	82.2370	70.2120	55.1480	88.7630	77.4420	74.7604	69.3920	-
Average New Home Price (All) (\$)	372,509	299,771	299,000	263,409	251,579	297,254	311,739	-
Annual Taxes (\$)	2,206	1,515	1,187	1,683	1,403	1,600	1,558	-
Annual Taxes to Home Price	0.59%	0.51%	0.40%	0.64%	0.56%	0.54%	0.50%	-7.2%
<u>Development Impact Fees (\$)</u>	3,4,5	6,7	8	9,10,11	12		5,13,14	
Chip and Seal	80	-	-	-	-	-	-	-
Drainage	1,706	-	-	-	-	-	-	-
Inspection	-	-	-	-	-	-	-	-
Police	-	1,000	-	-	-	-	-	-
Parks, Open Space and Trails	1,860	1,575	-	-	-	-	-	-
Public Safety Fee	-	-	-	740	-	-	-	-
School	920	679	-	-	-	-	920	-
Transportation, Street, Road	3,200	1,500	-	-	-	-	2,554	-
Water Plant Investment Fees	8,750	2,635	2,500	5,747	2,690	-	8,750	-
Sewer Plant Investment Fees	6,800	4,165	5,000	1,740	2,350	-	4,776	-
Total Per Unit	23,315	11,554	7,500	8,227	5,040	11,127	17,000	52.8%
<u>School District</u>	<i>Mesa County Valley 51</i>	<i>Montrose County RE-1J</i>	<i>Gunnison Watershed RE1J</i>	<i>Pueblo City 60</i>	<i>RE-1 Valley</i>		<i>Mesa County Valley 51</i>	-
Fee	-	-	-	-	-	-	-	-
Source	Diana Sirko 970-254-5100	Laurie Laird 970-252-7902	Leslie Nichols 970-641-7770	Dave Homer 719-549-7113	Jan Delay 970-522-0792	-	Diana Sirko 970-254-5100	-
<u>Fire District</u>	<i>Lower Valley Fire Protection</i>	<i>Montrose Fire Protection</i>	<i>Gunnison Volunteer Fire Dept.</i>	<i>Pueblo Fire Dept.</i>	<i>Sterling Fire Dept.</i>		<i>Grand Junction Fire Dept.</i>	-
Fee	-	-	-	-	-	-	-	-
Source	Frank Cavaliere 970-858-3133	Lindsey Wiley 970-249-9181	Eric Jansen 970-641-8090	James Riddell 719-553-2830	Levon Ritter 970-522-3823	-	Ken Watkins 970-549-5801	-
<u>Police District</u>	<i>Fruita City Police Dept.</i>	<i>Montrose Police Dept.</i>	<i>Gunnison Police Dept.</i>	<i>Pueblo Police Dept.</i>	<i>Sterling Police Dept.</i>		<i>Grand Junction Police Dept.</i>	-
Fee	-	-	-	-	-	-	-	-
Source	Glenda Willis 970-858-3008	Tim Cox 970-252-5200	Keith Robinson 970-641-8200	Troy Davenport 719-553-2420	Tyson Kerr 970-522-3512	-	Doug Shoemaker 970-242-6707	-
Total DIF Per Unit	23,315	11,554	7,500	8,227	5,040	11,127	17,000	52.8%
DIF to Home Price	6.3%	3.9%	2.5%	3.1%	2.0%	3.5%	5.5%	53.6%

Source

- (1) Metrostudy, Property Analysis, Steven Saules - 720-493-2020
- (2) County GIS mapping system and Colorado Department of Local Affairs
- (3) Fruita, Planning, Henry Hemphill - 970-858-0786
- (4) Fruita, Engineering, Sam Atkins - 970-858-8377
- (5) Ute Water Conservancy District, Jim Daugherty - 970-242-7491
- (6) Montrose, Planning, Archie Byers - 970-240-1437
- (7) Montrose, Engineering, Scott Murphy - 970-240-1498
- (8) Gunnison, Building, Eric Jansen - 970-641-8090
- (9) Pueblo, Planning, Alan Lamberg - 719-553-2241
- (10) Pueblo, Land Use, Scott Hobson - 719-553-2244
- (11) Pueblo, Board of Water Works, Rhonda Navarette - 719-584-0270
- (12) Sterling, Public Works, George Good - 970-522-9700
- (13) Grand Junction, Community Development, Lance Gloss - 970-244-1422
- (14) Grand Junction, Residential Sewer, Amy Castaneda - 970-256-4027
- (15) Grand Junction, Commercial Water/Sewer, Debi Overholt - 970-244-1520

Footnotes (residential)

*DIFs may vary by subdivision or subdivision filing within each jurisdiction. Metrostudy has included all known DIFs regardless of their inclusions or exclusions across subdivisions. Metrostudy has only utilized neighborhood specific DIFs when DIFs are not uniform across the municipality. Neighborhood or development agreement specific DIFs, DIF waivers, land dedication requirements, and/or DIF credits may impact actual DIFs within each jurisdiction. DIFs do not include facility fees where developers may be partially reimbursed from builders for initial upfront infrastructure investments. Water and sewer plant investment fees do not include additional acquisition costs for raw water rights. Any applicable landscaping/irrigation costs are based on T-ing off of the main water line. Residential home sales prices based on 7/1/2018 to 6/30/2019 time period. Colorado residential assessment rate of 7.20% and Municipality mill levy rates are based on 2018 figures. DIFs may be collected at time of annexation, platting, planning approvals, building permit issuance, certificate of occupancy, or other.

** (Fruita) Chip and seal DIFs based on actual costs for Brannon Estates Filing 2C with 10 lots. Drainage DIFs (\$17,060 across 10 lots) are shown above; however, were exempted from Brannon Estates due to developer funding of detention ponds. DIFs payable at time of planning approval for issuance of building permit.

*** (Montrose) Transportation DIFs based on building permit fee estimate for Estates of Stone Ridge Filing 2. Park DIFs were exempted from the development due to developer land dedication, which is standard. DIFs payable at time of building permit issuance. Police DIFs were not confirmed with documents but over the phone at approximately \$1,000 per unit/lot.

**** (Pueblo) At subdivision platting there is park dedication requirement of 8% of land (excluding right of way); however, most projects in recent times have dedicated land. City mitigates DIF costs by utilizing a facility fee. DIFs negotiated at annexation and apply only to those properties being annexed into the City. Transportation Department may assess traffic DIFs when a new building triggers new traffic signals, signs and/or pavement markings required by a subdivision improvement agreement (SIA); however, there are not recent examples that the municipality can provide. Public Safety DIFs based on 0.37 cents per square foot of residential structure.

***** (Sterling) Park and/or street site requirements are development specific; requirements are not payments in lieu of DIFs.

***** (Grand Junction) Transportation DIFs may be deferred prior to the issuance of a certificate of occupancy. DIFs payable at time of planning approval for issuance of building permit.

Table-3: Office Development Impact Fee Detailed Analysis (\$/building)

Development Impact Fees*	Fruita**	Montrose***	Gunnison	Pueblo****	Sterling*****	Average	Grand Junction*****	Difference
<u>Demographics</u>	1	1	1	1	1		1	
Population	13,463	20,328	6,602	111,368	11,271	27,505	59,121	-
Households	5,035	8,300	2,583	45,209	4,867	13,199	24,495	-
<u>Mill Levy</u>	2	2	2	2	2		2	
Mill Levy	82.2370	70.2120	55.1480	88.7630	84.6600	-	74.8040	-
Total	82.2370	70.2120	55.1480	88.7630	84.6600	76.2040	74.8040	-1.8%
<u>Development Impact Fees (\$)</u>	3,4,5	6,7	8	9,10,11	12		13,15	
Chip and Seal	-	-	-	-	-	-	-	-
Drainage	17,058	-	-	-	-	-	-	-
Inspection	-	-	-	-	-	-	550	-
Police	-	-	-	-	-	-	-	-
Parks, Open Space and Trails	-	-	-	-	-	-	-	-
Public Safety Fee	-	-	-	1,060	-	-	-	-
School	-	-	-	-	-	-	-	-
Transportation, Street, Road	19,545	-	-	-	-	-	18,640	-
Water Plant Investment Fees	10,500	4,140	4,500	5,830	3,940	-	1,250	-
Sewer Plant Investment Fees	6,800	10,060	9,000	2,910	3,683	-	4,776	-
Total Per Unit	53,903	14,200	13,500	9,800	7,623	19,805	25,216	27.3%
<u>School District</u>	<i>Mesa County Valley 51</i>	<i>Montrose County RE-1J</i>	<i>Gunnison Watershed RE-1J</i>	<i>Pueblo City 60</i>	<i>RE-1 Valley</i>		<i>Mesa County Valley 51</i>	-
Fee	-	-	-	-	-	-	-	-
Source	Diana Sirko 970-254-5100	Laurie Laird 970-252-7902	Leslie Nichols 970-641-7770	Dave Homer 719-549-7113	Jan Delay 970-522-0792	-	Diana Sirko 970-254-5100	-
<u>Fire District</u>	<i>Lower Valley Fire Protection</i>	<i>Montrose Fire Protection</i>	<i>Gunnison Volunteer Fire Dept.</i>	<i>Pueblo Fire Dept.</i>	<i>Sterling Fire Dept.</i>		<i>Grand Junction Fire Dept.</i>	-
Fee	-	-	-	-	-	-	-	-
Source	Frank Cavaliere 970-858-3133	Lindsey Wiley 970-249-9181	Eric Jansen 970-641-8090	James Riddell 719-553-2830	Levon Ritter 970-522-3823	-	Ken Watkins 970-549-5801	-
<u>Police District</u>	<i>Fruita City Police Dept.</i>	<i>Montrose Police Dept.</i>	<i>Gunnison Police Dept.</i>	<i>Pueblo Police Dept.</i>	<i>Sterling Police Dept.</i>		<i>Grand Junction Police Dept.</i>	-
Fee	-	-	-	-	-	-	-	-
Source	Glenda Willis 970-858-3008	Tim Cox 970-252-5200	Keith Robinson 970-641-8200	Troy Davenport 719-553-2420	Tyson Kerr 970-522-3512	-	Doug Shoemaker 970-242-6707	-
Total DIF Per Building	53,903	14,200	13,500	9,800	7,623	19,805	25,216	27.3%

Source

- (1) Metrostudy, Property Analysis, Steven Saules - 720-493-2020
- (2) County GIS mapping system and Colorado Department of Local Affairs
- (3) Fruita, Planning, Henry Hemphill - 970-858-0786
- (4) Fruita, Engineering, Sam Atkins - 970-858-8377
- (5) Ute Water Conservancy District, Jim Daugherty - 970-242-7491
- (6) Montrose, Planning, Archie Byers - 970-240-1437
- (7) Montrose, Engineering, Scott Murphy - 970-240-1498
- (8) Gunnison, Building, Eric Jansen - 970-641-8090
- (9) Pueblo, Planning, Alan Lamberg - 719-553-2241
- (10) Pueblo, Land Use, Scott Hobson - 719-553-2244
- (11) Pueblo, Board of Water Works, Rhonda Navarette - 719-584-0270
- (12) Sterling, Public Works, George Good - 970-522-9700
- (13) Grand Junction, Community Development, Lance Gloss - 970-244-1422
- (14) Grand Junction, Residential Sewer, Amy Castaneda - 970-256-4027
- (15) Grand Junction, Commercial Water/Sewer, Debi Overholt - 970-244-1520

Footnotes (office)

- *DIFs may vary by area or filing within each jurisdiction. Metrostudy has included all known DIFs regardless of their inclusions or exclusions across areas. Metrostudy has only utilized location specific DIFs when DIFs are not uniform across the municipality. Development agreement specific DIFs, DIF waivers, land dedication requirements, and/or DIF credits may impact actual DIFs within each jurisdiction. Does not include facility fees. Water and sewer plant investment fees do not include additional acquisition costs for raw water rights. Any applicable landscaping/irrigation costs are based on T-ing off of the main water line. Colorado mill levy rates are based on 2018 figures. DIFs may be collected at time of annexation, platting, planning approvals, building permit issuance, certificate of occupancy, or other.
- **(Fruita) DIFs payable at time of planning approval for issuance of building permit. The base rate for transportation DIFs for a 10,000 square foot commercial office buildings is \$1,589 per 1,000 square feet multiplied by a 1.23 factor.
- *** (Montrose) Park and/or street site requirements are development specific; requirements are not payments in lieu of DIFs.
- **** (Pueblo) Drainage DIFs have the potential to exist; however, recent projects reviewed by the municipality have mitigated these costs by developer management of drainage slope on site as opposed to entering into discussions of associated DIFs; this form/process is expected to continue. Public Safety DIFs based on 0.106 cents per square foot of commercial structure.
- ***** (Sterling) Park and/or street site requirements are development specific; requirements are not payments in lieu of DIFs.
- ***** (Grand Junction) Commercial DIFs are project specific. Commercial sewer fees were estimated based on 20 employees and 500 square feet of space per employee. Transportation DIFs may be deferred prior to the issuance of a certificate of occupancy and are based on \$1,864 per 1,000 square feet. DIFs payable at time of planning approval for issuance of building permit.

Disclaimer:

The development impact fees shown in this Analysis will vary depending on a multitude of factors, including; however, not limited to development timing, specific municipality and/or subdivision and/or subdivision phase/filing, school/fire/police jurisdictions development impact fee collection procedures, project size and square feet/acreage, number of units or buildings, water and sewer line requirements, landscaped area and/or necessity for additional water lines, impervious area, etc. The development impact fees shown in the Analysis were based on the Municipalities 2019 or most recent fee schedule, which may not be revised after the production of this Analysis. This Analysis did not consider timeline and upcoming changes to the development impact fees shown.

It is understood by the Client that Metrostudy can make no guarantees about the findings and/or recommendations in this Analysis. To protect the Client and to assure that Metrostudy's research results will continue to be accepted as objective and impartial by the business community, Metrostudy's fee for this Study is in no way dependent upon the specific conclusions reached or the nature of the advice given in this Analysis.

Reasonable efforts have been made to ensure that the data contained in this Analysis reflect the most accurate and timely information possible and are believed to be reliable. This Analysis is based on estimates, assumptions, and other information developed by Metrostudy from its independent research effort, general knowledge of the industry and consultations with the Client and its representatives. No responsibility is assumed for inaccuracies in reporting by the Client, its agents and representatives or any other data source used in preparing or presenting this Analysis. This Analysis is based on market-wide information that was current as of the production of the Analysis. While every reasonable effort was made to collect this information and it is deemed reliable, it cannot be guaranteed for accuracy. Metrostudy makes no warranty or representation that any of the estimated values or results in this Study will be achieved, and actual results will vary depending on project and development specific details.

