

Impact fees – 2021 update



Like other Colorado municipalities, the Town collects impact fees on new construction to ensure the Town's capital-related levels of service to the community can continue to be met as Castle Rock continues to grow.

Consultant Economic & Planning Systems Inc. in 2018 analyzed residential and nonresidential impact fees for transportation, fire, police, parks and recreation, and municipal facilities (Water-related system development fees are evaluated separately each year.) The consultant found that the Town should be charging 53.3% more for these fees, based on estimated future project needs and higher construction costs. The Town increased fees to that amount starting in 2020. The fees were adjusted for 2021 to reflect inflation.

Impact fees are the Town's only major revenue source for new capital projects. The impact fee study projected the Town will grow to over 90,000 residents by 2030. If impact fees are not sufficient to cover growth-related needs, choices include 1) providing reduced levels of service to the community; and/or 2) asking voters to approve additional capital funding resources.

2021 fees for a 2,200-square-foot home

Fee	2020	2021
Parks and Recreation	\$6,448	\$6,531
Municipal Facilities	\$339	\$343
Fire	\$1,033	\$1,052
Police	\$519	\$526
Transportation	\$10,963	\$8,699
Total	\$19,302	\$17,151

Other communities' fees

It's difficult to compare impact fees across communities because some communities provide services through special districts, which largely collect revenue through property taxes. For example, Lone Tree does not collect impact fees nor municipal property taxes but is served by South Suburban Parks and Recreation, whose mill levy is 8.385, and South Metro Fire and Rescue, whose mill levy is 9.25. While the Town – whose mill levy is 1.196 – has higher impact fees than peer communities, it's important to look at the entire request from property owners and developers when making comparisons.



Fire impact fee revenue

2021 budget	2022-2025 projection
\$970,300	\$3,839,012

Fire impact fees provide for the construction of new fire facilities. Sales tax primarily funds the crews working in fire stations.



Municipal facilities impact fee revenue

2021 budget	2022-2025 projection
\$319,110	\$1,261,230

Municipal facilities impact fees provide for the construction of new general government facilities.



Police impact fee revenue

2021 budget	2022-2025 projection
\$485,686	\$1,922,602

This project is planned to be funded with police impact fees:

Project	Year
Police headquarters basement remodel	2022



Transportation impact fee revenue

2021 budget	2022-2025 projection
\$9,424,745	\$36,928,531

Transportation impact fees will provide for the continued accumulation of funds through 2022 for a new Interstate 25 interchange at Crystal Valley Parkway, to have \$20 million in resources available toward that project by 2023.

These projects are also planned to be funded with this fee:

Project	Year
Hwy 86/Fifth Street improvements	2022
Plum Creek Parkway widening (Eaton-Ridge)	2022
Pedestrian improvements on Fifth Street	2023
Crowfoot Valley Road improvements	2023
Ridge Road widening	2024
Crowfoot Valley Road widening	2024
Wolfensberger widening	2025



Parks and Rec impact fee revenue

2021 budget	2022-2025 projection
\$5,693,961	\$22,448,770

Parks and Recreation impact fees provide for the construction of new parks, as well as new indoor recreation facilities. Sales tax primarily funds parks' maintenance, and user fees primarily fund the operations and maintenance of indoor recreation facilities.

Projections are based upon anticipated development of 700 single-family homes and about 300,000 square feet of commercial space annually through 2025. Anticipated multifamily units are 118 in 2021 and 50 in 2022-2025.