

Impact Fee Support Study

UPPER PINE RIVER FIRE PROTECTION DISTRICT

JULY 2024

Prepared by:



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INTRODUCTION

The Upper Pine River Fire Protection District (Upper Pine River FPD) encompasses the Town of Bayfield and surrounding rural unincorporated areas of La Plata County. As development in the district occurs, demand for fire protection and other emergency services provided by the district increases, ultimately necessitating a proportionate investment in facilities and rolling stock. This report summarizes the steps for calculating the district-wide impact fee schedule that represents future development's fair share of the cost of capital facilities needed to provide fire protection district services to future growth. The impact fees are not calculated to remedy any deficiency in capital facilities that currently exists.

METHODOLOGY

Demand Units – Demand for Upper Pine River FPD services is generated by housing units, businesses and institutions. Demand units are expressed as existing and projected residential units and non-residential square footage (summarized as 1,000s of square feet of floor area). The need for a fire district impact fee arises from an increase in demand for services (measured in incidents dispatched to the district) that is driven by roughly proportionate growth in housing units and non-residential floor area.

Proportionate Share – Capital costs are assigned proportionately to the demand generated by the residential and non-residential development sectors. The proportionate share calculation apportions demand according to the type of land use from which each incident dispatched to the district originated.

Capital Improvement Plan – A district prepared capital improvement plan (CIP) provides the cost basis for the impact fee. The CIP is composed of future facility improvements, and future rolling stock purchases. To calculate the impact fee, the CIP is reduced to future capital costs that are solely attributable to future residential and non-residential development so that the impact fee schedule only defrays the impacts of future development.

Fee Schedule – The fee schedule charts the dollar amount necessary to defray the cost of capital costs required to serve future development. The fees do not include costs to compensate for existing deficiencies. Deficiencies must be funded through revenue streams separate from the impact fee program.

SUMMARY OF FINDINGS

Historic Growth – According to analysis of county assessor data, residential units in the Upper Pine River Fire Protection District grew from 5,093 Units in 2013 to 5,659 units in 2023. Non-residential floor area grew by an average of 10,555 sq. ft. per year during the same time period, reaching 1,286,250 sq. ft. at year-end 2023. Incidents dispatched to the district increased from 753 annual incidents in 2014 to 999 incidents dispatched in 2023.



Projected Growth and Demand for Upper Pine River FPD Services – Planned development in Town of Bayfield in addition to the underlying historic growth trend in the unincorporated portions of the Upper Pine River Fire Protection District will contribute to residential growth from 5,689 residential units in 2023 to 8,013 in 2055. Non-residential floor area is project to grow from 1,286,250 sq. ft. in 2023 to 1,701,272 sq. ft. in 2055.

Proportionate Share – Upper Pine River FPD incident reports shows that residential development generates 71.8% of demand for district service and non-residential development generates 12.8% of demand for district service. The remaining 15.4% of incidents can neither be assigned to residential nor non-residential land uses.

Capital Improvement Plan – Upper Pine River FPD's Capital Improvements Plan includes over \$31.9 million in facilities improvements and rolling stock purchases. Of this total, \$5.16 million in facilities improvements and rolling stock purchases will be needed serve future residential and non-residential development in the district. The investments listed in the plan have a projected lifespans extending through 2050 for rolling stock and 2055 for facilities.

Impact Fee – The district wide impact fee is \$1,191 per new residential unit and \$1.187 per square foot of non-residential floor area or \$1,187 per 1,000 square feet of non-residential floor area.