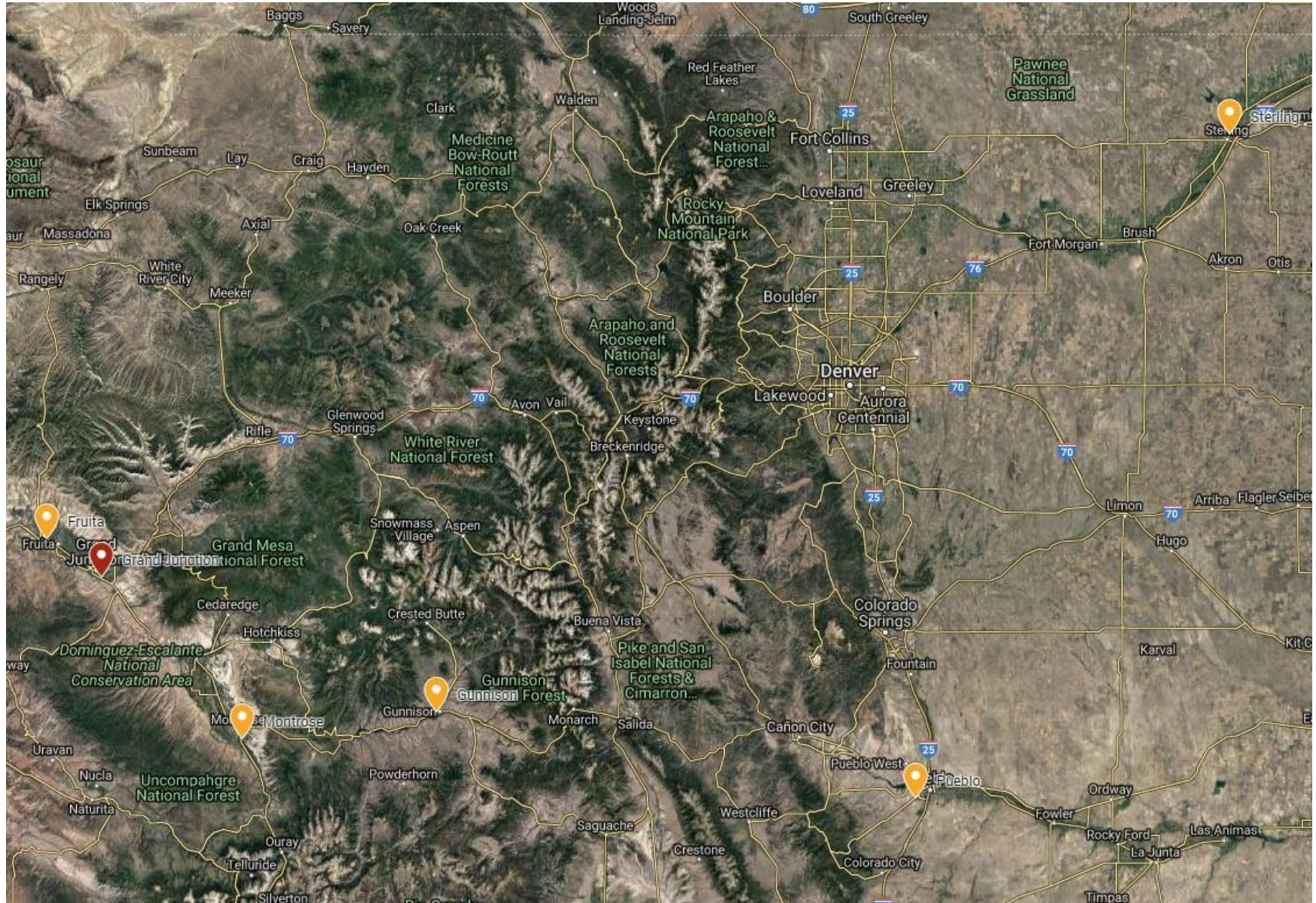
Appendix:

Exhibit A: Development Impact Fee Assumptions

Assumptions	Single-Family Detached	Office
Square Feet	2,000	10,000
Project Acres	0.25	0.50
Project Impervious Percent	50%	90%
Water Tap Size	3/4"	1"
Project Address / Location		
Fruita	1518 Myers Ln, Fruita, CO 81521	1672 Highway 6 50, Fruita, CO 81521
Montrose	3400 Ridgeline Dr, Montrose, CO 81401	1546 E Oak Grove Rd, Montrose, CO 81401
Gunnison	1499 W Gunnison Ave, Gunnison, CO 81230	499 W Georgia Ave, Gunnison, CO 81230
Pueblo	5601 Bellagio Way, Pueblo, CO 81005	718 W 6th St, Pueblo, CO 81003
Sterling	832 Nicole Rd, Sterling, CO 80751	218 N 2nd St, Sterling, CO 80751
Grand Junction	554 Crestwood Ave, Grand Junction, CO 81504	398 I-70BL, Grand Junction, CO 81501

Source: Municipality/Metrostudy

Exhibit B: Development Impact Fee Municipality Map



This Analysis was prepared by Metrostudy, a consulting firm and the nation's leading provider of primary and secondary market information to the housing, retail, and related industries nationwide.



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HOUSING AND BUILDING
ASSOCIATION
of
WESTERN COLORADO



August 12, 2019

Mr. Greg Caton, City Manager
250 N. 5th Street
Grand Junction, CO 81501

RE: Current position on Proposed Impact Fees

The stakeholder groups that have participated in the current discussion of Impact fees for Grand Junction which includes the Grand Junction Chamber of Commerce, Western Colorado Contractors Association, Grand Junction Area Realtors Association, Association Members for Growth and Development, and the Homebuilders Association of Western Colorado have appreciated the collaborative nature of our meetings with you and other city staff to discuss and work at refining the development fees that will help the city address the need for building infrastructure capacity while not stymieing growth and economic development.

Recognizing that many residential and commercial projects are competitive in nature this stakeholder group commissioned a comparison of six cities in an attempt to as closely as possible compare current fees. That comparison is attached and we would ask that you share it and this letter with the City Council at your August 19th briefing during the Council Workshop.

In essence, the study concluded that Grand Junction is currently 52% above average on development fees for a single-family residence and 27% higher than the average on a commercial office project when compared to the five other selected cities. It is important to note that this is based on current fees and does not include the city's proposal for increasing the traffic capacity payment fees and park fees along with adding new impact fees for fire, police and facilities. It also does not include the proposal for more off-

site improvement costs being borne by the developer. In other words, we are already on the threshold of being much higher than our comparison cities with **no fee increases**.

The stakeholder group considers it important for policy decision makers to consider the following:

- There are additional revenues via sales, use and property taxes that the city will receive from the economic activity generated by new development that were not considered by the consultant study that recommended the increases in fees and levying of new fees. The National Realtor Association for example, has estimated that every new single-family home adds two jobs and \$80,000 to an area's economy.
- Any increase in fees is ultimately borne by the homeowner or business owner as those costs are passed through to them by the developer which makes housing costs and business expansions more expensive. The Grand Junction Area Realtors Association has estimated that just 37% of Mesa County residents can currently afford a median priced home at the rate of \$250,000.
- Area wages have been increasing for the past two year but are still substantially below those of other areas in Colorado. The most recent comparison from the Mesa County Workforce Center indicated that between third quarter of 2017 and third quarter of 2018 (most recent data available) the average wage increased a modest 4% to \$854 per week. Such wages coupled with the increased fees for residential development will make housing even more unaffordable for the city's residents.
- According to information from Elizabeth Peetz, Government Affairs Director, Colorado Association of Realtors as of May 2019 **32,000 households on the Western Slope** are weighed down by the cost of housing which means they are already paying more that 30% of their income for housing. This includes renters.
- Representatives of the development community have asked that all fees be brought to the table for consideration. However, a proposed increase in water tap fees was only introduced to them in July and were not factored into our other discussions. It is our understanding that the proposal will take current tap fees from \$1,000 to over \$5,000 for the smallest tap fee on nonresidential projects.

As a result of our meetings and the additional information that we have been able to gather along with recognizing the need for increased

infrastructure capacity and an environment that does not stifle growth our organizations are proposing the following:

- Implement 50% of proposed increase in TCP (transportation capacity payment) fees for residential developments and commercial developments that were presented and agreed to during Discussion Meeting #4 on July 29th over a 3-year schedule. At that time once again review the fee to determine if adjustments should be made. This will increase fees to a manageable level acceptable by the development community without halting progress. The review will help allow for adjustments based on current market prices and needs.
- Implement 50% of the proposed fee increase for parks presented at Discussion Meeting #4 on July 29th over the next three years with a review and recommendation back to Council at the end of that period regarding fee adjustments.
- Do not implement any new fees (i.e. fire, police and facilities) at this time.

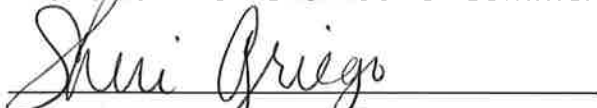
Thank you for your continued collaboration on this proposal and the consideration of the suggested solution by the collective stakeholders in Grand Junction.



Housing and Building Association of Northwest Colorado



Grand Junction Chamber of Commerce



Grand Junction Area Realtors Assn.



Western Colorado Contractors Association



Associated Members for Growth and Development



Impact Fee Study Workshop

Grand Junction, Colorado
8/19/19



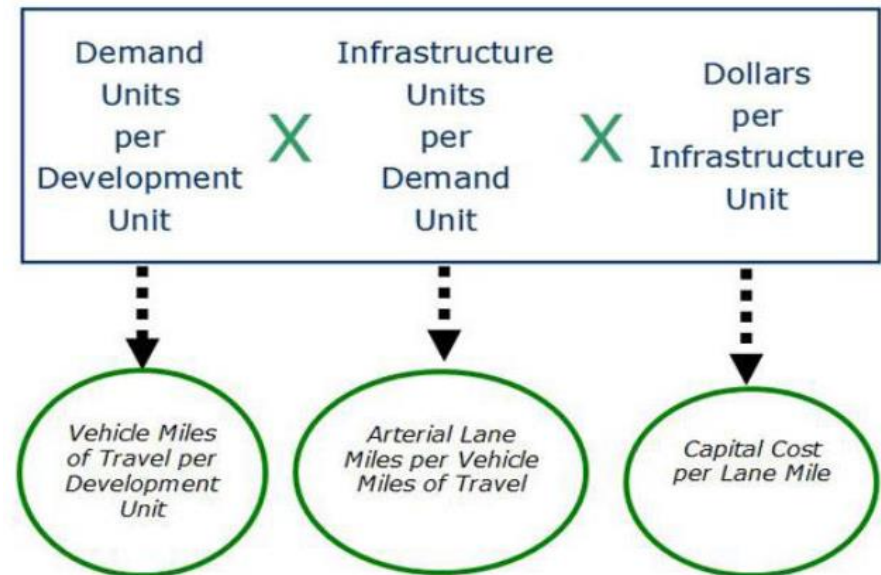
■ 40-Year National Practice

- » Impact fees
- » Fiscal impact analysis
- » Economic impact analysis
- » Infrastructure funding strategies
- » Market feasibility

Adams County	Arapahoe County	Aurora	Boulder
Castle Pines	Castle Rock	Centennial	Colorado Springs
Durango	Eaton	Erie	Evans
Fort Collins	Garfield County	Grand Junction	Greeley
Johnstown	La Plata County	Larimer County	Lone Tree
Longmont	Louisville	Mead	Mesa County
Montezuma County	Parker	Pitkin County	Pueblo
Steamboat Springs	Thornton	Vail	Westminster

Legal and Methodology

- One time payments to fund system improvements
- Cannot be deposited into General Fund
- Basic legal requirements are need, benefit, and proportionality
- General Methods
 - » Plan Based
 - » Cost Recovery
 - » Incremental Expansion





Impact Fees in Colorado

- Governed by Senate Bill 15
 - » October 2001
- Improvement or facility that:
 - » Is directly related to any service that a local government is authorized to provide;
 - » Has a useful life of five years or longer
- Specific accounting requirements
- Allows a local government to waive an impact fee on the development of low/moderate income housing
 - » Does not address whether the local government is required to “make up” the difference



Grand Junction Impact Fee Program

- Existing impact fees
 - » Parks
 - » Water plant investment fee
 - » Wastewater plant investment fee
- Potential impact fees as part of this study
 - » Parks (updated)
 - » Fire/EMS (new)
 - » Police (new)
 - » Municipal facilities (new)



Fire Impact Fee

- Consumption-based approach
- Service area exceeds City limits
 - » 83% of incidents are inside City
- Components
 - » Stations
 - » Vehicles/Apparatus
- Credit for existing debt

Fire 10-Year Facility/Apparatus Demand

Level-of-Service		Demand Unit	Unit Cost
Residential	0.49		
Nonresidential	0.06	Square Feet	per Person
		per Trip End	\$450

Growth-Related Need for Facilities						
Year		Population	Nonres. Vehicle Trips	Residential Sq. Ft.	Nonres. Sq. Ft.	Total
Base	2018	66,425	271,362	32,721	17,558	50,279
Year 1	2019	67,558	277,672	33,279	17,966	51,245
Year 2	2020	68,691	281,244	33,837	18,197	52,035
Year 3	2021	69,911	285,089	34,438	18,446	52,884
Year 4	2022	71,131	288,934	35,039	18,695	53,734
Year 5	2023	72,351	292,779	35,640	18,944	54,584
Year 6	2024	73,570	296,625	36,241	19,193	55,434
Year 7	2025	74,790	300,470	36,842	19,441	56,283
Year 8	2026	76,010	304,315	37,443	19,690	57,133
Year 9	2027	77,230	308,160	38,044	19,939	57,983
Year 10	2028	78,450	312,005	38,645	20,188	58,833
Ten-Year Increase		12,025	40,643	5,924	2,630	8,554
Growth-Related Expenditure				\$2,665,693	\$1,183,388	\$3,849,081

Level-of-Service		Demand Unit	Unit Cost
Residential	0.00031		
Nonresidential	0.00004	Units	per Person
		per Trip End	\$322,711

Growth-Related Need for Apparatus						
Year		Population	Nonres. Vehicle Trips	Residential Vehicles	Nonres. Vehicles	Total
Base	2018	66,425	271,362	21	11	32
Year 1	2019	67,558	277,672	21	11	32
Year 2	2020	68,691	281,244	21	11	33
Year 3	2021	69,911	285,089	22	12	33
Year 4	2022	71,131	288,934	22	12	34
Year 5	2023	72,351	292,779	22	12	34
Year 6	2024	73,570	296,625	23	12	35
Year 7	2025	74,790	300,470	23	12	35
Year 8	2026	76,010	304,315	23	12	36
Year 9	2027	77,230	308,160	24	13	36
Year 10	2028	78,450	312,005	24	13	37
Ten-Year Increase		12,025	40,643	4	2	5
Growth-Related Expenditure				\$1,290,842	\$645,421	\$1,613,553

Maximum Supportable Fire Impact Fee

<i>Fee Component</i>	<i>Cost per Person</i>	<i>Cost per Vehicle Trip</i>
Facilities	\$221.67	\$29.12
Vehicles	\$99.72	\$13.10
Existing Principal Credit	(\$21.68)	(\$2.94)
NET COST PER DEMAND UNIT	\$299.71	\$39.28

Residential

<i>Housing Type</i>	<i>Persons per Housing Unit</i>	<i>Maximum Supportable Fee</i>
Single-Family	2.37	\$710
Multi-Family	1.56	\$467

Nonresidential

<i>Type</i>	<i>ITE Code</i>	<i>Unit</i>	<i>Average Daily Vehicle Trips*</i>	<i>Trip Adjustment Factor*</i>	<i>Maximum Supportable Fee</i>
Retail/Commercial	820	1,000 SF	37.75	33%	\$489
Office/Institutional	710	1,000 SF	9.74	50%	\$191
Industrial	130	1,000 SF	3.37	50%	\$66
Warehousing	150	1,000 SF	1.74	50%	\$34

*Institute of Transportation Engineers (ITE), Trip Generation Manual, 10th Edition, 2017



Police Impact Fee

- Consumption-based approach
- Components
 - » Police space
 - » Vehicles funded through Proposition 2B
- Citywide service area

Police 10-Year Facility Demand

Police Station Level-of-Service Standards

Level-of-Service		Demand Unit	Unit Cost
Residential	0.63	per Person	\$344
Nonresidential	0.08	per Trip End	

Growth-Related Need for Facilities						
Year		Population	Nonres. Vehicle Trips	Residential Sq. Ft.	Nonresidential Sq. Ft.	Total
Base	2018	66,425	271,362	41,561	22,302	63,863
Year 1	2019	67,558	277,672	42,270	22,820	65,091
Year 2	2020	68,691	281,244	42,979	23,114	66,093
Year 3	2021	69,911	285,089	43,743	23,430	67,172
Year 4	2022	71,131	288,934	44,506	23,746	68,252
Year 5	2023	72,351	292,779	45,269	24,062	69,331
Year 6	2024	73,570	296,625	46,032	24,378	70,410
Year 7	2025	74,790	300,470	46,796	24,694	71,490
Year 8	2026	76,010	304,315	47,559	25,010	72,569
Year 9	2027	77,230	308,160	48,322	25,326	73,648
Year 10	2028	78,450	312,005	49,086	25,642	74,727
Ten-Year Increase		12,025	40,643	7,524	3,340	10,864
Growth-Related Expenditure				\$2,589,761	\$1,149,628	\$3,739,389

Maximum Supportable Police Impact Fee

<i>Fee Component</i>	<i>Cost per Person</i>	<i>Cost per Vehicle Trip</i>
Police Space	\$215.36	\$28.29
Existing Principal Credit	(\$86.71)	(\$11.74)
NET COST PER DEMAND UNIT	\$128.65	\$16.55

Residential

<i>Housing Type</i>	<i>Persons per Housing Unit</i>	<i>Maximum Supportable Fee</i>
Single-Family	2.37	\$305
Multi-Family	1.56	\$200

Nonresidential

<i>Type</i>	<i>ITE Code</i>	<i>Unit</i>	<i>Average Daily Vehicle Trips*</i>	<i>Trip Adjustment Factor*</i>	<i>Maximum Supportable Fee</i>
Retail/Commercial	820	1,000 SF	37.75	33%	\$206
Office/Institutional	710	1,000 SF	9.74	50%	\$81
Industrial	130	1,000 SF	3.37	50%	\$28
Warehousing	150	1,000 SF	1.74	50%	\$14

*Institute of Transportation Engineers (ITE), Trip Generation Manual, 10th Edition, 2017



Municipal Facilities Impact Fee

- Consumption-based approach
- Citywide service area
- Components
 - » General Government Space

Municipal Facilities 10-Year Demand

Type of Infrastructure	Level of Service		Demand Unit	Unit Cost / Sq. Ft.
Municipal Facilities	Residential	1.20	per persons	\$277
	Nonresidential	0.73	per jobs	

Growth-Related Need for Municipal Facilities						
Year		Population	Jobs	Residential Square Feet	Nonresidential Square Feet	Total Square Feet
Base	2018	66,425	58,660	79,518	42,669	122,187
Year 1	2019	67,558	60,018	80,874	43,657	124,531
Year 2	2020	68,691	61,025	82,230	44,389	126,619
Year 3	2021	69,911	62,109	83,691	45,178	128,869
Year 4	2022	71,131	63,192	85,151	45,966	131,117
Year 5	2023	72,351	64,276	86,612	46,754	133,366
Year 6	2024	73,570	65,360	88,072	47,542	135,614
Year 7	2025	74,790	66,444	89,532	48,331	137,863
Year 8	2026	76,010	67,527	90,993	49,119	140,112
Year 9	2027	77,230	68,611	92,453	49,907	142,360
Year 10	2028	78,450	69,695	93,913	50,696	144,609
Ten-Year Increase		12,025	11,035	14,395	8,027	22,422
Projected Expenditure				\$3,987,432	\$2,223,462	\$6,210,894

Growth-Related Expenditure on Municipal Facilities

\$6,210,894

Maximum Supportable Municipal Facilities Impact Fee

Fee Component	Cost per Person	Cost per Job
Municipal Facilities Space	\$331.60	\$201.49

Residential (per unit)

Development Type	Persons per Housing Unit	Maximum Supportable Fee
Single Family	2.37	\$785
Multi-Family	1.56	\$516

Nonresidential

Type	ITE Code	Unit	Employees*	Maximum Supportable Fee
Retail/Commercial	820	1,000 SF	2.34	\$471
Office/Institutional	710	1,000 SF	2.97	\$598
Industrial	130	1,000 SF	1.16	\$234
Warehousing	150	1,000 SF	0.34	\$69

*Employment densities were calculated using data from the Institute of Transportation Engineers (ITE), Trip Generation Manual, 10th Edition.



