

**TOWN OF PALISADE, COLORADO  
ORDINANCE NO. 2019-08**

**AN ORDINANCE OF THE TOWN OF PALISADE, COLORADO  
AMENDING SECTION 10.11 TRANSPORTATION IMPACT FEES.**

**WHEREAS**, pursuant to Section 31-15-401 and 31-23-301, C.R.S., the Town of Palisade has broad authority to exercise its police powers to promote the health, safety and welfare of the community and its residents, and

**WHEREAS**, the Town of Palisade has the authority to assess transportation impact fees pursuant to Title 29, Article 20, Section 104.5 of the Colorado Revised Statutes; and

**WHEREAS**, in 2002 the Town of Palisade, in conjunction with the City of Grand Junction, the City of Fruita, and Mesa County conducted a Transportation Impact Fee Study known as the Transportation Impact Fee Study by Duncan Associates (Transportation Impact Fee Study); and

**WHEREAS**, the Transportation Impact Fee Study set forth reasonable methodologies and analysis for determining the impacts of various types of development on the Road System; and

**WHEREAS**, the Town of Palisade Board of Trustees adopted Transportation Impact Fees in 2004 based on the Transportation Impact Fee Study through enactment of Ordinance No. 921 ; and

**WHEREAS**, The Town of Palisade Board of Trustees adjusted the Transportation Impact Fees in 2008 based on the Transportation Impact Fee Study through enactment of Ordinance 2008-03; and

**WHEREAS**, the ordinances created a system by which transportation impact fees paid by traffic impact-generating development is used to expand the Town's street system, so that the development that pays each fee will receive a benefit within a reasonable period of time after the fee is paid; and

**WHEREAS**, because the road costs have more than doubled and the travel demand data is over 20 years old since the 2002 Transportation Impact Fee Study was completed, an updated Transportation Impact Fee Study was required; and

**WHEREAS**, an updated Transportation Impact Fee Study for the Town of Palisade, City of Fruita, City of Grand Junction and Mesa County was completed in

2018 by Duncan Associates (Updated Transportation Impact Fee Study) which recommended new fees; and

**WHEREAS**, the transportation impact fees are in the Town fee schedule that is adopted and updated from time to time by resolution; and

**WHEREAS**, the formula for the independent fee calculation, that may also be updated from time to time, should also be in the Town fee schedule; and

**WHEREAS**, in order to protect the public health, safety and general welfare of the inhabitants of the Town of Palisade, and in order to ensure that new development pays a reasonable fee based on the Updated Transportation Impact Fee Study, the Board of Trustees of the Town of Palisade, Colorado, hereby finds and determines that this Ordinance is necessary and appropriate.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PALISADE, COLORADO:**

Section 1. That Section 10.11E: Independent Fee Calculation is hereby amended as follows with double underline text added and ~~strike through language deleted~~:

E. Independent Fee Calculation

1. The impact fee may be computed by the use of an independent fee calculation study at the election of the applicant by an experienced and knowledgeable consultant approved by the Town, or upon the request of the Community Development Director, for any proposed traffic impact-generating development interpreted as not one of those types listed on the fee schedule or as one that is not comparable to any land use on the fee schedule, and for any proposed traffic impact-generating development for which the Community Development Director concludes the nature, timing or location of the proposed development makes it likely to generate impacts costing substantially more to mitigate than the amount of the fee that would be generated by the use of the fee schedule.
2. The preparation of the independent fee calculation study shall be the sole responsibility and cost of the party electing to utilize the study.
3. The Community Development Director may require any person who requests an independent fee calculation study pay an application fee for administrative costs associated with the review and decision on such study.
4. The independent fee calculation study shall be based on the same formulas, level of service standards and unit costs for facilities used in the impact fee study and shall document the methodologies and assumptions used.
5. The impact fee shall be calculated according to the ~~following~~ formula in the Town fee schedule that will be adopted and updated from time to time by resolution:

Table 10.11: Transportation Impact Fee Formula

Fee = VMT x NET COST/VMT #	
VMT	= TRIPS x % NEW x LENGTH ÷ 2
TRIPS	= Daily trip ends generated by the development during the work week
% NEW	= Percent of trips that are primary, as opposed to pass-by or diverted-link trips
LENGTH	= Average length of a trip on the major street system
÷ 2	= Avoids double-counting trips for origin and destination
COST/VMT	= COST/VMT - CREDIT/VMT
COST/VMT	= COST/VMC x VMC/VMT
COST/VMC	= Average cost to create a new VMC based on historical or planned projects (\$306 excluding major structures)
VMC/VMT	= The system-wide ratio of capacity to demand in the Major Street System (1.0 assumed)
CREDIT/VMT	= Credit per VMT, based on revenues to be generated by new development (\$82)

6. An independent fee calculation study submitted for the purpose of calculating a transportation impact fee may be based on data, information or assumptions from independent sources, provided that:
  - a. The independent source is an accepted standard source of transportation engineering or planning data; or
  - b. The independent source is a local study on trip characteristics carried out by a qualified transportation planner or engineer pursuant to an accepted methodology of transportation planning or engineering that has been approved in advance by the Community Development Director.

**INTRODUCED, READ, PASSED, ADOPTED AND ORDERED PUBLISHED** at a regular meeting of the Board of the Trustees of the Town of Palisade, Colorado, held on March 12, 2019.



ATTEST:

*Lindsey Chitwood*  
 Lindsey Chitwood, Town Clerk

TOWN OF PALISADE, COLORADO

By: *Roger L. Granat*  
 Roger L. Granat, Mayor

Publication Date:

*Mar. 16, 2019*

Trustee *Chase* introduced, read and moved the adoption of the





**Palisade Board of Trustees**

**Regular Meeting**

**Item A under Public Hearing II**

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**SUBJECT:**

Text Amendment to Palisade Land Development Code amending Section 10.11 Transportation Impact Fees by moving the independent fee calculation formula from the Land Development Code to the Town of Palisade Fee Schedule.