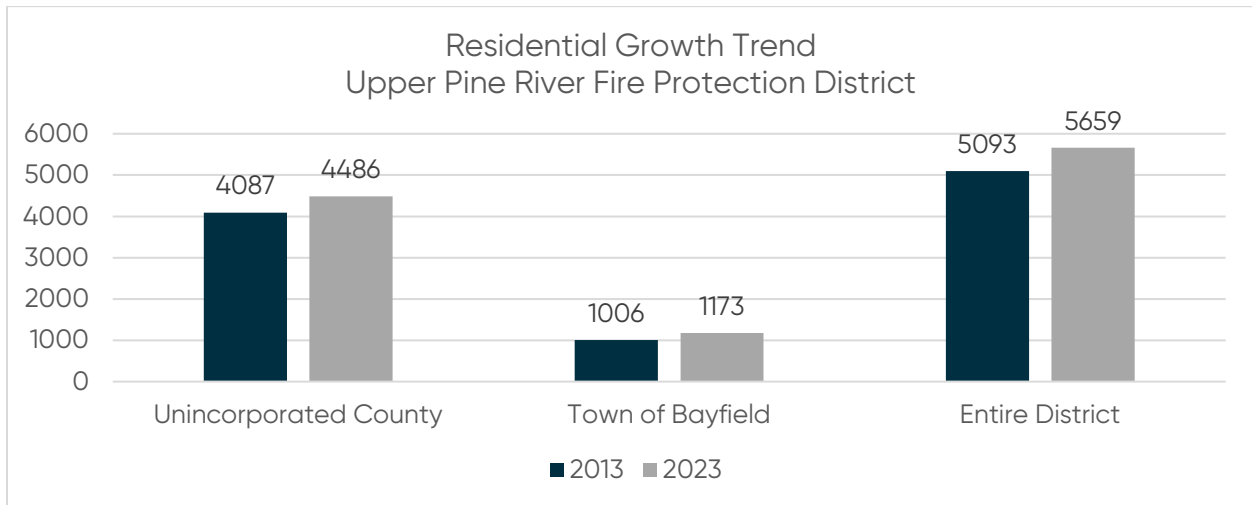


GROWTH TRENDS

The La Plata County Assessor database is the most complete and accurate data source for establishing a current residential unit and non-residential floor area inventory in Upper Pine River FPD. The county assessor database details the number of residential units and the size and type of commercial structures located on each parcel or lot throughout the district. Additionally, the assessor database contains the 'year built' of each structure, allowing for the calculation growth rates for each development type.

Residential units include detached homes, apartments, condominiums, manufactured homes, accessory dwelling units and any other distinct, permanent dwellings identified by the county assessor database.

Figure 1. Residential Units Growth Trend Past 10 Years



Source: La Plata County Assessor database

Non-residential square footage is a measure of enclosed floor area intended for occupancy by a range of business, civic and institutional uses. According to analysis of county assessor data, 10,555 sq. ft. of non-residential floor area were constructed on average per year from 2013 through 2023. This past growth trend includes the entire district, encompassing growth in the unincorporated county and in the Town of Bayfield.

Figure 2. Non-Residential Floor Area Growth Trend Past 10 Years

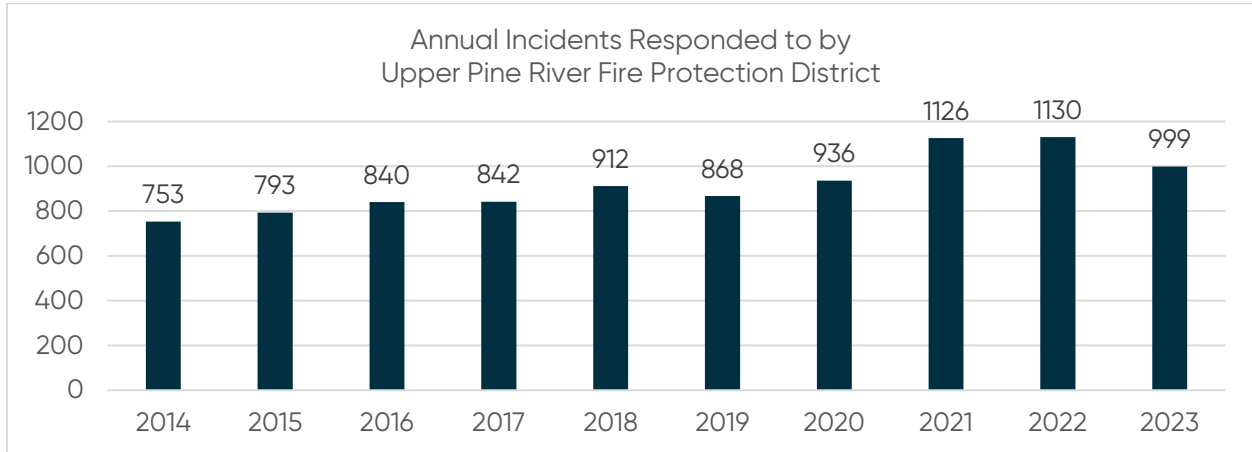
	2013	2023	Average Annual Non-Residential Sq. Ft.
Unincorporated County	439,295	464,280	2,499
Town of Bayfield	741,401	821,970	8,057
Entire District	1,180,696	1,286,250	10,555