Parks and Recreation Impact Fee

■ Consumption-based approach

- » Assumes the City does not purchase additional park land in the short-term
- » Impact fees go to develop existing parks and banked park land

■ Citywide service area

- » Residents within the 201 Service Area population is used as “Park Population”

■ Components

- » Level 1 and 2 park improvements

Level 1 Park Improvement Needs

Level 1 Park Infrastructure Level-of-Service Standards

Type	Level of Service	Demand Unit	Unit Cost / Acre
Level 1 Park Improvements	0.0001 Acres	per person	\$112,500

Growth-Related Need for Level 1 Park Improvements			
Year		Population	Improved Acres
Base	2018	103,224	10.32
Year 1	2019	104,985	10.50
Year 2	2020	106,746	10.67
Year 3	2021	108,642	10.86
Year 4	2022	110,538	11.05
Year 5	2023	112,434	11.24
Year 6	2024	114,329	11.43
Year 7	2025	116,225	11.62
Year 8	2026	118,121	11.81
Year 9	2027	120,016	12.00
Year 10	2028	121,912	12.19
Ten-Year Increase		18,688	1.87
Growth-Related Expenditure on Level 1 Park Improvements			\$210,375

Level 2 Park Improvement Needs

Level 2 Park Infrastructure Level-of-Service Standards

Type	Level of Service	Demand Unit	Unit Cost / Acre
Level 2 Park Improvements	0.0035 Acres	per 1,000 persons	\$192,500

Growth-Related Need for Level 2 Park Improvements			
Year		Population	Improved Acres
Base	2018	103,224	357.54
Year 1	2019	104,985	363.64
Year 2	2020	106,746	369.74
Year 3	2021	108,642	376.31
Year 4	2022	110,538	382.87
Year 5	2023	112,434	389.44
Year 6	2024	114,329	396.00
Year 7	2025	116,225	402.57
Year 8	2026	118,121	409.14
Year 9	2027	120,016	415.70
Year 10	2028	121,912	422.27
Ten-Year Increase		18,688	65
Growth-Related Expenditure Level 2 Park Improvements			\$12,512,500

Maximum Supportable Park Impact Fee

Fee Component	Cost per Person
Level 1 Parkland Improvements	\$11.25
Level 2 Parkland Improvements	\$666.76
COST PER DEMAND UNIT	\$678.01

Type	Persons per Housing Unit	Maximum Supportable Fee	Current Fee	Increase
Single-Family	2.37	\$1,605	\$225	\$1,380
Multi-Family	1.56	\$1,055	\$225	\$830

Maximum Supportable Fee Summary

Residential (Per Unit)

<i>Type</i>	<i>Fire</i>	<i>Police</i>	<i>Parks and Recreation</i>	<i>Municipal Facilities</i>	<i>Maximum Supportable Fee</i>	<i>Current Fee</i>	<i>Difference</i>
Single-Family	\$710	\$305	\$1,605	\$785	\$3,405	\$225	\$3,180
Multi-Family	\$467	\$200	\$1,055	\$516	\$2,238	\$225	\$2,013

Nonresidential (Per 1,000 square feet)

<i>Type</i>	<i>Fire</i>	<i>Police</i>	<i>Parks and Recreation</i>	<i>Municipal Facilities</i>	<i>Maximum Supportable Fee</i>	<i>Current Fee</i>	<i>Difference</i>
Retail/Commercial	\$489	\$206	\$0	\$471	\$1,167	\$0	\$1,167
Office/Institutional	\$191	\$81	\$0	\$598	\$870	\$0	\$870
Industrial	\$66	\$28	\$0	\$234	\$328	\$0	\$328
Warehousing	\$34	\$14	\$0	\$69	\$117	\$0	\$117

Water Plant Investment Fee

- Last updated pre-1990s
- In 2015, Raftelis Financial Consultants proposed 2016 PIF:
 - » \$4,100 per capacity unit (Cash Financed)
 - » System net equity = \$69.9 million
 - » System capacity = 16.3 million gallons per day (16,900 capacity units)
 - » Does not include recovery of proportionate share of City's water rights
- 2019 PIF: \$4,480 (3% escalation)

Fee	Purpose	Cost
Plant Investment Fee	- Recover the cost of constructing the system. - Cost range based on size of service line and meter (3/4" – 6").	\$300 - \$8,500
Tap Fee	- Recover cost of City crews making physical connection to water main line and supplying meter. - Cost range based on size of service line and meter (3/4" – 6").	\$700 – 19,850

Proposed Water Plant Investment Fees

Water Plant Investment Fees

SIZE (inch)	TAP	PIF	TOTAL CONNECTION FEE	PROPOSED
3/4 x 5/8	\$700	\$300	\$1,000	\$5,180
3/4 x 3/4				
1	\$875	\$375	\$1,250	\$6,850
1.5	\$2,050	\$900	\$2,950	\$12,580
2	\$2,900	\$1,250	\$4,150	\$18,520
3	\$6,875	\$2,975	\$9,850	\$33,360
4	\$12,850	\$5,550	\$18,400	\$54,480
6	\$19,850	\$8,500	\$28,400	\$155,632

Comparison of Water-Related Fees

Water Plant Investment Fees

SIZE (inch)	PROPOSED	Ute Water (2019)	Clifton Water (2019)	Denver Water (2019) (1)	Aurora	Greeley	Pueblo (4)	Flagstaff, AZ (5)	Cheyenne, WY
Single Family (1-2 bath, 1/8 ac lot)					\$ 8,773.69				
Single Family (3-4 bath, 1/8 ac lot)					\$ 15,530.69				
Single Family (5+ bath, 1/8 ac lot)					\$ 22,755.69				
Multi-family (per unit)					\$ 9,760.00		\$ 2,880.00		
Single Family (2000 sf)				\$ 4,430.00					
Multi-family (2 DU)				\$ 1,040.00					
Multi-family (8 DU)				\$ 24,560.00					
Multi-family (20 DU)				\$ 47,840.00					
3/4 x 5/8	\$5,180	\$7,000	\$7,000	\$ 10,730.00	\$ 22,195.00	\$ 10,800.00	\$ 5,069.00	\$ 5,728.00	\$ 8,030.00
3/4 x 3/4		\$8,750	\$8,750						
1	\$6,850	\$10,500	\$16,250	\$ 19,170.00	\$ 39,729.00	\$ 18,000.00	\$ 4,909.00	\$ 9,566.00	\$ 19,420.00
1.5	\$12,580	\$15,725	\$18,000	\$ 42,180.00	\$ 87,227.00	\$ 36,000.00	\$ 25,029.00	\$ 19,074.00	\$ 38,730.00
2	\$18,520	\$23,150	\$27,000	\$ 76,690.00	(3)	\$ 57,500.00	\$ 31,725.00	\$ 30,530.00	\$ 61,990.00
3	\$33,360	\$41,700	\$40,500	\$ 126,426.00	(3)	\$ 126,000.00	\$ 60,973.00	\$ 57,279.00	\$ 168,640.00
4	\$54,480	\$73,100	\$60,840	\$ 229,971.00	(3)	\$ 216,600.00	\$ 210,439.00	\$ 95,484.00	\$ 290,760.00
6	\$155,632	\$182,800	\$91,260	\$ 517,374.00		\$ 450,000.00	\$ 434,157.00	\$ 190,910.00	\$ 620,260.00
8			\$136,890	\$ 774,957.00			\$ 1,007,583.00	\$ 305,468.00	
10			\$205,336	\$ 1,200,204.00				\$ 439,157.00	
12				\$ 1,235,855.00					

(1) Denver Water Rates

Single Family Residential

Base Charge

\$ per sf

ADU

Multi-family

First two DU

Next 6 DU

Over 8 DU, \$ per unit

Fees for specific tap sizes are for nonresidential.

(2) Aurora Water Rates

Residential

Outdoor Use Fee (per sf lot size)

Outdoor use fee for common areas in non-fee simple lots will be supplied by an irrigation meter.

Commercial

Fees for specific tap sizes are for nonresidential.

(3) Commercial Water Connection fees for meters 2-inches and greater are based on the estimated daily volume of water and assessed at \$63.82 per gallon/per day for connection and water transmission development fee. Consumption beyond initial allocation may be addressed through monthly bill or payment of additional connection fees.

Outdoor Use Fee (per sf lot size)

--Non-water Conserving

--Water Conserving

(4) Pueblo

Plant investment fee only, water tap fee charged separately

(5) Flagstaff

Water Capacity fee only, separate tap fee

Historical/Projected Water Revenue

City Water Meter Sales

Meter Size	3/4 inch	1 inch	1.5 inch	2 inch	3 inch	4 inch	Total Mtrs	PIF/Tap Revenue	Proposed PIF/Tap	Revenue Difference
2019 Year to Date	16	0	0	0	0	1	17	\$34,400.00	\$137,720.00	\$103,320.00
2018	36	0	1	5	3	0	45	\$89,250.00	\$391,740.00	\$302,490.00
2017	42	1	3	2	0	0	48	\$60,400.00	\$299,190.00	\$238,790.00

2020 Estimated Meter Sales

	3/4 inch	1 inch	1.5 inch	2 inch	3 inch	4 inch	Total Mtrs	
2020	30	0	0	3	0	4	37	\$430,320.00



Grand Junction City Council

Workshop Session

Item #1.b.

Meeting Date: August 19, 2019

Presented By: Greg Caton, City Manager

Department: City Manager's Office

Submitted By: Greg LeBlanc, Sr. Asst. to the City Manager

Information

SUBJECT:

Update from Economic Development Partners

EXECUTIVE SUMMARY:

The Economic Development Partners will present an update on economic development activity.

BACKGROUND OR DETAILED INFORMATION:

The North Star Report, which is attached, provided a framework for Economic Development in the Grand Junction area. Since that report additional funding has been provided to economic development and the functions continue to be through partnerships with local organizations.

Presenters will be present from each of the Economic Development Partners including: Grand Junction Economic Partnership, Grand Junction Area Chamber of Commerce, Business Incubator Center, Greater Grand Junction Sports Commission, and the Grand Junction Air Service Alliance.

FISCAL IMPACT:

N/A

SUGGESTED ACTION:

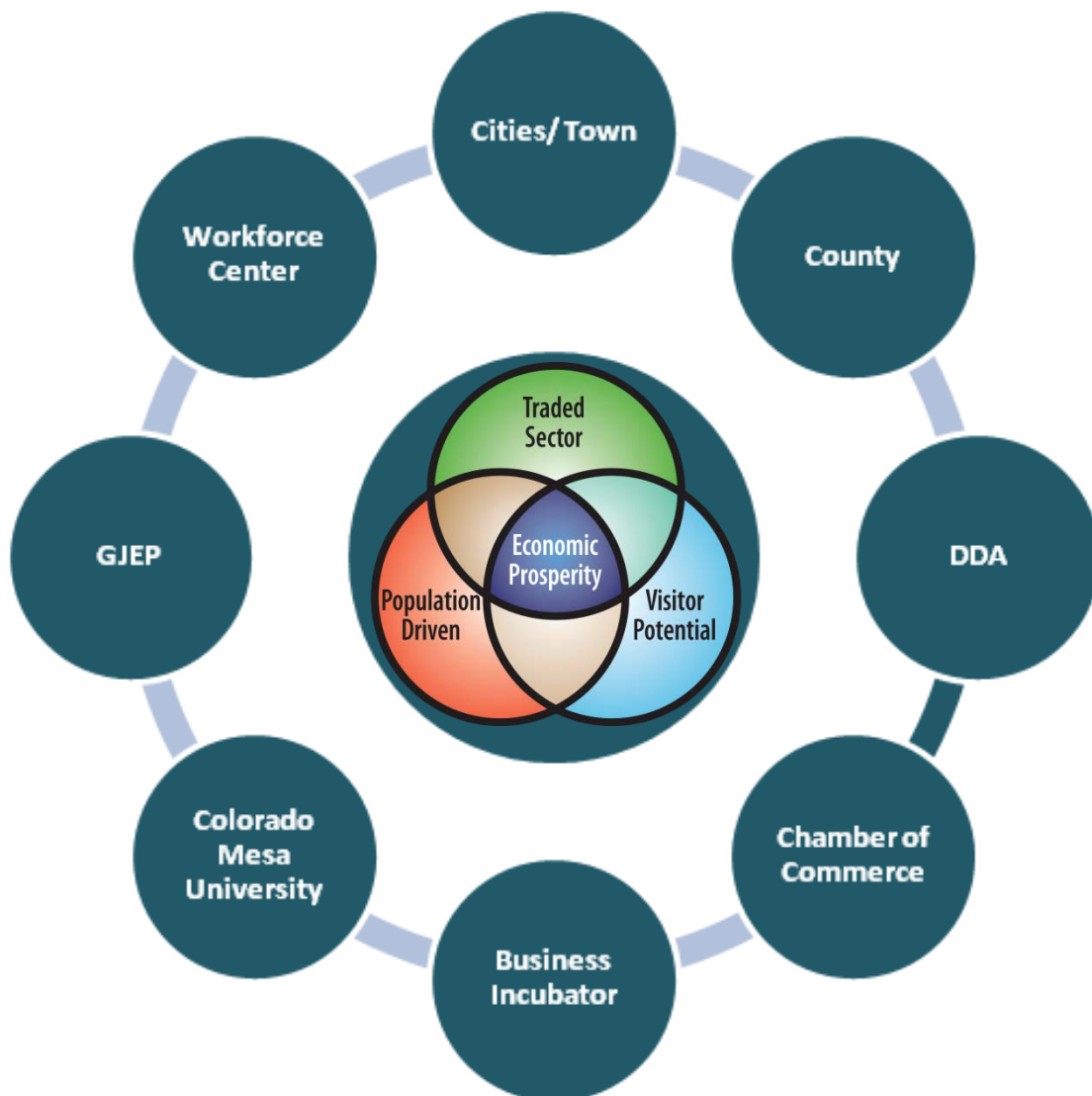
This presentation and discussion is for informational purposes.

Attachments

1. Economic Development Action Work Plan-10A 9-14-15
2. MOU Sports Commission Air Alliance Visit GJ
3. City Council Presentation for 8-19-19 Workshop - Business Incubator
4. City Council Presentation for 8-19-19 Workshop - Chamber of Commerce
5. City Council Presentation for 8-19-19 Workshop - GJEP
6. City Council Presentation for 8-19-19 Workshop - Sports Commission
7. City Council Presentation for 8-19-19 Workshop - Air Service Alliance

2015-16 Proposed Economic Development Action Plan

Submitted by Economic Development Partners



Economic Development Action Work Plan

The intent of this “work plan” is to present for consideration to the policy makers a logical joint approach, based on current workloads, capacity and resources, to address and begin implementation of the tactical recommendations presented in the June 29, 2015 Competitive Location Assessment Report¹ (CLA) – *the starting point for creating competitive economic development advantage*.

The goal of the North Star Brand Print project and the Competitive Location Assessment was to provide a roadmap to enhance our opportunities and results in economic development. To that end, over the past few months the Economic Development Partners have established an aligned commitment of our agencies, organizations and institutions to a common goal:

**Improve and diversify the overall county economy with strategic focus on
job growth and economic impact:**

This will be accomplished by all Partners working together to:

1. Recruit targeted industry sectors and businesses,
2. Expand and retain existing industry sectors and businesses,
3. Assist and nurture entrepreneur start-ups, and
4. Build Mesa County/Grand Junction’s identity/reputation as a location of choice for growing business.