**RECOMMENDATION:**

Staff recommends approval of Ordinance 2019-08 amending Section 10.11 of the Land Development Code by moving the independent fee calculation formula from the Land Development Code to the Town of Palisade Fee Schedule

**PLANNING COMMISSION RECOMMENDATION:**

The Planning Commission considered the text amendment at its regular meeting of March 4, 2019 and recommended unanimously (4 to 0) to approve the amendment as submitted by staff.

**EXECUTIVE SUMMARY:**

Although transportation impact fees are assigned to specific land uses, applicants may choose to hire a transportation planner or engineer to calculate an independent fee. The independent fee calculation formula is in the actual text of the Land Development Code. As such, any numerical adjustments to the formula require amendments to the Land Development Code. The proposed amendment would move the formula from the Land Development Code to the fee schedule, as was already done with the transportation impact fees. Adjustments to the Transportation Impact Fees and the Independent Fee Calculation Formula may then be adjusted by resolution and without amendments to the Land Development Code.

## **SUGGESTED MOTION:**

I move to adopt Ordinance 2019-08 entitled "An Ordinance of the Town of Palisade, Colorado Amending Section 10.11 Transportation Impact Fees."

### **Information**

#### **Background**

The transportation impact fees for the Town of Palisade were established more than 15 years ago as a method for obtaining fees from development to pay for future street improvements. The fees were intended to be proportionate to the required street costs that were a consequence of the new development. Palisade joined the Cities of Fruita and Grand Junction, and Mesa County to establish the new fees based on a 2002 Impact Fee Study produced by the consultants Duncan & Associates. Although the original fees that were adopted represented only 53% of the full costs anticipated, it was, nevertheless, the first effort from the region to collect a reimbursement from the road impacts from new development

The fees differ for each type of land use based on the anticipated impacts. For example, a fee for a convenience store with gas sales is based on a rate of more than four times that of a single-family residence. Since the original ordinance was adopted in 2004, the fees have been raised once in 2008 to make up for the 53% deficit of full costs. The fees are under consideration again as a result of an updated Transportation Impact Fee Study that was accomplished in 2017. Residential Transportation Impact Fees were raised by the Board of Trustees at its February 12 meeting.

In 2008 the actual transportation impact fees were removed from the Land Development Code and moved to the Fee Schedule adopted by the Board of Trustees. As a result, adjustments or updates to the fees no longer require amendments to the Land Development Code, but simply revisions to the Fee Schedule by the Board of Trustees.

#### **Independent Fee Calculation**

As a part of the original ordinance that was adopted in 2004, applicants may opt for an independent fee calculation study to demonstrate more precise numbers for new development. The study may produce lower fees for applicants if they can demonstrate a basis for lower traffic volumes. The fee study must be prepared by a qualified transportation planner or engineer and must be based on data from accepted transportation engineering or planning sources. The fee must also be based on a specific formula:  $VMT \text{ Vehicle-Miles of Travel (VMT)} \times \text{Net Cost VMT}$ . However, because numbers in the specific formula will change from time to time, especially when new impact studies are prepared, the formula will need to be adjusted to reflect those numbers. The changes are typically based on changing driving patterns; modified vehicle designs; altered traffic volumes; changing costs; and other factors. In more technical terms, changes include costs for Vehicle-Miles of Capacity (VMC); The ratio between capacity

to demand; and credits per Vehicle Miles of Travel based on revenues from new development.

The 2017 Impact Fee Study identifies new numbers for the independent fee calculation formula based on the changes described above. Currently, the independent fee calculation formula is in the actual text of the Land Development Code. As such, any adjustments to the formula require amendments to the Land Development Code. Staff is recommending with this ordinance that the formula be removed from the Land Development Code and made a part of the fee schedule, as was done with the transportation impact fees. Adjustments to the Transportation Impact Fees and the Independent Fee Calculation Formula may then be adjusted without amendments to the Land Development Code.

**Approval Criteria (Section 4.01E of the Palisade Land Development Code)**

A. In evaluating any proposed amendments of the text of the Land Development Code, the Planning Commission and the Town Board shall consider the following:

1. The extent to which the proposed text amendment is consistent with the remainder of the LDC, including, specifically, any purpose and intent statements;

*The Transportation Impact Fee program and the associated independent fee calculation study options will not be adjusted by this ordinance. The only change will be to place the fee formula in the Town's adopted fee schedule rather than in the text of the Land Development Code. Although changes to the fee schedule by the Board of Trustees must be based on accurate trend and cost data, the changes will not require formal amendments to the Land Development Code each time the data changes.*

2. The amendment must not adversely affect the public health, safety or general welfare;

*No adverse impacts are anticipated to result from this amendment. The only change is to simplify the procedure by which rates are adjusted for the Transportation Impacts fees.*

3. The amendment is necessary because of changed or changing social values, new planning concepts or other social or economic conditions in the areas affected;

*The amendment will allow procedural changes to the transportation impact fee structure without affecting the stated purpose for collecting the fees in the Land Development Code.*

4. Whether or not the proposed text amendment revises the LDC to comply with state or federal statutes or case law; and

*The proposed changes are not affected by any state or federal statutes or case law.*

5. Whether or not the proposed text is found to be consistent with the Town's adopted comprehensive plan.

*The adopted Comprehensive Plan promotes "safe vehicle and multi-modal transportation options for residents and visitors." The collection of Transportation Impact Fees implements the objectives of the Comprehensive Plan by ensuring that new growth compensates for the costs of road improvements that result from the continued development.*