Source: La Plata County Assessor database



Demand for service at Upper Pine River FPD has grown roughly proportionate to the growth in housing units and non-residential development, with annual incidents dispatched to the district increasing from 753 in 2014 to 999 in 2023. Demand for service will continue to increase as the district grows in the future.

Figure 3. Annual Incidents Responded to by Upper Pine River FPD



Source: Upper Pine River Fire Protection District

GROWTH PROJECTIONS

The establishment of future growth projections in the district requires separate methodologies for residential growth projections in Town of Bayfield, residential growth projections in the unincorporated areas of the district, and non-residential growth projections in the district.

The Town of Bayfield Comprehensive Plan, 2023, includes customized population projections for the Town developed by Colorado Demography Office. In order to establish residential unit projections, the population projections were divided by 2.69 persons per household, the average household size according to the Town of Bayfield Comprehensive Plan. According to the Town of Bayfield Community Development Annual Update (January 2024), eight development proposals in the planning stage are projected to yield a total of 819 residential units, 528 of which will be detached single family units. The 291 residential units which are planned to be a mix of multi-family, tiny home and townhome formats will meet strong, latent demand. These unit types are expected to build out steadily between 2025 and 2040. This accelerated buildout of be multi-family apartments, tiny homes and townhomes will occur in addition to the ongoing population and housing unit growth projected in the Town of Bayfield Comprehensive Plan. The resulting projections show Town of Bayfield housing units growing from 1,240 units in 2024 to 2,247 units in 2055.

Residential units in the unincorporated portion of the Upper Pine River FPD are expected to keep increasing by 40 units per year, the average units per year in the unincorporated portion of the district from 2013-2023. Planned development in Town of Bayfield in addition to the underlying historic growth trend in the unincorporated portions of the Upper Pine River



Fire Protection District will contribute to residential growth from 5,689 residential units in 2023 to 8,013 in 2055.

Figure 4. Residential Unit Growth Projections, Upper Pine River FPD

	Unincorporated District	Town of Bayfield	Entire District
2023	4,486	1,203	5,689
2024	4,526	1,240	5,766
2025	4,566	1,303	5,869
2030	4,766	1,560	6,326
2035	4,966	1,764	6,730
2040	5,166	1,957	7,123
2045	5,366	2,062	7,428
2050	5,566	2,157	7,723
2055*	5,766	2,247	8,013

Source: Town of Bayfield Community Development Annual Update, January 2024; Town of Bayfield Comprehensive Plan, 2023; Colorado Demography Office; La Plata County Assessor database. *Note: Colorado Demography Office projections extend to 2050. Projected residential units for 2055 assume growth between 2045-2050 will again occur 2050-2055.

Beginning with the most recent inventory of 1,286,250 sq. ft. of nonresidential floor area in the district at year-end 2023, non-residential development in the district is projected to grow at the same rate as future job growth for La Plata County as projected by Colorado Demography Office. Non-residential floor area is project to grow from 1,286,250 sq. ft. in 2023 to 1,701,272 sq. ft. in 2055.