Action Plan Development

1. The action work plan is a collaborative work effort of the Economic Development Partners staff (GJEP, Chamber, BIC, City, County, Workforce, CMU) with input from city staff and other stakeholders in economic development. This proposed “action work plan” addresses roles and responsibilities, for three of the Areas of Focus outlined in the CLA Report:
 - Organizational Effectiveness
 - Tactical Targeting – Recruitment, Expansion, Creation (REC)
 - Packaging
2. The Economic Development Partners reviewed all of the CLA Report recommendations and strategic repositioning for targeting, business recruitment, organization operations. Using the following parameters as a guide, the work plan, assigned responsibilities and budgets were created:
 - 1) Do we have capacity/capability to do it?
 - 2) Is someone working on it or who is most logical lead?
 - 3) Is it needed by targets?
 - 4) What economic market driver does this address?
 - 5) Will it help increase economic diversity and growth?
 - 6) Will it require additional study or expertise?
3. The following pages outline the actions proposed for 2015-2016 for each focus area with goals, anticipated outcomes, assigned leads and support, timeline and budget. **NOTE:** These actions are new and in addition to the existing services currently provided by the organizations and agencies. To implement these actions additional resources will be required as noted in each section.

¹ Competitive Location Assessment, June 29, 2015, a report of the North Star BrandPrint focused on the Economic Development Competitiveness, conducted by Audrey Taylor, Chabin Concepts and Don Schjeldahl, DSG Advisors.

Focus Area:	Organizational Effectiveness
Goal:	Create an effective, seamless Economic Development Team
Anticipated Outcomes:	A shared-mission, integrated Team working as a unit with distinct focus to achieve economic growth in diverse sectors of the economy.
Assigned Lead:	GJEP, BIC, Chamber
Support:	Cities, County, CMU, Workforce, DDA

CLA Tactical Recommendation: *Markets should drive the alignment of organizations and services to leverage opportunities and resources, pg 28.*

Actions	FY Timeline	Budget
The Economic Development Partners (all organizations) have been meeting regularly on operations and projects since the beginning of the project, understanding that organizational collaboration can lead to achieving higher results and therefore commit to: ▪ Set a regular meeting schedule for collaboration and execution (all parties) ▪ Adopt an “any door policy” for business needing assistance, meaning a business can contact any of the members and get to the right source that will provide the assistance needed. ▪ Continue to work with North Star on the brand identity and messaging that can be incorporated in our local and external communications. ▪ City, County, Workforce and CMU will continue to be active members of the partnership to provide support to the execution of direct economic development services with businesses. ▪ Other key stakeholders and organizations will be invited as different sectors are addressed. ▪ Measure progress and economic indicators, prepare quarterly reports. ▪ Continue to seek sustained streams of revenue to support the initiatives outlined in the CLA Report and to achieve economic development funding comparable to competitor areas.		
As a further commitment to collaboration, all partners will sign a Memorandum of Understanding articulating the working relationships between the organizations, agencies and institutions, the roles and responsibilities as noted in the chart (following page) and aligned with CLA Tactical Recommendation. <i>Note: LEAD means staff, board and members involved in the initiative.</i>	Q4 2015	

Measure:	MOU signed and in place, quarterly reporting and joint Annual Report.
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Recruit - Expand - Create Economic Growth & Diversity

Business Recruitment Traded Sector - Primary and Emerging Sectors

GJEP LEAD

- Attraction/Awareness Marketing
- Attraction Package by Sector
- Site/Building Readiness
- Recruit & Prospect Target Industry Sectors & Businesses
- Jump Start Colorado
- Incentive Packaging/Negotiations

Support

- BIC - Entrepreneurs & StartUps in Niche Markets
- DDA
- Chambers
- Workforce Center
- CMU
- City/County

Business Expansion and Retention Traded Sector - Energy, Healthcare, Manufacturing, Aviation, Agriculture

GJACC LEAD

- Industry Sector Roundtables
- Partner with Workforce Center/Education to address workforce and skill gap issues
- Outreach to businesses
- Access/assist programs

Support

- Workforce Center
- City/County
- BIC
- GJEP
- DDA
- CMU

Business Creation Niche Sector - Start-ups, Advisory Services, New Product Development

BIC LEAD

- Entrepreneurs/Start-up Businesses
- New business Advisory Coaching Boards
- Maker Space - Downtown
- Support Role to Ag Sector
- CSU Extension Office

Support

- GJACC
- GJEP
- Workforce
- CMU / Education
- DDA

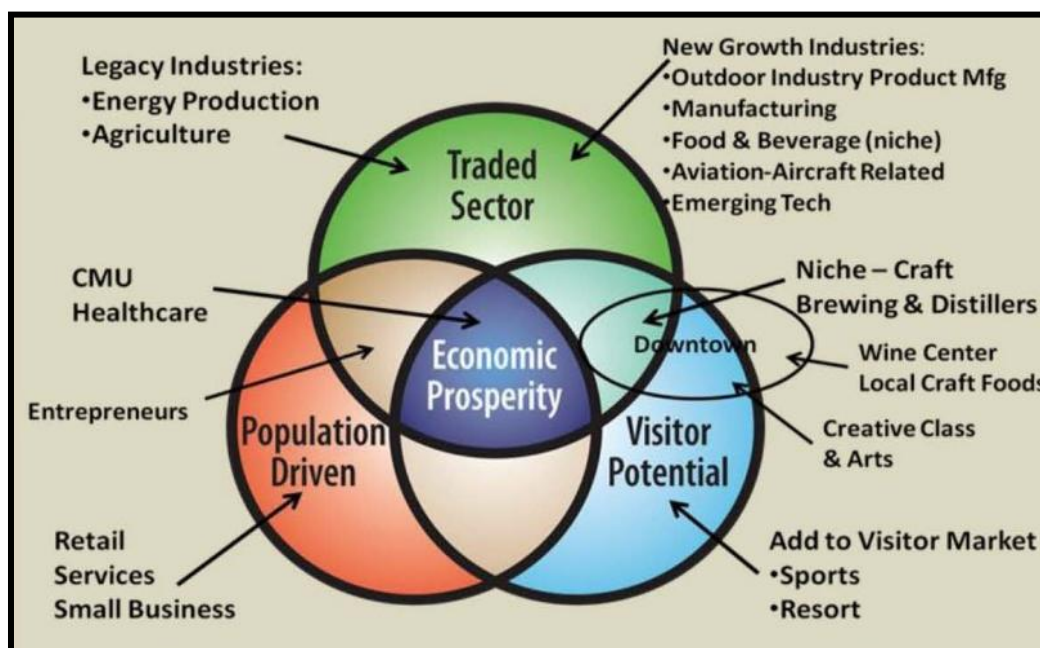
Special Markets

- Maverick Innovation Center - Lead CMU

Focus Area: Goal: Anticipated Outcomes:	Tactical Targeting – Recruit, Expand, Create
	Create jobs and new investment with a new strategic focus and integrated service model that will grow and diversify economic sectors.
	■ Increase annual economic impact of jobs and capital investment, as measured by all economic development activities of recruitment, expansion and creation by at least 20% of the Base Year. Base Year will be 2014. ■ Increase new job opportunities/placements by minimum of 100. ■ Estimate an annual economic impact of \$50 million.

The **Tactical Targeting Focus Area** includes all organizations refocusing their programs and leveraging their existing resources to align with the CLA recommendations around sectors that drive the economy, pg 28.

Tactical targeting actions are new. New additional work efforts to increase economic activity in all sectors include four tactical targeting efforts: **Business Recruitment** (Traded Sector), **Business Expansion** (Traded Sector & Legacy), **Business Creation** (all sectors with focus on niche and start-up) and **Special Markets**.



Measure:	■ To measure the economic impact that all the economic services contributed to the County/Cities/Town, it is best to use an Economic Impact Model customized for the Valley' economy. ■ Economic Development Partner Annual Report
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Focus Area:	Tactical Targeting – Recruitment
Goal:	1) Build identity and awareness of Grand Junction as a location of choice for traded sector businesses, and 2) Launch a business attraction/prospecting program focused on best fit target businesses in key geographic locations.
Anticipated Outcomes:	▪ Increase lead generation within the target markets. ▪ Increase lead to prospect and prospect to close conversion rate.
Assigned Lead:	Grand Junction Economic Partnership
Support:	BIC, Workforce, Cities/Town/County, CMU, Chamber

CLA Tactical Recommendation: *Clear, consistent messaging pg 24. Targeting and prospecting pg 33.*

Actions	FY Timeline	Budget
<i>Background Notes:</i> <i>The actions for GJEP mean changing the way business attraction has been done and adjusting to geographic targets, sector targets, business characteristics, selling value proposition and marketing to build awareness in the marketplace.</i> <i>Because GJEP has not had funds for marketing, during the first year they need to prepare, incorporate new brand, build message and launch marketing to create awareness of Grand Junction/Mesa County as a place to do business.</i> <i>Marketing and converting leads to prospects and prospects to close is a long-term proposition:</i> ▪ 21 times a message must be in front of a owner before it “sticks”; ▪ 1 in 35 leads may be expanding/relocating, and of those interested, potentially 10% may be interested in considering a new location outside of their current location. <i>Prospects interested in both have typical timelines of 18-36 months.</i>		
1. Transition. GJEP will transition to focus on marketing as location of choice for business, prospecting and JumpStart, and coordinating business prospecting in niche markets with BIC. ▪ Business Expansion and Retention will be handled by GJACC with GJEP and BIC as support and as needed one will take lead based on company needs ▪ GJEP will stay lead on current expansion projects	Current to Q1 '16	
2. Existing Leads & Prospecting. GJEP will be culling and screening through the current database of leads (71) and prospects (81) to identify near-term prospects (1-2 years or sooner) and rank all others based on potential of serious location decision. ▪ Near-term prospects will become priority for prospecting	Complete by Q4 '15	
3. Packaging. As noted in the CLA Report packaging is a large component of preparing to Go-to-Market (see Focus Area: Packaging).	Q4 '15 – Q1'16	

4. Prospect Messaging. This is a core activity that has several components which would align with the next phase of the NorthStar Branding as it relates to brand. ▪ Messaging. Key messages for target sectors, business audience both internal and external ▪ Communications Strategy. For existing leads and prospects and new targets, trade associations ▪ Website. Upgrade and changes per suggestions in CLA ▪ Prospecting Campaign Design. i. Collateral Materials ii. Update Data iii. Case Studies & Stories iv. Launch v. Media Relations vi. Social Media Staffing and Marketing Budget Needs: vii. Marketing & Research Staff viii. Launch Marketing Campaign Design	Q4 '15 – Q3 '16	\$100,000
5. Sector Research. ▪ Continue organizing Outdoor Industry sector, sponsor Outdoor Coalition, strategize on sector recruitment ▪ Industry Intelligence – specific target businesses, qualified lists ▪ Packaging	Q3 '15 – Q2 '16	\$11,000
6. Prospecting. ▪ Geographic Targets – Appointments for face to face meetings ▪ Niche start-up market will be collaborative effort of GJEP and BIC. ▪ List development ▪ Advertising ▪ Site Selection Consultants ▪ Follow-Up Proposals ▪ CMU – Create a plan to collaborate with CMU recruiters to identify from their recruitment efforts in various state, such as California, potential target businesses or owners that can be called upon by GJEP.	Q4 '15 – Q4 '16	\$125,000 \$10,000
7. Jump Start. Manage and launch marketing to existing and new businesses, coordinate with CMU, BIC and GJACC.	Current to Q1 '16	\$50,000
		\$296,000

Measure:

- New Business Reached
- New Leads Generated
- New Prospects Generated / Turn Over
- Prospect Turn Over / Closings
- Tactical Targeting Economic Impact – Jobs, Capital Investment, Tax Revenue

Focus Area:	Tactical Targeting – Business Expansion/Retention
Goal:	Provide assistance that will help legacy and traded sector businesses, and the industries as a whole, expand (and retain) their operations, employment and investment in Grand Junction/Mesa County.
Anticipated Outcomes:	- Identify sector need particularly around workforce and skill gap needs (largest challenge for industries in the global economy). - Create a business climate that honors existing industries actively addressing issues/constraints to growing their business.
Assigned Lead:	Chambers of Commerce - GJACC, Palisade, Fruita
Support:	GJEP, BIC, Workforce, Cities/Town/County, CMU

CLA Tactical Recommendations: Need effective program to service existing businesses, pg 24.

Actions	FY Timeline	Budget
<i>Existing businesses create 60-70% of all new jobs and capital investment in a community. Assisting the existing industry sectors and individual businesses in addressing their issues and needs, providing technical tools and resources will result in increased growth in the economy through expansion.</i>		
- Organize around sectors – identify businesses and association to be engaged in first round of industry sector work. - Hire ½ time Expansion Advocate, coordinate/boots on the ground. - Use GJEP’s Synchronist Business Information System (if not outdated) or ExecutivePulse to track and share data and information on findings and creating referral system to support team. - Attend training on Business Information System to ensure everyone is using the system. Check compatibility with BIC’s tracking system as required by SBA. - Identify sector champion to assist with Roundtables. - Launch Industry Roundtables (Legacy first) to identify sector needs particularly around workforce and skill gap needs. - Identify the specific needs and work with Economic Partnership Team on how to address, assignments to identify methods to help the sector. - Identify ways to strengthen the sector. - Create communications channel for the industry and advise how issues and/or opportunities are being addressed. - Reach out to specific business that self-identify. - Follow-up will be extensive to sector and individual businesses in the sector. - Collaborate with media to publicize assistance stories.	1Q ‘16 6mo/industry	\$65,000
Support: GJEP and BIC will actively participate in program providing support services such as property, incentive package, Jump Start, financing, etc.		\$15,000
		\$80,000

Measure:	- Sector Response - Tactical Targeting Economic Impact – Jobs, Capital Investment, Tax Revenue
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Focus Area:	Tactical Targeting – Business Creation
Goals:	Increase business start-ups by providing space Downtown for niche markets. Differentiate recruitment packages with business advisory service to small-medium sized growth companies.
Anticipated Outcomes:	▪ New start-ups 10% increase, track growth with companies being assisted increasing their opportunities by 20%. ▪ New value proposition to new business will result in increasing their market share, business opportunities and jobs.
Assigned Lead:	Business Incubator Center
Support:	GJEP, Chamber, Workforce, DDA, City/County, CMU

CLA Tactical Recommendations: *Continue to support and expand the “turn-key” solution assistance for business start-ups and new locating businesses, pg. 2. Grand Junction space for emerging markets in downtown, pg 39.*

Actions	FY Timeline	Budget
<i>Business churning is an important part of economic activity. Some firms are born while others fail, and some companies expand while others contract. New and superior ideas, processes, and goods replace obsolete ones in a dynamic process of “creative destruction”.</i> <i>This process contributes substantially to productivity growth overall as labor and capital are more efficiently allocated across the economy. Business-labor-market churning is indispensable resulting in productivity gains to drive sustained economic growth.</i> Kauffman Foundation		
1. Incorporate the creative BIC Advisory Services into recruitment packages, as a value added for new businesses – a team to help grow your business. ▪ This service would also be offered to existing expansion businesses ▪ New clients for this service will require additional resources to provide the type of service that companies need. Recruit high level coaches and industry experts, organize teams. Estimate servicing 4-8 new clients will lead to jobs. 30-40 hours per client, plus service set up ▪ Workforce Center partner with BIC on roundtables/workshops.	Q4 '15 – Q3 '16	\$45,000 \$ 2,500
2. In line with business starts, “churn” and incubation. ▪ CMU’s Maverick Innovation Center launch on campus will attract student entrepreneurs, innovation collaborations and business creation ▪ Offerings and services will be coordinated with partners ▪ Create a pipeline of new business, increase “churn”, attract student entrepreneurs, retain brain power, graduate to BIC, add to diversity	Q3 '15 – Q2'16	\$0
3. Downtown Incubator Space. Downtown is perfect location for niche market businesses to start, such as, food and beverage. ▪ A specialty incubator or co-space is ideal to start capturing and encouraging niche growth	Q1 '16	\$100,000
		\$147,500

Measure:	▪ Small Business Starts, Churn
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Focus Area:	Tactical Targeting – Special Markets
Goals:	Outreach to Agriculture Legacy Industry to identify opportunities for the agriculture industry to expand or add-value to existing products. Support expansion of CMU to attract more students and also be recognized as a University of Choice. Seed emerging “sports” as niche market.
Anticipated Outcomes:	- Increased economic activity in Legacy Industries - Expand Grand Junction identity as a “sports” destination
Assigned Lead:	Chambers, CMU
Support:	BIC, City, GJEP, Chamber, Workforce

CLA Tactical Recommendations: *Ag identified as Legacy Industry, pg 36 and Mesa County, pg 42. Sports Development Strategy, pg 39. CMU Expansion, pg 39.*

Actions	FY Timeline	Budget
1. Agriculture is one of the County’s largest economic sectors, a Legacy Sector. To expand agriculture start with the existing base, which there are several segments of agriculture in the County. Identify both the opportunities and needs of the various segments of the sector. - As with other sectors in expansion/retention the Chambers would host roundtables in different areas of the County, in collaboration with Cities/Town, associations and any other groups. - Staff and industry experts to support this effort could be provided by BIC.		
2. The City of Grand Junction/County currently contributes on an annual basis to CMU for ongoing Economic Development. Not only is CMU’s annual \$400 million economic impact important to the City and County but there are significant spin-off opportunities for suppliers and consumer businesses as the University continues to grow drawing students, parents, visitors and businesses to the area. - CMU is also assisting in leading the emerging Sports Market which will need funding to continue to grow this market opportunity: - Work completed this year has laid the foundation - FY 2014 had a \$30,000 tax revenue generation impact - Offers synergy and alignment with business recruitment and industry sectors - City Parks & Rec, venues and development opportunity alignment		\$50,000
		\$50,000

Measure:	- Growth in Ag Industry, crop production reports and jobs - CMU Economic Impact Report - Sports events can be measured with a customized Impact Model
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Focus Area:	Packaging
Goals:	Incorporate new brand identity and key messages into all promotions and package.
Anticipated Outcomes:	Reposition marketing and messaging to reflect quality information and business value proposition.
Assigned Lead:	GJEP, BIC, Chamber
Support:	Workforce Center, City, County, DDA, CMU

CLA Tactical Recommendations: *Packaging should be collaboratively prepared so all the business resources are brought to the table and presented as part of the unique advantage of a Grand Junction/Mesa County location, pg 35 and site data, pgs 19-21.*

Actions	FY Timeline	Budget
1. Current materials/packages/business offers or proposals do not present a “value proposition to business”. This is Phase I to changing how to “sell” prospects on the advantages of a location (this is not the marketing): ▪ Build case stories by sector – why business should be here ▪ Put benefits to the resources – workforce (services offered), financing ▪ Add the Advisory Service as a key component (differentiator) ▪ Identify specific buildings to market ▪ Market industrial park areas, incorporate IDI, County, prepare standard site sheets² ▪ Maps – graphics ▪ Case studies by industry sector – small and large ▪ Reposition websites <i>Note: coordinate final pieces with the North Star brand roll-out Phase II</i>		\$36,000
2. Workforce Development, Lead: Workforce Center ▪ Package workforce data by sector ▪ Get input from team on occupations of sectors, skill sets ▪ Currently working on transferable skills of demand occupations ▪ Work with team to articulate the value Workforce Center can bring in services, i.e., work key assessments, screening, customized training, on-the-job training contracts, placement, ratio of applicants to openings experience – put dollar value on the service ▪ Labor story, and success stories of business-labor ▪ Assist with labor shed map ▪ Put workforce info on websites and maintain ▪ Conduct household and employer survey if needed (need assistance with appropriate questions and data to be gathered in surveys)		

² Sample Real Property and Buildings Sheets provided in Appendix of CLA Report, Sample Materials

3. Website & Mapping, Lead: City, GIS coordinate with County		
- Provide a common website for site and building inventory - Provide access to partners for posting sites and buildings - Organize by business park - Create map of each park noting existing businesses - Create overview maps, step-down as recommended, for website and print - Help to create stories around capital improvements - Create and have on common website road maps, trails maps, Riverfront Project maps		
4. Annual Report. Annual report should be combined effort of all partners telling the story. It becomes part of the recruitment package. The annual report should contain the Economic Impact measurement. Purchase a customized Impact Model with local multipliers that model local impacts, training and events and can be used by all partners.		\$2,500 \$7,500
		\$46,000

Measure:

- Completion of new packaging and coordination of messaging
- Launch new brand
- Business awareness

Measuring Economic Impact

Measuring the economic impact of the work efforts can easily be done with an Economic Impact Model³ using Mesa County multipliers. A model can measure individual business impacts, workforce training and visitor events.

To demonstrate the economic impact of the Economic Development Partnerships' work efforts, chart 1 measures job creation and capital investment for 2014 for GJEP, Chamber, BIC and Workforce Center:

2014 Economic Development Results

2,141 Jobs	Jobs, 1,727 direct jobs retained, created and placed – 414 indirect jobs
\$59.7 Million	Payroll supported, direct and indirect
\$60.3 Million	Household spending
\$5.6 Million	Local taxes generated
\$126.8 Million	Total Economic Impact

Chart 2 demonstrates the economic impact of a single, new manufacturing location the size of a business to be targeted in the new recruitment plan:

Example: 50 Employees Manufacturing Industry = \$8.8 Million	Example of the economic impact that can be generated by one new business location or expansion representing 50 New Base Level Direct Jobs and Capital Investment of \$3.5 Million. The economic impact creates: ▪ 70 JOBS – 50 direct jobs, 20 indirect jobs ▪ \$2.3 million – Local household spending into the local community ▪ \$240,000 Local Taxes ▪ \$8.8 Million – Total Economic Impact⁴
---	---

On the last page of the Action Plan a draft Dashboard would be used to measure performance based on the activities that attribute to improving and diversifying the economy.

³ Applied Economics, <http://www.aeconomics.com/>, Sarah Murley, 602-765-2400 x102

⁴ Economic Impact Estimate calculated using Implan Model

Public Investment

Increased public funding will be needed to make significant impact on the goals and actions outlined in this Action Plan and recommended in the CLA. The economic development organizations do not have dedicated income streams. Annually the organizations request funding from the Cities and County, raise private funds and/or write grants. As noted in the Competitive Location Assessment the annual budget for economic development should be closer to the investment in Tourism \$1.3-\$1.9 million for business attraction, expansion/retention and creation programs and activities.

The total budget for the economic development activities noted in this **Action Plan** is \$619,500 (*this does not include existing funding provided for basic services*). For economic development, the past year's annual public investment totaled \$212,000 to all organizations from Cities of Grand Junction, Fruita and the County (*not including CMU*).

The following chart, 2015-16 Economic Development Budget, outlines :

- 1) the existing public funding and source received for each job creation program,
- 2) the additional funding needed to implement a more robust economic development and
- 3) the total public funding investment that is requested to increase economic development efforts and achieve greater results.

2015-16 Economic Development Budget	Existing Public Funding	Current Funding Sources*	Additional Budget for Action Plan	TOTAL ED BUDGET
1. Recruitment Lead: GJEP	\$ 75,000	\$30,000 County, \$40,000 City Grand Junction, \$5,000 City of Fruita	\$296,000	\$371,000
2. Expansion Lead: Chamber	\$ 12,400	\$1,400 County, \$11K City of Grand Junction (Young Entrepreneurs	\$ 80,000	\$92,400
3. Creation Lead-BIC	\$124,700	\$43,550 County, \$27,550 Enterprise Zone, \$53,600 City of Grand Junction	\$147,500	\$272,200
4. Sports	0	\$10,000 County	\$ 50,000	\$50,000
5. Packaging	0		\$ 46,000	\$46,000
Total ED Budgets	\$212,100		\$619,500	\$831,600
6. CMU Economic Development	\$1,300,000	\$300,000 County, \$1 Million City of Grand Junction	\$1,300,000	\$1,300,000
Totals	\$1,512,100		\$1,919,500	\$2,131,600

*County additional Economic Development Special Request Funding, total \$90,650 for total investment of \$493,150 including CMU.

- Chamber of Commerce, Oil & Gas Conference \$10,500
- Initiating Sports Feasibility \$10,000
- BIC Special Staff Request \$40,150
- Marketing – North Star Brand Print \$30,000

Public Investment Comparison

The recommendation in the Competitive Location Assessment report is to increase the public investment in economic development similar to the investment in tourism, to \$1.3 – \$1.9 million per year (*not considering investment in CMU, special category*).

For comparison purposes only, below highlights the investment in market driver sectors (Traded Sector, Population-Driven and Visitor Market) and the benefits generated as a return for that investment. *Note: VCB is totally public funded by vendor's fee and Lodging Tax. Revenue Opportunities for funding Economic Development has been discussed by staff.*

2014 Public Investment		Traded Sector, Population-Driven Markets	
For Comparison Purposes Only	Visitor Market		
Public Investment (VCB City-only, ED Cities/County)	\$1,980,000		\$212,100
Earnings/Payroll Generated from Investment	\$60,800,000		\$59,757,000
Employment/Direct-Indirect Generated from Investment	2994		2141
Local Taxes Generated from Investment	\$8,000,000		\$5,600,000
Source: 2014 Impact Reports - Dean Runyan, Implan			

APPENDIX

- Sample Ads to Promote Business Retention/Expansion
- Sample Dashboard – *Measuring Progress*



We saved \$27,000 on new employees

Problem: Facipsum venim qui blam nim digna facil del utat. An utpat dipsum dolore exer sim venim el exer autat lortie magna facipis aut alit in utem adio euguero odolut nisi.

Problem Solved: Facipsum venim qui blam nim digna facil del utat. An utpat dipsum dolore exer sim venim el exer autat lortie magna facipis aut alit in utem adio euguero odolut nisi. ***"Adit wismolobor at wisi. San utatumm odor ipsummolorem venisi,"*** says Nambo Johnson, president and CEO.

New Brand Logo

(000) 000-000
www.name.com

R•E•C
Recruit, Expand, Create
Economic Development
Partners at Work

Photo of company being profiled (people or product)



We didn't have to leave Paradise

Problem: Facipsum venim qui blam nim digna facil del utat. An utpat dipsum dolore exer sim venim el exer autat lortie magna facipis aut alit in utem adio euguero odolut nisi.

Problem Solved: Facipsum venim qui blam nim digna facil del utat. An utpat dipsum dolore exer sim venim el exer autat lortie magna facipis aut alit in utem adio euguero odolut nisi. *"Adit wismolobor at wisi. San utatumm odor ipsummolorem venisi,"* says Nambo Johnson, president and CEO.

New Brand Logo

(000) 000-000
www.name.com

R•E•C
Recruit, Expand, Create
Economic Development
Partners at Work

Photo of company being profiled (people or product)



They put a new roof over our heads

Problem: Facipsum venim qui blam nim digna facil del utat. An utpat dipsum dolore exer sim venim el exer autat lortie magna facipis aut alit in utem adio euguero odolut nisi.

Problem Solved: Facipsum venim qui blam nim digna facil del utat. An utpat dipsum dolore exer sim venim el exer autat lortie magna facipis aut alit in utem adio euguero odolut nisi. *"Adit wismolobor at wisi. San utatumm odor ipsummolorem venisi,"* says Nambo Johnson, president and CEO.

New Brand Logo

(000) 000-000
www.name.com

R•E•C
Recruit, Expand, Create
Economic Development
Partners at Work

REC Annual Report

prepared by Economic Development Partners, [YEAR]

OUR GOALS ►	RECRUIT	EXPAND	CREATE		
REACH	[your # fits in this space]	[your # fits in this space]	[your # fits in this space]		
JOBBS CREATED / PLACED	[your # fits in this space]	[your # fits in this space]	[your # fits in this space]		
CAPITAL INVESTMENT	[your # fits in this space]	[your # fits in this space]	[your # fits in this space]		
LOAN / INCENTIVE # / \$	[your # fits in this space]	[your # fits in this space]	[your # fits in this space]		
INCUBATION BUSINESS STARTS	[your # fits in this space]	[your # fits in this space]	[your # fits in this space]		
JOB TRAINING	[your # fits in this space]	[your # fits in this space]	[your # fits in this space]		
SPORTS VENUES	[your # fits in this space]	[your # fits in this space]	[your # fits in this space]		
PRODUCT IMPROVEMENT	[your # fits in this space]	[your # fits in this space]	[your # fits in this space]		
	DIRECT / INDIRECT JOBS	ANNUAL PAYROLL	CAPITAL INV.	HOUSEHOLD SPENDING	TOTAL ECONOMIC IMPACT
TOTAL ECONOMIC IMPACT	0000	\$ 00000000	\$ 00000000	\$ 00000000	\$ 00000000

TRAVEL AND TOURISM MEMORANDUM OF UNDERSTANDING

THIS TRAVEL AND TOURISM MEMORANDUM OF UNDERSTANDING (“MOU”) is effective January 1, 2019, and is by and between the City of Grand Junction (the “City”), a Colorado home rule municipality, Visit Grand Junction (“Visit GJ”), a department within the City, the Grand Junction Regional Air Service Alliance (“Air Service Alliance”), a Colorado nonprofit corporation, and the Greater Grand Junction Sports Commission (“Sports Commission”), a Colorado nonprofit corporation. Visit GJ, the Air Service Alliance, and the Sports Commission are each referred to as a “Party” and together as the “Parties.”

1. Additional Lodging Tax Funds.

- a. In November 2018, City voters adopted an additional three percent lodging tax to promote and market travel and tourism-related activities to the Grand Junction area. These activities include destination marketing, additional direct airline service, and sporting activities and events.
- b. Resolution No. 45-18 (“Resolution”) authorized the City to annually allocate 1.0% of the lodging tax increase to the Air Service Alliance and 0.75% to the Sports Commission. The remaining 1.25% of the lodging tax increase would be allocated to Visit GJ or as otherwise decided by the City Council. Changes in annual allocations are subject to formal consideration by the City Council.
- c. This MOU outlines the City and Parties’ understanding of how the additional lodging tax funds (“Funds”) will be used to promote travel and tourism to the Grand Junction area.

2. **Term.** This MOU runs from January 1, 2019 through December 31, 2019. Unless terminated under Section 8, the MOU automatically renews for five (5) successive one-year terms. The City’s funding obligations, however, are contingent on an annual appropriation of funds from the City Council.

3. Use of Allocated Funds.

- a. The Air Service Alliance will use Funds allocated by the City for marketing, promoting, acquiring, and enhancing direct air service to and from the Grand Junction Regional Airport. This includes but is not limited to minimum revenue guarantees and funding marketing and promotion of such service in other markets.
- b. The Sports Commission will use Funds allocated by the City to attract and enhance sporting events within the Grand Junction area that bring tourism and visitors.
- c. Visit GJ will use Funds allocated by the City to market and promote travel and tourism and destination marketing and destination management services such as branding, marketing and support of the products and services that bring people to the area.
- d. Funds may not be used for construction, facility maintenance, or to pay debt. The Parties may use Funds for third-party expenses (e.g., D&O insurance, banking, staff, consulting, auditing, accounting or legal fees).
- e. Funds used for a purpose not allowed by this MOU and/or the Resolution shall be repaid to the City.

4. Disbursement of Funds.

- a. The City, without need for a request, will disburse Funds to the Parties on a quarterly basis.

- b. The Parties may each hold a reserve equal to no more than two years of allocated Funds unless the City agrees otherwise in writing.
5. **Coordination Among Parties.** The City and the Parties will meet at least quarterly to provide updates on plans for how Funds are being spent and to explore opportunities for collaboration. In addition, representatives from Visit GJ and the Sports Commission are invited to attend the Grand Junction Regional Air Service Alliance as ex officio members to stay informed as to their activities and provide input. The Parties also agree to update City staff and City Council on their activities at least annually, and more frequently if requested.
6. **Accounting and Recordkeeping.** The Parties shall maintain detailed accounting of how they expend received Funds and, upon request from the City, will provide that accounting of expenditures as well as any reasonable reports. Upon request, the City shall also give the Parties an account of Funds held.
7. **Liability.** Neither the City nor any Party, nor any of their employees, officers, or directors will be liable to the City or to any other Party for damages (whether direct, consequential, special, or otherwise) for anything relating to this MOU.
8. **Termination.** The City or any Party's breach of a material provision of this MOU shall be cause for termination of the Agreement with respect to the City or that Party if it has not cured the breach within thirty (30) days of having been given written notice. Termination of the MOU with respect to a Party may, in the sole discretion of the City Council, result in termination of future allocations of Funds to that Party.
9. **Indemnification.** The Air Service Alliance and Sports Commission ("Indemnifying Parties") agree to indemnify, defend, and hold harmless the City and its officers, employees and agents ("Indemnified Parties") from all damages, suits, actions or claims, including reasonable attorney's fees incurred by the Indemnified Parties in responding to and/or defending the same, that arise out of or under this agreement or on account of any and all injuries or damages claimed, received or sustained by any person(s) or property because of any act or omission, neglect or misconduct of the Indemnifying Parties. The obligations of the Indemnifying Parties in this Section 9 are limited to Funds that have been disbursed under this MOU less any amount already spent and less any amount otherwise contractually committed to a third party at the time the Indemnified Parties request indemnification.
10. **Miscellaneous Matters.**
 - a. This MOU does not create an agency, partnership, joint venture, or other form of legal association by or among the City or the Parties.
 - b. The Parties are authorized to enter into such additional agreements, including contracts with and payments to third parties, as may be necessary to promote the purposes of the MOU. Neither the City nor any Party shall be responsible for any agreement, however, that it has not individually entered.
 - c. If permitted by law, each Party may provide at no cost its intellectual property or materials, including logos and images, to another Party so as to promote a complimentary and cohesive brand for the Grand Junction area.
 - d. Each Party will assign a primary contact person to act as the central point of communication with the other Parties regarding this MOU. Unless designated otherwise, those individuals shall be the Director of Visit Grand Junction (for the City), the CEO of the Grand Junction

Area Chamber of Commerce (for the Air Service Alliance), and the Executive Director of the Greater Grand Junction Sports Commission.

- e. This MOU may be amended only by written agreement of the City and the Parties.