Figure 5. Non-Residential Floor Area Growth Projections, Upper Pine River FPD

	La Plata County Jobs Forecast	La Plata Jobs % Change from Year Above	Non-Residential Floor Area Job Growth Rate Methodology
2023	35,553		1,286,250
2024	35,932	1.1%	1,299,962
2025	36,347	1.2%	1,313,820
2030	38,686	6.4%	1,398,367
2035	40,510	4.7%	1,464,298
2040	42,261	4.3%	1,527,591
2045	43,890	3.9%	1,586,474
2050	45,450	3.6%	1,642,871
2055*	47,066	3.6%	1,701,272

Source: La Plata County Assessor, Colorado Demography Office; *Note: Colorado Demography Office job projections extend to 2050. Projected jobs for 2055 assume that the growth between 2045-2050 will again occur from 2050-2055.



CAPITAL IMPROVEMENT PLAN

In order to ensure that the district is able to continue to provide services as development occurs, the district has developed the 2024 Capital Improvements Plan which lines out needed improvements for the district. The Capital Improvement Plan (CIP) is composed of facilities development projects and rolling stock purchases planned to occur in the next five years. This section displays the CIP for the district, the next section of the report (CIP Cost Allocation) narrows the capital improvements plan costs to only those costs needed to defray the impacts of future residential and non-residential development in the district. Planned expenditures are listed in year 2024 dollars. Upper Pine River FPD's Capital Improvements Plan includes over \$31.9 million in facilities improvements and rolling stock purchases.

Figure 6. Capital Facilities Plan (in 2024 dollars)

Station	Cost (2024 Dollars)	Capacity Year
New Station 1	\$25,000,000	2055
Upgrade Station 7	\$200,000	2055
Total	\$25,200,000	

Source: Capital Improvements Plan, Upper Pine River Fire Protection District, 2024

Figure 7. Rolling Stock Capital Improvements Plan (in 2024 dollars)

Vehicle or Apparatus to Upgrade	Station Located	Cost (2024 Dollars)	Lifespan Year
Engine	Station 3	\$900,000	2055
Engine	Station 8	\$900,000	2050
Engine	Station 1	\$900,000	2055
Engine	Station 1	\$950,000	2055
Type 3 Engine	Station 1	\$650,000	2045
Water Tender	Station 7	\$450,000	2050
Ambulance	Administration Building	\$400,000	2035
Ambulance	Station 1	\$400,000	2035
Ambulance	Station 1	\$400,000	2040
Rescue	Station 1	\$300,000	2055
Mechanic Truck	Maintenance Shop	\$170,000	2045
Pickup	Administration Building	\$60,000	2045
Pickup	Station 2	\$60,000	2045
SUV	Administration Building	\$70,000	2045
SUV	Maintenance Shop	\$50,000	2045
SUV	Administration Building	\$70,000	2045
Total		\$6,730,000	

Source: Capital Improvements Plan, Upper Pine River Fire Protection District, 2024

CIP COST ALLOCATION

This section summarizes the adjustments that must be made to the CIP total costs so that the impact fee schedule only covers the costs attributable to future residential development and future nonresidential development. The CIP listed in Figures 6 and 7 above includes



more costs than are attributable to future growth. The cost of capital improvements needed to serve only future residential and non-residential development must be isolated out of the full cost of the CIP.

OMITTING THE COST OF EXISTING DEFICIENCIES

Impact fees cannot be charged to cover the cost of remedying existing deficiencies. This impact fee analysis removes cost of remedying existing deficiencies from facility improvement costs so the impact fees will not charge future development for deficiencies. The district’s 2024 Capital Improvements Plan utilizes eight scoring criteria to determine the current level of deficiency/need for determining priority facility improvement projects. Deficiency adjustments were calculated using the CIP deficiency/need scores for a new Station 1 and for capacity upgrades to Station 7. The deficiency adjustment for Station 1 also accounted for the fact that the proposed new Station 1 will be approximately twice the size of the existing Station 1. The marginal increase square footage in the new Station 1 compared to the existing Station 1 is not subject to the deficiency adjustment. The results of this analysis show that \$8.93 million of the \$25.2 million in capital facility improvements will remedy existing capital facilities deficiencies and must be omitted from the costs used to calculate the impact fee.