CITY OF GRAND JUNCTION

By: _____

Greg Caton, City Manager

VISIT GRAND JUNCTION

By: _____

Elizabeth Fogarty, Director

GRAND JUNCTION REGIONAL AIR SERVICE ALLIANCE

By: _____

Jay Seaton, Chairman

GREATER GRAND JUNCTION SPORTS COMMISSION

By: _____

Derek Wagner, Chairman



Expert Help • Targeted Resources • Tangible Results

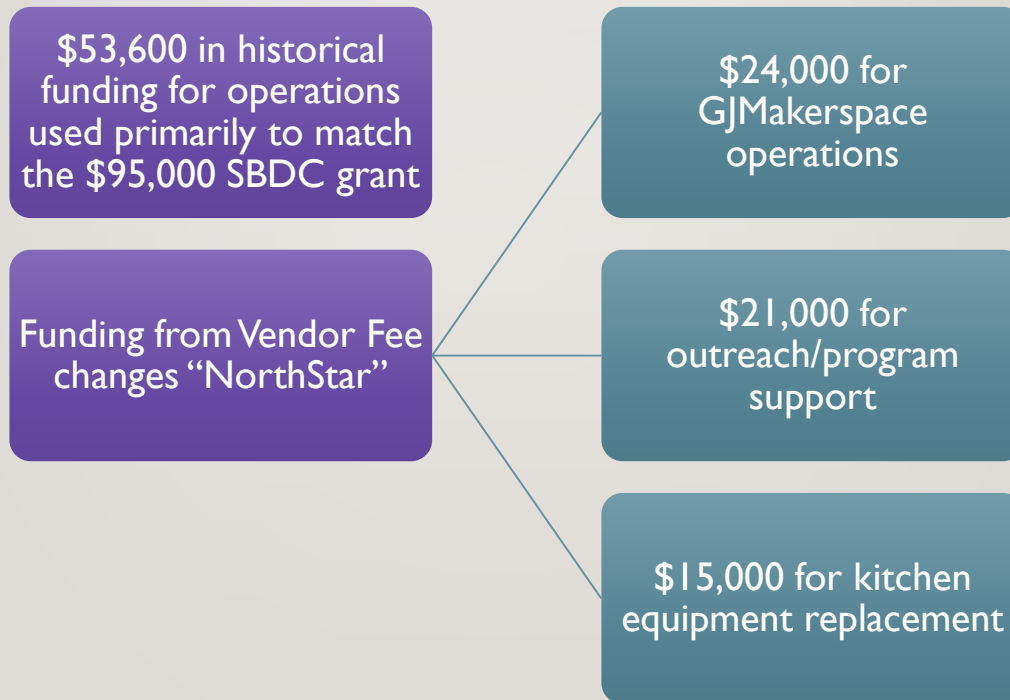
PRESENTATION TO THE CITY OF GRAND JUNCTION

AUGUST 19, 2019

THE BIC



2019 FUNDING



2019 YEAR-TO-DATE RESULTS

(JOBS CREATED ARE DIRECT WITHOUT MULTIPLIERS)

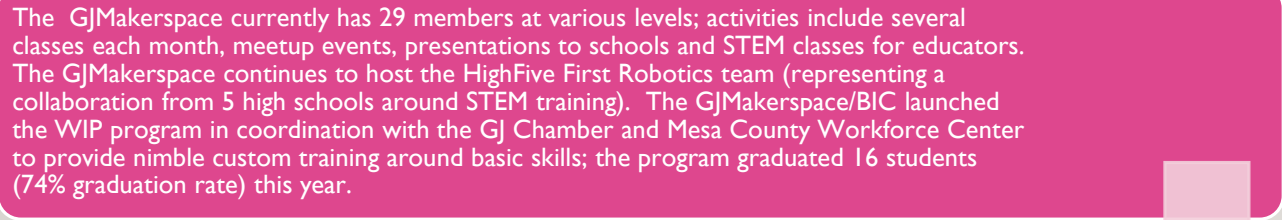
BIC INCUBATOR PROGRAMS: BIC HAS GRADUATED 6 COMPANIES & ADDED 11 COMPANIES FOR A CURRENT CLIENT COUNT OF 51. 5 COMPANIES IN VARIOUS STAGES OF APPLYING.

THE GRAND JUNCTION SBDC IS CURRENTLY WORKING WITH 253 CLIENTS IN MESA COUNTY FOR 831 HOURS OF YTD. COACHING. THE SBDC HAS ASSISTED IN 4 BUSINESS STARTS THAT HAVE CREATED 27 JOBS/RETAINED 41 JOBS, ASSISTED IN \$736 THOUSAND IN CAPITAL INFUSION AND \$1.02 MILLION IN INCREASED SALES.

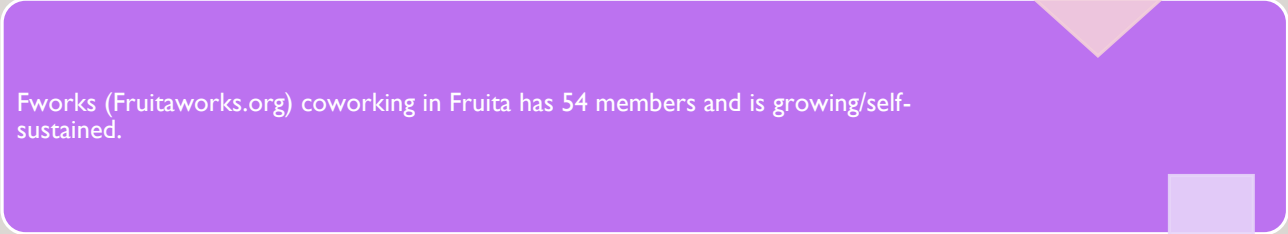
THE REVOLVING LOAN FUND OF MESA COUNTY HAS MADE \$727,121 IN DIRECT LOANS AND LEVERAGED AN ADDITIONAL \$627,843 IN CAPITAL, WHILE ASSISTING IN CREATING 69 JOBS.

2019 YEAR-TO-DATE RESULTS

The GJMakerspace currently has 29 members at various levels; activities include several classes each month, meetup events, presentations to schools and STEM classes for educators. The GJMakerspace continues to host the HighFive First Robotics team (representing a collaboration from 5 high schools around STEM training). The GJMakerspace/BIC launched the WIP program in coordination with the GJ Chamber and Mesa County Workforce Center to provide nimble custom training around basic skills; the program graduated 16 students (74% graduation rate) this year.

A pink rectangular box with rounded corners containing text. A large, light pink arrow points downwards from the bottom right corner of the box towards the next box.

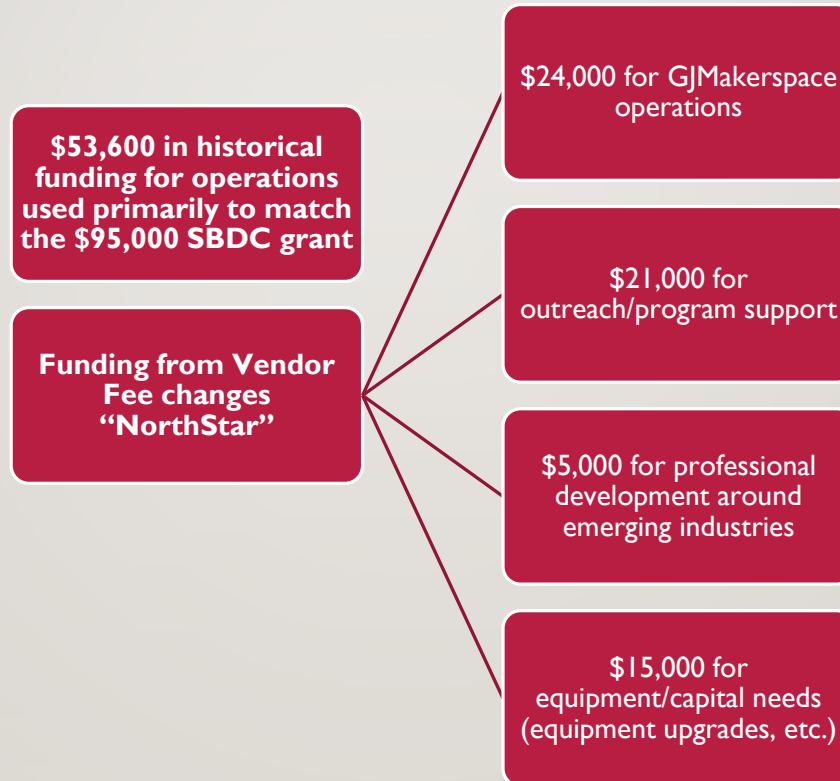
Fworks (Fruitaworks.org) coworking in Fruita has 54 members and is growing/self-sustained.

A purple rectangular box with rounded corners containing text. A large, light purple arrow points downwards from the bottom right corner of the box towards the next box.

The Mesa County Enterprise Zone has issued 305 pre-certifications for \$41,185,697 in capital investment, issued 44 job credits for \$48,473, \$15,083 in health insurance credits, \$87,818 in job training credits and \$19,321 in R&D credits.

A dark purple rectangular box with rounded corners containing text. It is the final box in the sequence and does not have a downward arrow pointing from it.

2020 FUNDING REQUEST



THANK YOU





Jon Maraschin



jmaraschin@gjincubator.org



(970) 243-5242



Grand Junction Area
CHAMBER
OF COMMERCE

BUSINESS RETENTION & EXPANSION PROGRAM

NORTH STAR

2016 Report on Destination Strategy

Identified the Grand Junction Area Chamber of Commerce's Role in Economic Development as

Takes the **LEAD** in managing the **BUSINESS RETENTION** program for existing industry, work with **LEGACY INDUSTRIES** and **CORNERSTONE INDUSTRIES** on addressing their needs, and to coordinate with workforce development on industry workforce needs.



Saved CAPCO & CoorsTek Business Personal Property Tax, on a combined investment of **\$16.5 Million**, allowing them to reinvest the savings back into the community



- Assisted in providing information for the **BLM relocation**
- Advocated for the **Jordan Cove Project** while also supporting the **Western States Natural Gas Initiative**
- Worked with the City of Grand Junction & Mesa County to **identify area of possible improvement** such as workforce, logistics, regulatory environment and re-investment into our community

102 Jobs Created



85 businesses visited to date in 2019 to assess the current business climate

\$24.43 Million in Capital Investments



Took positions on **38 pieces of legislation** that would directly impact the local business climate such as destination source sales tax collection, reinsurance and more



Current Projects

CAPCO Expansion

- GJACC BRE assisted with regulatory challenges
- Adding 2 new business lines
- Grand opening September 11, 2019

Transload Facility

- BRE Director identified need for a local Transload Facility following numerous conversations with local manufacturers needing to off-load goods from the rail
- Working closely with Girardi family to procure, develop, and open the facility
- Potential to save local manufacturers over \$1 Million annually on logistic costs



Current Projects

Foreign Trade Zone

- Continued partnership with regional entities, working towards the creation of an FTZ facility at the Grand Junction Regional Airport. The FTZ will extend 60 miles from GJRA, creating a regional hub
- The application has been accepted by US Customs and a specific location to house the FTZ at GJRA is being finalized
- Fundraising efforts to help fund the \$1.3 Million facility is currently being championed by the GJACC BRE Director in hopes of beginning construction soon

CoorsTek Expansion

- GJACC BRE Director is working closely with CoorsTek as they expand their local operations by closing their Golden facility and moving 2 product lines to GJ.
- A focus on logistics and workforce needs by our GJACC BRE Director is keeping this expansion on track



2020 Will Introduce New Technology



- Current Industry & Demographic Trends
- Targeted Occupation & Labor Market Information
- Data-Driven empirical evidence that a region's workforce has the skills they need





Grand Junction Area
CHAMBER
OF COMMERCE

THESE EFFORTS WOULD NOT
BE POSSIBLE WITHOUT THE
CONTINUED SUPPORT OF THE
CITY OF GRAND JUNCTION
AND OUR PARTNERS

THANK YOU

2019 ANNUAL UPDATE

Robin Brown
Executive Director

GJEP MISSION

- ▶ **The Grand Junction Economic Partnership (GJEP)** is the official **economic development** agency for Colorado's Grand Valley. GJEP works to recruit and retain businesses in Mesa County, the cities of Grand Junction and Fruita, and the town of Palisade.
- ▶ We work closely with our economic development partners at the COC, BIC, Workforce Center, CMU and the municipalities.

CHANGING ECO DEV TRENDS

- ▶ The NorthStar Strategy is working- owner operated companies under 50 employees is our sweet spot. 6 of 7 wins in 2018 fit this profile.
- ▶ Unicorns are coming to fruition- BLM HQ, expect aerospace to follow.
- ▶ Tech is growing and it's different than other industries. Brought on second recruiter in 2018 to help us better serve the tech industry. Launched first ever TechStars Start Up Week West Slope. 300 attendees.
- ▶ We're a bright spot in rural Colorado- considered the most collaborative community outside of the I-25 corridor.
- ▶ Real Estate Development is a major focus. We spend a lot of time with developers and brokers.
- ▶ Wins create more work: Employee Relocation Program.

CHANGING ECO DEV TRENDS

- ▶ Rural Jump Start Program is working in Mesa County, but nowhere else in the state. We're changing it to make it easier to use.
- ▶ All earned media is good media. This is a major shift in our brand.
- ▶ Our business brand is building itself. It still needs some help. 2020 Focus.
- ▶ Regional collaborations are benefitting us, especially in tech.
- ▶ Industries continue to evolve:

Energy
Healthcare
Agriculture
Outdoor Rec
Aviation
IT



Advanced Manufacturing
Geospatial
Software Development
Clean Tech
Aerospace
Construction
Hemp

PROSPECTING

2018

Leads	Level I	Level II	Level III	Wins
30	39	16	3	7

Timberleaf Trailers
netPolarity
RockyMounts
Violet Gro
Dude Solutions
Visual Globe
Project Iron

2019

Leads	Level I	Level II	Level III	Wins
48	57	17	10	1

BLM HQ

Top Industries for Prospects:

29% Outdoor
17% IT/Tech
11% Agribusiness
10% Manufacturing
9% Energy
24% Other

*Lesson Learned:
The "Win" is
only the
beginning.*

PROSPECT HIGHLIGHTS

- ▶ Aerospace company is moving manufacturing facility out of California and is considering Grand Junction. Approximately 40 jobs will relocate. Workforce is the most important factor in their decision, followed by Rural Jump Start. Colorado is the #1 aerospace employer in the country, but the majority of those jobs are on the I-25 corridor. At a time when aerospace is struggling with workforce (LM has 200 unfilled positions), we are the obvious choice for growth in the aerospace industry because of CMU/WCCC. We've hosted 6 site visits for them and a 7th is planned for September.
- ▶ Tech company (software development) is moving out of California and is considering either Grand Junction or Montrose. 20 jobs will relocate and they expect to expand operations once established. Will lease first with the potential to build to suit. This company has the ability to grow considerably and is attracting serious investment. We've hosted 2 site visits and expect a decision soon.

BEYOND PROSPECTS

- ▶ Establishing a Foreign Trade Zone & User-fee airport with GJRA and COC
- ▶ Opportunity Zones- Intense marketing efforts in 2018 have lead to investor interest in 2019. We are actively working with developers/investors and helping to move projects forward
- ▶ Las Colonias Development Corporation- ongoing recruitment & campaign
- ▶ Strategic Trails Coordinator Advisory Council- Trails are an economic driver
- ▶ Western States Rural Natural Gas Initiative (Jordan Cove)
- ▶ Working closely with Governor's office/OEDIT to change state focus to rural economic development instead of Denver economic development.
- ▶ 2018 EOY Economic Impact Report- ROI on GJEP efforts, including Jump Start. For the first time, we're able to gather historical data and track progress.

2020 FOCUS

- ▶ Average Annual Wage increase vs D51 free or reduced lunch decrease.
- ▶ Develop a Business Brand: Rural vs Metropolitan, Thriving vs Distressed, Cutting-edge, high-tech, CMU with enrollment of 11,000, a regional airport to reach the world, transportation hub with rail, road and air, Jump Start.
- ▶ Attract Aerospace: Colorado is the #1 aerospace employer in the US. It makes sense that they would expand to western Colorado.
- ▶ Fill Riverfront at Las Colonias Park.
- ▶ See planned developments move forward.
- ▶ Employee Relocation Program.

2020 BUDGET

- ▶ Request \$189,000 from the City of Grand Junction + \$25,000 for LCDC marketing.
- ▶ Business Brand Campaign development and launch- Working with Visit Grand Junction, but will require additional funds to execute.
- ▶ A dedicated incentive fund is important to our efforts. Used at the end to close the deal.
- ▶ Foreign Trade Zone is proving to be a real recruitment tool in addition to lowering costs for our local manufacturers. Costs to build the customs office are double what we expected. We need to get it funded.

THANK YOU FOR YOUR SUPPORT

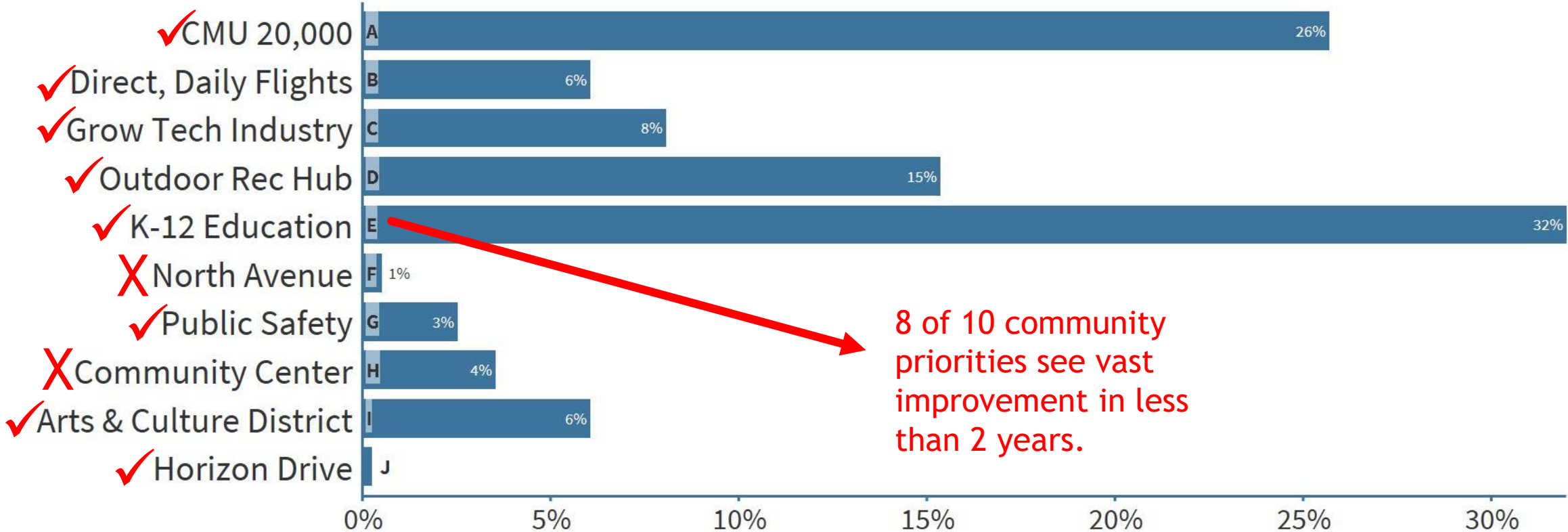
GJEP 2018 RESULTS

- ▶ 7 Wins
- ▶ 57 Jobs
- ▶ \$19M Economic Impact



Which one of these topics do you feel should be our TOP PRIORITY moving forward? Please pick one.

Respond at **PollEv.com/gv2030vision** Text **GV2030VISION** to **22333** once to join, then **A, B, C, D, E...**



8 of 10 community priorities see vast improvement in less than 2 years.



City Council Update

August 19, 2019

Greater Grand Junction Sports Commission

Mission

The Greater Grand Junction Sports Commission is a nonprofit agency with the mission of representing the Grand Junction area in attracting new sports, enhancing existing sports and delivering customer service-driven events that positively impact our economy and community.

The organization is a collaborative effort between

- Colorado Mesa University
- City of Grand Junction
- Mesa County
- City of Fruita
- Town of Palisade.



Event Examples; Train to Hunt (regional/national), SOCO, USA Cycling Collegiate Road National Championships, Colorado Masters Swim Association Championship, Rim Rock Run

2018 - Current In Review

- ✓ Lodging tax passed
- ✓ New Leadership
- ✓ New Event Partners
- ✓ Policy & Procedure
- ✓ New Board Members
- ✓ Increase in Social Media & Messaging



Social Performance

Growl Joined GGJSC social media management on May 9, 2019.

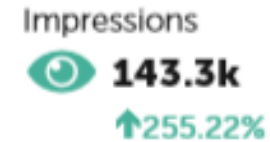
The data set examines
May 9 – August 14
compared to
Jan 1 – May 8

Impressions: The number of times your content is displayed (**UP 255.22%**)

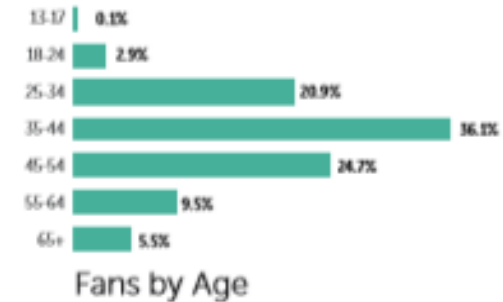
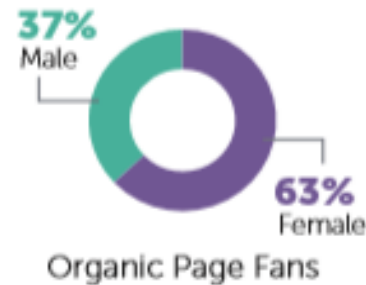
Fans: The number of individuals who choose to follow your page (**UP 5.1%**)

Engagement: Likes, Comments, Shares (**UP 130.54%**)

Organic Reach: Number of people who have seen your post through unpaid distribution



DEMOGRAPHICS



Women between the **35-44** are the leading force among your fans.

GEOGRAPHY

Countries

United States	2,437
Canada	10
Australia	6
United Kingdom	5
Germany	4

Cities

Grand Junction, CO	614
Denver, CO	227
Fruita, CO	87
Colorado Springs, CO	82
Boulder, CO	57

2019 GGJSC Event Resume

- USA Fast-Pitch Softball Tournament
- GJ Off-Road
- JUCO
- Special Olympics Summer Games
- Rim Rock Marathon

2019 In Review – KPIs YTD

REPORT	Gross Totals	2018 Totals	2019 Totals
Number of Participants	13,895	1,998	1,930
Number of Spectators	30,892	4,524	4728.3
Total Spectators + Participants	45,058	6,522	6858.3
Estimated Direct Spending	11,787,801	\$ 1,686,921.60	\$ 2,223,695.60
Economic Impact (Direct Spending Adjusted for Multiplier)	17,681,702	\$ 2,530,382.40	\$ 3,335,543.40
Estimated Lodging Tax Revenue	85,081	\$ 12,931.25	\$ 17,362.13
Estimated Room Nights	27,765	4,898	2,113
Estimated City Sales Tax Revenue	324,165	\$ 46,390.34	\$ 61,151.63
Estimated Total Tax Revenue	409,246	\$ 59,321.59	\$ 78,513.76
Number of Volunteers	3,041	404	390
Number of Volunteer Hours	15,045	1,925	1,950
Charitable Contribution	98,237	\$ 8,603.02	\$ 24,311.00

Footnotes:

- Based on industry standard \$168 per person per day from Sports ETA calculator
- Conservative estimations on participant to spectator ratio and total hotel rooms
- Conservative ADR utilized (\$88.00)
- Multiplier of 1.5 calculated into estimated economic impact

2019 Includes:

- USA Fast-Pitch Softball Tournament (3 days)
- GJ Off-Road (3 days)
- JUCO (7 days)
- Special Olympics Summer Games (3 days)

UPCOMING:

- Tour of the Moon (1 day)
- Tour De Vineyards (1 day)
- Rim Rock Run (1 day)

Looking Ahead

We're now more competitive in the industry

- Strategic Plan
- Launch Grant Application; streamline support & funding for events
- Engage new and existing event owners; Expand Partnerships
- Youth Sports
- Economic Impact Analysis
- Beyond Funding
- What demographic does the grand valley serve
- Industry education & trends
- Recruit events
 - Current bid for 2020 BMX Nationals (33 states/7 countries)
 - Well known brand looking at GJ to host a qualifying event
 - Colorado Masters Swimming Association (COMSA); 2021 Colorado State short course championships
 - NCAA bid cycle for 2022 - 2026 opens this month
 - Compile list of other events to bid on and other local event organizers to support/promote



Grand Junction Regional Air Service Alliance Update

Jeffrey S. Hurd
Air Service Alliance Board Member

I R E L A N D
S T A P L E T O N

Ireland Stapleton Pryor & Pascoe PC
970-822-1310 | jhurd@irelandstapleton.com

GJ Regional Air Service Alliance

Corporate Structure

- Colorado Nonprofit Corporation
- Formed in 2017
- 501(c)(6) non-profit business league



Document must be filed electronically.
Paper documents are not accepted.
Fees & forms are subject to change.
For more information or to print copies
of filed documents, visit www.sos.state.co.us.

Colorado Secretary of State
Date and Time: 01/26/2017 11:56 AM
ID Number: 20171074262
Document number: 20171074262
Amount Paid: \$50.00

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Incorporation for a Nonprofit Corporation

filed pursuant to § 7-122-101 and § 7-122-102 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name for
the nonprofit corporation is

Grand Junction Regional Air Service Alliance



GJ Regional Air Service Alliance

Purpose and Mission

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF GRAND JUNCTION REGIONAL AIR SERVICE ALLIANCE

ARTICLE II PURPOSES

The purpose of GJRASA is to improve the common business interests of its members and businesses located in the Grand Junction, Colorado and the Western Colorado region, and specifically include: (a) focusing efforts of the members to serve local interests and meet local needs in an efficient manner; (b) promoting the improvement of business conditions in Grand Junction, Colorado and the surrounding communities and the common economic interests of all businesses by fostering and promoting the access to and sustainability, affordability, and adequacy of air transportation services in Western Colorado and at the Grand Junction Regional Airport; (c) educating public and private entities as to the benefits, functions and roles of air transportation in Western Colorado and the Grand Junction Regional Airport; (d) market, promote and enhance direct air service to and from the Grand Junction Regional Airport;



GJ Regional Air Service Alliance

Members/Sponsors

Section 3.01 Membership

The Corporation shall have two members: (1) Grand Junction Area Chamber of Commerce (“Chamber”), and (2) Grand Junction Economic Partnership, Inc (“GJEP”).



such member and designate a replacement of or successor to the same. The members shall provide substantial and meaningful support to the Corporation, which may include financial contributions, provision of administrative services and other “in-kind” support in the form of facilities, equipment and other services, supplies or materials.



GJ Regional Air Service Alliance

Funding – Lodging Tax

RESOLUTION NO. 45-18

A RESOLUTION SETTING A TITLE AND SUBMITTING TO THE ELECTORATE ON NOVEMBER 6, 2018 A MEASURE TO INCREASE AND RETAIN AND SPEND ALL LODGING TAX REVENUES AS DEFINED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION

July 2018



GJ Regional Air Service Alliance

Campaign for Lodging Tax

THE DAILY SENTINEL

Jul 20, 2018

Lodging tax committee forms

By JOE VACCARELLI

One day after Grand Junction City Council agreed to ask voters for an increase in the city's lodging tax in November, a committee has formed to support the increase and educate voters.

The Tax You Don't Pay issues committee officially launched its campaign Thursday in support of a ballot question that would raise the city's lodging tax from 3 percent to 6 percent.

The committee is made up mostly of board members from various economic development entities such as the Grand Junction Area Chamber of Commerce, the Grand Junction Regional Air Service Alliance, the Greater Grand Junction Sports Commission and the Visit Grand Junction Advisory Board.



Clay Tufly, board president of the Grand Junction Area Chamber of Commerce, talks Thursday on behalf of The Tax You Don't Pay issues committee at Aviators Memorial Park at the Grand Junction Regional Airport. He spoke of the benefits of an increase in the city's lodging tax, which voters must approve.

[Buy Now](#)



GJ Regional Air Service Alliance

Lodging Tax Increase Passes

GENERAL ELECTION

Mesa County, Colorado—Tuesday, November 6, 2018

THE DAILY SENTINEL

Nov 7, 2018

Lodging tax measure a big win for GJ tourism

Grand Junction voters agreed Tuesday night to double the city's lodging tax in order to boost tourism and sporting events marketing and incentivize more direct flights into and out of Grand Junction Regional Airport.

Unofficial results late Tuesday showed Ballot Issue 2A, which increases the lodging tax from 3 percent to 6 percent, passing by 55 percent to 45 percent, or 13,124 to 10,772 votes.

City of Grand Junction Referred Measure 2A

SHALL THE CITY OF GRAND JUNCTION LODGING TAX BE INCREASED BY ONE MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$1,850,000) IN THE FIRST YEAR (2019), AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER, BY THE ADOPTION OF AN ADDITIONAL THREE PERCENT (3%) TAX ON THE PRICE PAID FOR LODGING IN THE CITY, WITH THE ADDITIONAL THREE PERCENT (3%) TAX COLLECTED IN THE SAME MANNER AS THE CITY'S

EX; WITH ALL OR ANY PORTION OF THE EDS OF THE ADDITIONAL 3% LODGING ERMINED BY THE CITY COUNCIL, ECTED, RETAINED AND SPENT TO OTION AND MARKETING FOR TRAVEL IM-RELATED ACTIVITIES SUCH AS AND BUT NOT LIMITED TO:

, TRAVEL AND TOURISM-RELATED THAT SUPPORT DESTINATION OF THE AREA;

, SUPPORTING, AND/OR ARRANGING JONAL DIRECT AIRLINE SERVICE TO AND

FROM GRAND JUNCTION;



GJ Regional Air Service Alliance

Governance

- 5 voting directors (appointed by Chamber)
- 5 voting directors (appointed by GJEP)
- 1 at-large voting director (appointed by voting directors)
- 7 non-voting members:



- *Directors all unpaid volunteers*



GJ Regional Air Service Alliance

Staffing and Overhead



- Co-Executive Directors: GJEP Executive Director + Chamber CEO
- Compensation: \$0
 - staffing and administrative costs = in-kind donation from GJEP and Chamber
- Primary expenses:
 - legal startup (3rd party)
 - directors and officers insurance
 - air service consultant (same as GJ Regional Airport)
 - ✓ SCASD grant assistance
 - accounting/oversight



GJ Regional Air Service Alliance

Use of Lodging Tax Revenue

TRAVEL AND TOURISM MEMORANDUM OF UNDERSTANDING

■ Travel and Tourism Memorandum of Understanding (2019)

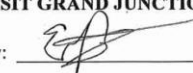
- City of Grand Junction
- Visit Grand Junction
- GJ Regional Air Service Alliance
- Greater GJ Sports Commission



CITY OF GRAND JUNCTION

By: 
Greg Cañon, City Manager

VISIT GRAND JUNCTION

By: 
Elizabeth Fogarty, Director

GRAND JUNCTION REGIONAL AIR SERVICE ALLIANCE

By: 
Jay Seaton, Chairman

GREATER GRAND JUNCTION SPORTS COMMISSION

By: 
Derek Wagner, Chairman



GJ Regional Air Service Alliance

2019 MOU

TRAVEL AND TOURISM MEMORANDUM OF UNDERSTANDING

THIS TRAVEL AND TOURISM MEMORANDUM OF UNDERSTANDING (“MOU”) is effective January 1, 2019, and is by and between the City of Grand Junction (the “City”), a Colorado home rule municipality, Visit Grand Junction (“Visit GJ”), a department within the City, the Grand Junction Regional Air Service Alliance (“Air Service Alliance”), a Colorado nonprofit corporation, and the Greater Grand Junction Sports Commission (“Sports Commission”), a Colorado nonprofit corporation. Visit GJ,

This MOU outlines the City and Parties’ understanding of how the additional lodging tax funds (“Funds”) will be used to promote travel and tourism to the Grand Junction area.

3. Use of Allocated Funds.

- a. The Air Service Alliance will use Funds allocated by the City for marketing, promoting, acquiring, and enhancing direct air service to and from the Grand Junction Regional Airport. This includes but is not limited to minimum revenue guarantees and funding marketing and promotion of such service in other markets.

- 6. Accounting and Recordkeeping.** The Parties shall maintain detailed accounting of how they expend received Funds and, upon request from the City, will provide that accounting of expenditures as well as any reasonable reports. Upon request, the City shall also give the Parties an account of Funds held.