Figure 8. Capital Facility Plan, Omitting the Cost to Remedy Existing Deficiencies

Planned Facilities	Total Cost	Deficiency Adjustment	Adjusted Cost for Impact Fee
Station 1	\$25,000,000	64.50%	\$16,123,837
Station 7	\$200,000	72.70%	\$145,400
Total	\$25,200,000		\$16,269,237

Source: Upper Pine River Fire Protection District

COST ATTRIBUTABLE TO FUTURE RESIDENTIAL AND NONRESIDENTIAL DEVELOPMENT

Implementing the CIP will benefit both existing and future development equivalently. Therefore, future development will not be assigned the entire cost. Future projected residential units built from 2024-2050 will be 25% of the residential unit inventory in CIP capacity year 2050 and residential units built between 2024-2055 will be 28% of the residential unit inventory in CIP capacity year 2055. Likewise future projected non-residential sq. ft. built between 2024-2050 will be 21% of the non-residential unit inventory in CIP capacity year 2050 and non-residential sq. ft. built between 2024-2055 will be 24% of the non-residential unit inventory in CIP capacity year 2055.



Figure 9. Proportion of Cost Attributable to Future Development

Capacity Year	New Dwelling Units 2024 to Capacity Year	% Capital Costs Due to Future Residential Units
2050	1,957	25%
2055	2,247	28%

Capacity Year	New Non-Residential Floor Area 2024 to Capacity Year	% Capital Costs Due to Non-Residential Sq. Ft.
2050	342,909	21%
2055	401,310	24%

Source: Summative Results

RESIDENTIAL AND NONRESIDENTIAL PROPORTIONATE SHARE

Residential and non-residential land uses each generate a share of the demand for district services. The proportionate share calculation apportions the demand for service to the residential and non-residential sectors.

Incidents dispatched to Upper Pine River FPD during 2021-2023 show that incidents originating from residential land uses account for 63.3% of total incidents. Incidents assigned to non-residential land uses account for 11.2% of incidents. Traffic incidents account for 12.4% of total incidents. Trip generation coefficients from the Trip Generation, 2017, by Institute of Transportation Engineers were applied to the 2023 inventory of residential units and non-residential floor area in the district. The results show that 8.6% of incidents are attributable to residential traffic and 1.6% of incidents are attributable to non-residential traffic.

Figure 10. Proportionate Share Detailed Results

Incident Category	% of Incidents
Residential Land Use	63.3%
Residential Traffic	8.6%
Nonresidential Land Use	11.2%
Nonresidential Traffic	1.6%
Pass-Through Traffic (Unassigned)	2.3%
Unassigned Land Use	13.1%
Total	100%

Source: "NFIRS Run Data Reports", Upper Pine River Fire Protection District, 2021-2023; "Trip Generation" by Institute of Transportation Engineers, 2017; "Online Traffic Information System", Colorado Department of Transportation, 2024; La Plata County Assessor database, 2024