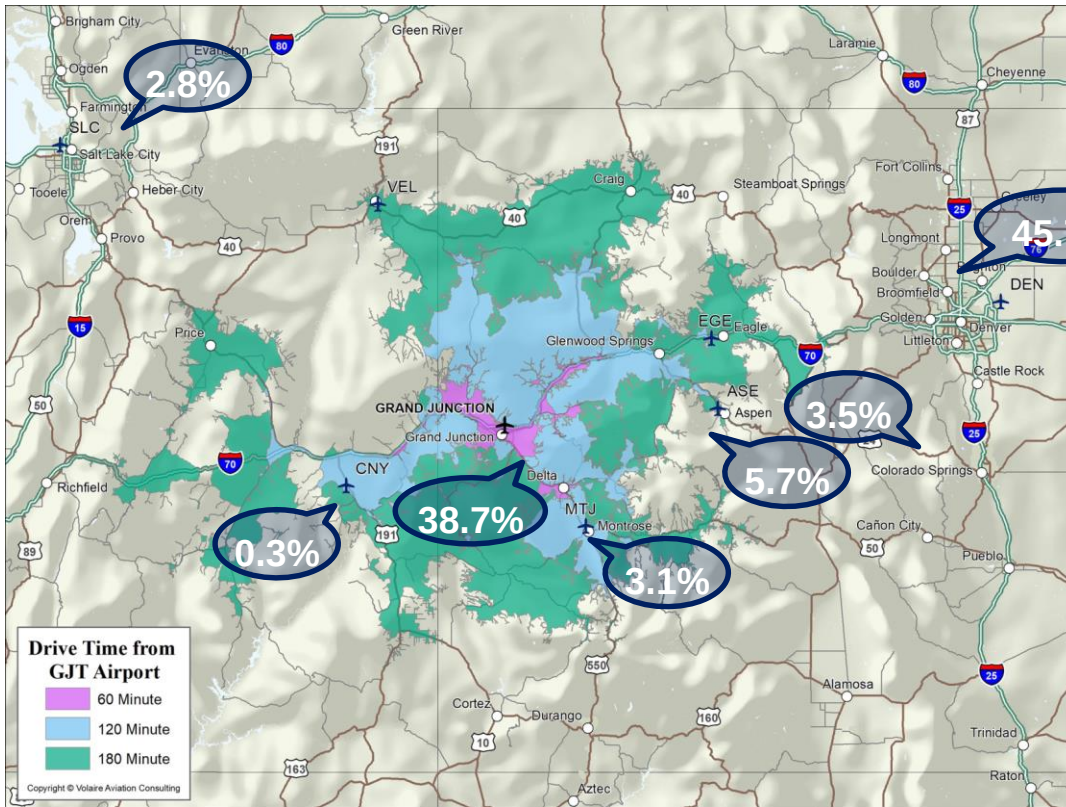
GJ Regional Air Service Alliance

Activities



GJ Regional Air Service Alliance

Promoting Use of Grand Junction Regional Airport



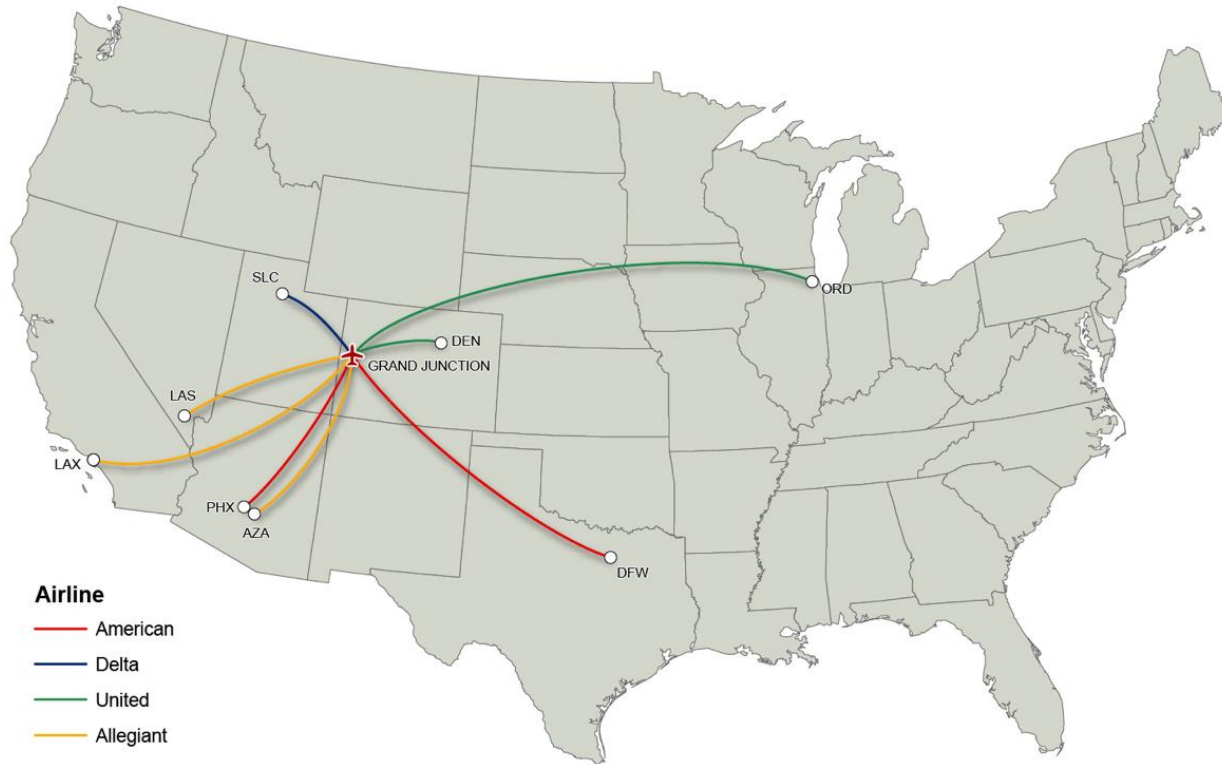
- GJ "catchment" area: 38 zip codes in Mesa, Garfield, Delta, and Rio Blanco Counties (+ Grand and San Juan in UT)
- GJ airport: just 38.7% of traffic generated in catchment area*
- Goal: increase % people using GJT

**information as of YEQ2 2018*



GJ Regional Air Service Alliance

Promoting New Direct Service to GJT



Copyright © Volare Aviation Consulting

- Eight current destinations (via Allegiant, American, Delta, and United)
 - Two destinations seasonal (LAX, ORD)



GJ Regional Air Service Alliance

Promoting New Direct Service to GJT

- Support through minimum revenue guarantees, airline marketing efforts, etc.
- **Minimum revenue guarantees:**
 - Good way for smaller communities to share risk with airlines looking to establish new routes.
 - Many (most) smaller communities with growing air service access use them
 - 2015 Northstar Report noted:
 - ✓ Lack of direct air service to strategically important hubs = bottleneck to economic growth

NORTH STAR DESTINATION STRATEGIES

Tactical Recommendations

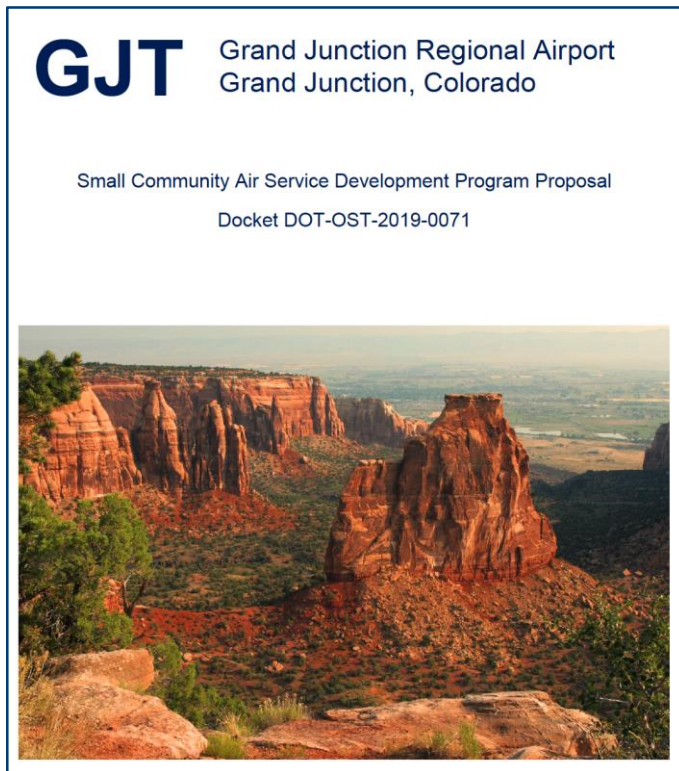
Continue efforts to maintain and increase affordable commercial flights to GJT. The airport is a key asset, given distances from major markets, for attracting companies to the region.



GJ Regional Air Service Alliance

Promoting New Direct Service to GJT

Small Community Air Service Development ("SCASD") Grant Application

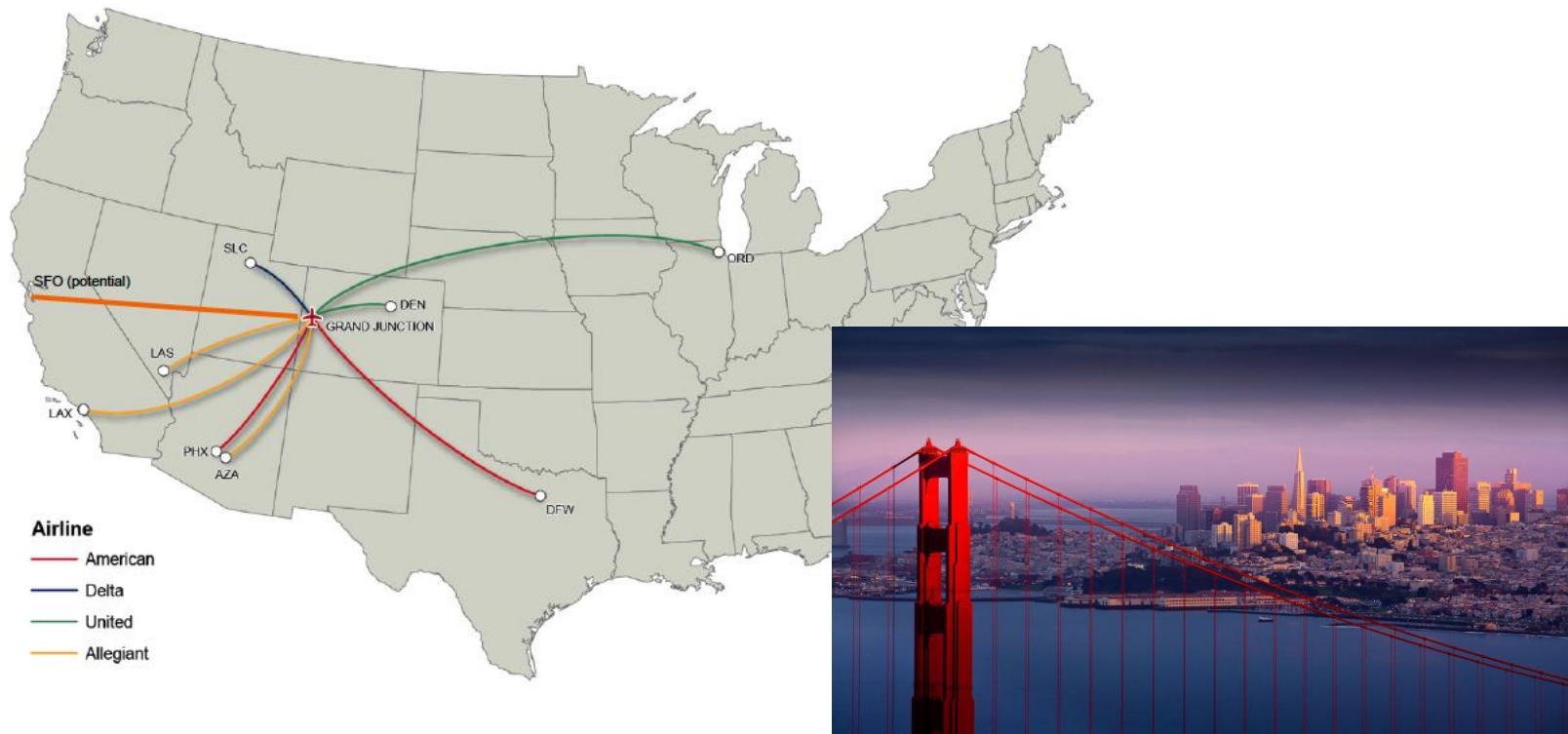


- Application to DOT (7/19)
 - Requesting \$950k in federal grant
 - \$475k + 100k marketing from air service alliance
 - In-kind donation from GJ Airport Authority
- Public-Private Partnership
 - GJ Regional Airport
 - Grand Junction Regional Air Service Alliance
- Goal: leverage taxpayer \$ into new top-tier routes



GJ Regional Air Service Alliance

Goal: GJT → San Francisco Int'l Airport (SFO)

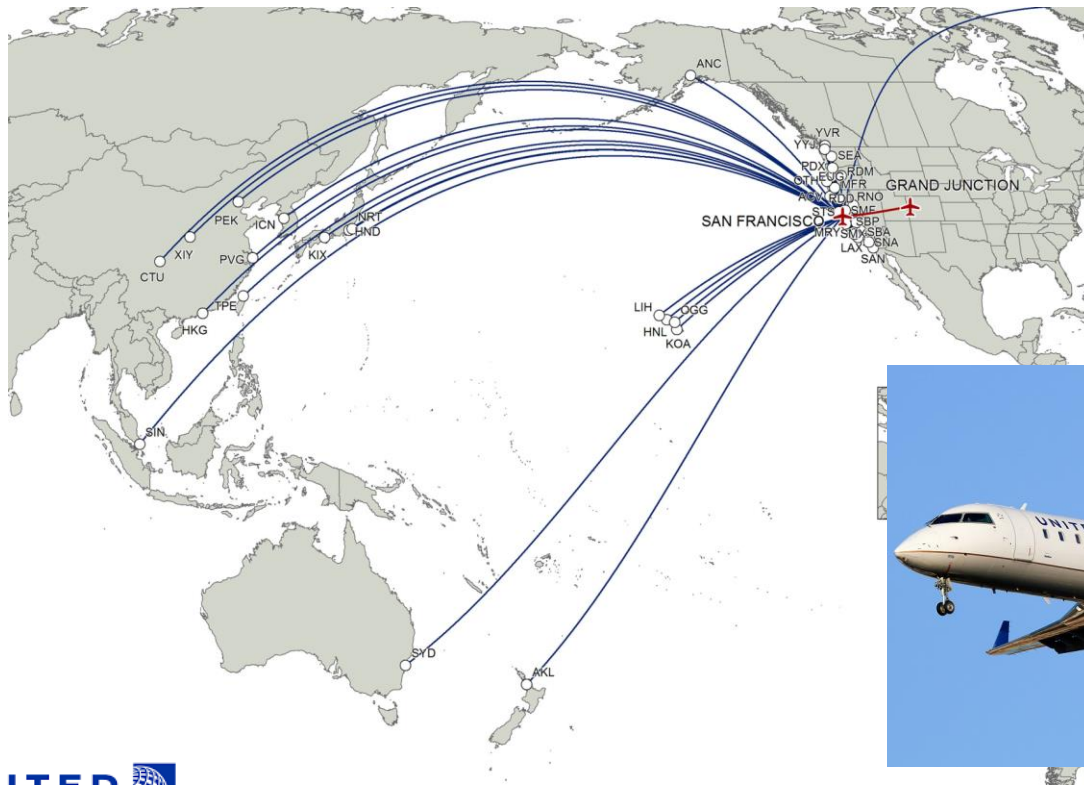


- San Francisco is in top five domestic GJT Markets
- *Target:* daily, year-round service to SFO
- *If successful*, service could begin as soon as June 2020



GJ Regional Air Service Alliance

Goal: GJT → San Francisco Int'l Airport (SFO)

UNITED 

San Francisco: non-stop service to 130+ destinations worldwide

- Approximately 40 new one-stop destinations GJT doesn't have



GJ Regional Air Service Alliance

Promoting New Direct Service to GJT



July 1, 2019

Brooke Chapman
Associate Director
Small Community Air Service Development
United States Department of Transportation
Office of Aviation Analysis
8th Floor, Room W86-307
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Ms. Chapman,

The Grand Junction Regional Air Service Alliance supports the Grand Junction Regional Airport for a Small Community Air Service Development Grant.

The Grand Junction Regional Air Service Alliance is seeking a grant from the Department of Transportation in 2017 to partner with the Grand Junction Regional Airport to provide direct service to our community. Lack of air service is one of the most significant barriers to our businesses and recruiting new businesses to this community. Improved air service in Grand Junction will not only improve the quality of life for residents of our region, but it will also attract more visitors to the region and improve the community's ability to develop its economy by attracting a more diverse array of new businesses.

The Air Service Alliance will supplement the requested grant in the amount of \$950,000 by providing \$475,000 in cash toward a minimum revenue guarantee. In addition, the Air Service Alliance will provide another \$100,000 in cash for marketing and promotion of the new service.

We think you will find our case is compelling, and we thank you for your consideration of Grand Junction's request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jay Seaton".

Jay Seaton
Chairman
Grand Junction Regional Air Service Alliance

Concisely describe the scope of the proposed grant project.

Grand Junction Regional Airport and the Grand Junction Regional Air Service Alliance are seeking nonstop service to San Francisco International Airport on United Airlines. San Francisco service would provide service not only in the local market, but would also serve as a connecting hub to other destinations on the West Coast, Hawaii, Asia and Australia.

The Air Service Alliance will supplement the requested grant in the amount of \$950,000 by providing \$475,000 in cash toward a minimum revenue guarantee. In addition, the Air Service Alliance will provide another \$100,000 in cash for marketing and promotion of the new service.

- Timing:
 - October/November 2019: award announcement
- Service:
 - Possible start in June 2020



GJ Regional Air Service Alliance

Other Matters / Next Steps

- Coordination with GJ City Council and Staff
- Frequency of Updates to Council
- Suggestions for GJ Air Service Considerations

Questions?