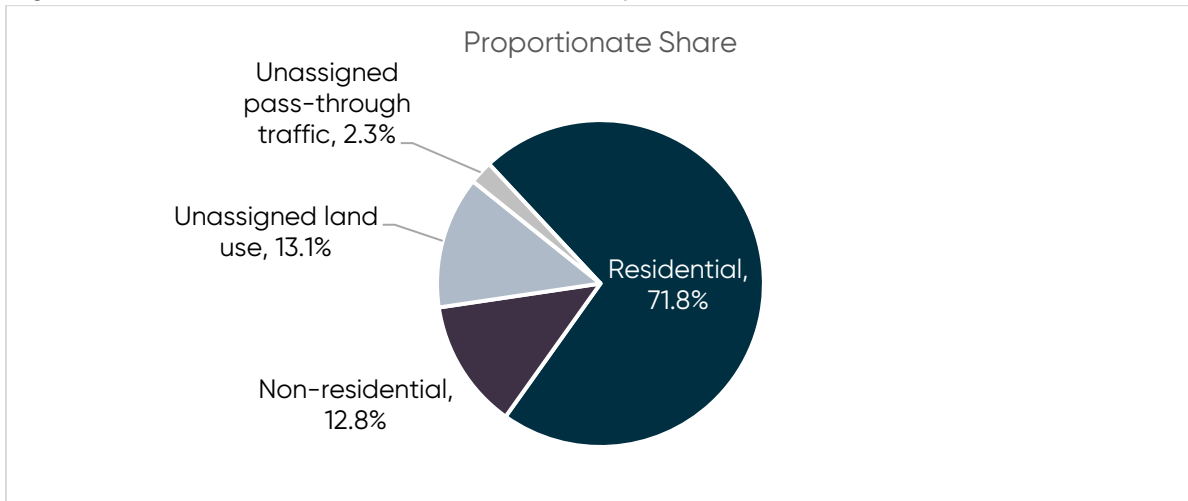
Incidents in outdoor recreation areas, at parks, waterbodies, on agricultural crop land and other such locations and make-up 13.1% of incidents. Such incidents are not directly attributable to development and are not included in the impact fee calculations. A



seasonality analysis of traffic counts on US Highway 160 just west of Town of Bayfield (CDOT traffic counter 217) shows that 18.7% of trips are attributable to tourist pass-through traffic. This means that 2.3% of total incidents dispatched to Upper Pine River FPD are caused by pass-through tourism traffic. Pass-through traffic incidents also cannot be assigned to a specific land use.

The results of the proportionate share analysis shows that residential units generate 71.8% of demand for district services and capital facilities and non-residential land uses generate 12.8% of demand for district service and capital facilities. The remaining 15.4% of incidents cannot be assigned to a specific land use and are classified as unassigned. The capital cost of unassigned incidents is not included in the impact fee schedule and must be paid for using other funds.

Figure 11. Residential and Nonresidential Proportionate Share



Source: Summative Results



CIP COST PER RESIDENTIAL UNIT AND NON-RESIDENTIAL FLOOR SQ. FT.

The previous section of this report “CIP Cost Allocation” summarized three adjustments to the total CIP costs in order to isolate the costs that are solely attributable to future development. Beginning with the CIP costs which have been adjusted to omit the cost of remedying existing deficiencies, the CIP cost is further adjusted for residential and non-residential proportionate share, and again adjusted by the percentage of cost solely attributable to future residential and non-residential development. The adjusted CIP costs attributable to future development were then divided by the residential or nonresidential development projected to occur from 2024 to the respective capacity year. The resulting quantities represent the true cost to provide the facilities and rolling stock capacity needed for each future dwelling unit (\$2,073) and each future 1,000 sq. ft. of non-residential floor area (\$1,775).

Figure 12. Capital Improvements Plan Allocated Cost per Residential Unit and per 1000 Sq. Ft. Non-Residential Floor Area

	Facilities	Rolling Stock	Total
CIP Cost 2024 Through 2028 Omitting Cost to Remedy Existing Deficiencies	\$16,269,237	\$6,730,000	\$22,999,237
Capacity Year	Year 2055	Year 2050	
Residential Proportionate Share	71.8%	71.8%	-
% CIP Cost Attributable to Future Residential Units	28.0%	25.0%	-
Cost Attributable to Future Residential Units	\$3,271,000	\$1,208,000	\$4,479,000
Projected Residential Units 2024 to Capacity Year	2,247	1,957	-
CIP Cost per Residential Unit	\$1,456	\$617	\$2,073

CIP Cost 2024 Through 2028 Omitting Cost to Remedy Existing Deficiencies	\$16,269,237	\$6,730,000	\$22,999,237
Capacity Year	Year 2055	Year 2050	
Nonresidential Proportionate Share	12.8%	12.8%	
% CIP Cost Attributable to Future Nonresidential Sq. Ft.	24.0%	21.0%	
Cost Attributable to Future Nonresidential Sq. Ft.	\$500,000	\$181,000	\$681,000
Projected Nonresidential 1000s Sq. Ft. 2024 to Capacity Year	401	343	
CIP Cost per 1000 Sq. Ft. Nonresidential Floor Area	\$1,247	\$528	\$1,775

Source: Summative Results

DISCOUNT FOR CAPITAL IMPROVEMENTS PROPERTY TAX

Upper Pine River Fire Protection District voters approved a 1.46 mills property tax extension through 2045, which is dedicated to funding capital improvements. Those paying an impact fee for a new residential unit or for new non-residential square footage will also be paying the property tax on the new residential unit or non-residential square footage. In order to



avoid a situation in which a property owner pays for their fair share of the cost of the CIP through the impact fee and again pays for the same improvements through property tax payments, the impact fee must be discounted by the estimated amount of property tax payments.

The average assessed value of a residential unit built in the past 20 years in Upper Pine River FPD is \$28,566 per unit. This includes only the value of the structure itself, not the land. The mill levy would yield \$42 per year from the average assessed value. Property owners will pay the property tax through 2045, so the \$882 discount is calculated by multiplying the annual revenue by 21 years.

Figure 13. Credit for Capital Improvements Property Tax - Residential

	Residential Units
Residential Assessed Valuation	\$38,678,360
Residential Units	1,354
Assessed Valuation per Residential Unit	\$28,566
Capital Improvements Property Tax Rate	0.00146
Average Property Tax Revenue per Residential Unit	\$42
Credit (21 Years of Property Tax Collections)	\$882

Source: La Plata County Assessor database

Similarly, the average assessed value of non-residential floor area in the Upper Pine River FPD is \$19,342 per 1000 sq. ft. of floor area. This includes only the value of the structure itself, not the land. The mill levy would yield \$28 per year from the average assessed value. Property owners will pay the property tax through 2045 so the \$588 discount is calculated by multiplying the annual revenue by 21 years.

Figure 14. Credit for Capital Improvements Property Tax - Non-Residential

	Non-Residential Floor Area
Non-Residential Assessed Valuation	\$16,014,190
Non-Residential 1000s Sq. Ft.	828
Assessed Valuation per 1000 Sq. Ft.	\$19,342
Average Property Tax Revenue Per 1000 Sq. Ft.	\$28
Credit (21 Years of Property Tax Collections)	\$588

Source: "Select Taxing Authority Abstract" by La Plata County Assessor, Dec. 31, 2023



IMPACT FEE SCHEDULE

The final calculation in determining the impact fee schedule is to subtract the capital improvements property tax discount from the CIP cost per residential unit and per 1,000 sq. ft. non-residential floor area.

Figure 15. Applying Capital Improvements Property Tax Credit

CIP Cost per Residential Unit	\$2,073
Credit for 2023 Capital Improvements Property Tax (1.46 Mills)	\$882
Impact Fee per Residential Unit	\$1,191
CIP Cost per 1,000 Sq. Ft. Nonresidential Floor Area	\$1,775
Credit for 2023 Capital Improvements Property Tax (1.46 Mills)	\$588
Impact Fee per 1,000 Sq. Ft. Nonresidential Floor Area	\$1,187

Source: Summative Results

The district wide impact fee is \$1,191 per new residential unit and \$1,187 per 1,000 square feet of non-residential floor area or \$1.187 per square foot of non-residential floor area.

Figure 16. Impact Fee Schedule for Upper Pine River Fire Protection District

Impact Fee per Residential Unit	\$1,191
Impact Fee per 1,000 Sq. Ft. Nonresidential Floor Area	\$1,187

Source: Summative Results



CASHFLOW ESTIMATES

Projected residential and nonresidential development from 2025 through 2029 will yield about \$128,560 per year and a total of \$642,800.

Figure 17. Cashflow Estimates (2024 Dollars)

	Annual Growth 2025-2029	Annual Revenue	Total Revenue 2025-2029
Residential Units	91	\$108,381	\$541,905
Non-Residential 1000s Sq. Ft.	17	\$20,179	\$100,895
Total	-	\$128,560	\$642,800

Source: Summative Results

