

GOLDEN GATE FIRE PROTECTION DISTRICT IMPACT FEE STUDY

January 17, 2024

Prepared by



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SECTION 1

PURPOSE AND NEED FOR THE STUDY

PURPOSE OF THIS STUDY

Golden Gate Fire Protection District is a special district in unincorporated Jefferson County, Colorado that was organized under Colorado Revised Statutes (C.R.S.) Title 32, Article 1. Under the state’s special district form of local government, special districts provide basic services and public needs to residents within their boundaries.

C.R.S. Section 29-20-104.5(1) states that

Pursuant to the authority granted in section 29-20-104(1)(g) and as a condition of issuance of a development permit, a local government may impose an impact fee or other similar development charge to fund expenditures by such local government or a fire and emergency services provider that provides fire protection, rescue, and emergency services in the new development on capital facilities needed to serve new development.

The purpose of this study is to describe the process and results used by Golden Gate Fire Protection District to meet all requirements for levying an impact fee on new development within its boundaries.

C.R.S. Section 29-20-104.5(2)(a) requires that, before it can enact an impact fee, “A local government shall quantify the reasonable impacts of proposed development on existing capital facilities and establish the impact fee or development charge at a level no greater than necessary to defray such impacts directly related to proposed development.” This study documents the existing fire and emergency response capital infrastructure in Golden Gate Fire Protection District and describes the methods and results used to calculate an impact fee amount that will defray impacts from future development at a level no greater than the capital costs already borne by current district residents.

NEED FOR THIS STUDY

Colorado statutes and a series of court decisions have established when and how government entities can levy, manage, and use impact fees. This study is needed to ensure that Golden Gate Fire Protection District meets all requirements relating to impact fees on development within the district’s boundaries.

Golden Gate Fire Protection District Description

Fire services for the Golden Gate Canyon area first were established in 1980 as the Golden Gate Volunteer Fire Department. Golden Gate Fire Protection District was formally organized in 1987. As stated in its bylaws (GGFPD, 2011), its purpose is to:

(P)rovide Emergency Services to the citizens and property within its jurisdiction, individuals passing through its jurisdiction, and areas outside its jurisdiction for which it has assumed an obligation to provide such services through an Automatic

The district is in the foothills of the Colorado Front Range. Elevations range from about 6000 feet near the intersection of Golden Gate Canyon Road and Colorado Highway 93 to nearly 9800 feet on the peak of Centralia Mountain. The terrain is mountainous, with most slopes ranging from 10 percent to more than 60 percent (Jefferson Conservation District and Jefferson County Department of Emergency Management, 2011). More gentle slopes occur in limited areas, particularly along Crawford Gulch Road and Robinson Hill Road.

Land ownership within the Golden Gate Fire Protection District mostly is private, but there also are large tracts owned by the state of Colorado and Jefferson County Open Space. These public lands attract large numbers of recreational visitors throughout the year. The primary access to the district is via Golden Gate Canyon Road. Users of the road include local residents; recreationists such as public land visitors, bicyclists, and people driving the road for pleasure; and travelers to areas east and west of the district.

The Jefferson County Assessor's Office lists almost 600 tax-paying properties within the boundaries of Golden Gate Fire Protection District. Of these, about 150 properties are clustered in the Geneva Glade subdivision and along Robinson Hill Road in the Douglas Mountain Ranch and Elk Creek Meadows subdivisions. The remaining 450 properties are widely scattered throughout the district, and include 140 properties that are so isolated that they are not associated with any street name.

History of Impact Fees in Colorado

Colorado municipalities may have among the longest history of using development fees in the nation. As early as the 1920s, cities in Colorado charged developers for the water rights needed to serve their developments (Lillydahl, 1987).

Impact fees may first have been litigated when, in 1947, the Hinsdale (Illinois) Sanitary District used them to finance a water treatment plant expansion. When the sanitary district was sued, it prevailed. The case was appealed to the Illinois Supreme Court, and that court ruled that impact fees are legal if used for capital expenditures, but not legal if used for operating expenses (Carswell, 2012).

Since then, impact fees have been widely adopted by local governments throughout the United States. The most familiar form may be "tap fees" to pay for water supply and wastewater collection and treatment facilities. However, impact fees on new development also have been used to pay for facilities that include, but are not limited to, other utilities, roads, lighting, parks, schools, libraries, and public safety buildings.

In Colorado, impact fees and other charges are addressed in C.R.S. Title 29, Government – Local. Part 8, Land Development Charges, Section 29-1-801 establishes land development charges as a matter of statewide concern with the following legislative declaration:

The general assembly hereby finds and determines that statewide standards governing accountability for land development charges imposed by local governments to finance capital facilities and services are necessary and desirable to ensure reasonable certainty, stability, and fairness in the use to which moneys generated by such charges are put and to promote public confidence in local government finance.

Provisions regarding impact fees are detailed in C.R.S. Section 29-20-104.5. This section primarily was enacted in 2001 as Senate Bill 01S2-015, "An Act Concerning Land Development Charges That May Be Imposed by Local Governments." Section 29-20-

104.5 provides that, “as a condition of issuance of a development permit, a local government may impose an impact fee or other similar development charge to fund expenditures ... on capital facilities needed to serve new development.”

House Bill 16-1088 was enacted by the State of Colorado in June 2016. It specifically authorizes fire and emergency services providers to impose an impact fee on new development. This act defines fire and emergency services providers to mean fire protection districts. It then amends several sections of C.R.S. Section 29-20-104.5 so that fire protection districts can assess impact fees, establishes rules for intergovernmental agreements where they are applicable, and confirms that the use of the funds by fire protection districts must be for capital facilities.

Initially, House Bill 16-1088 allowed fire and emergency service districts to collect impact fees themselves. Since then, the law was changed so that special districts must enter into an agreement with a municipality and/or county to collect the impact fee on behalf of the district (Economic & Planning Systems, Inc., 2020).

State of Colorado Requirements for Impact Fees

Requirements that any fire and emergency services provider or other local government entity must meet in order to impose impact fees are identified in C.R.S. Title 29, Section 29-20-104.5. Selected requirements that are applicable to this study on levying impact fees in Golden Gate Fire Protection District are excerpted below.

29-20-104.5.(1). No impact fee or other similar development charge shall be imposed except pursuant to a schedule that is: (a) Legislatively adopted; (b) Generally applicable to a broad class of property; and (c) Intended to defray the projected impacts on capital facilities caused by proposed development.

29-20-104.5.(2)(a). A local government shall quantify the reasonable impacts of proposed development on existing capital facilities and establish the impact fee or development charge at a level no greater than necessary to defray such impacts directly related to proposed development. No impact fee or other similar development charge shall be imposed to remedy any deficiency in capital facilities that exists without regard to the proposed development.

29-20-104.5.(4). As used in this section, the term "capital facility" means any improvement or facility that: (a) Is directly related to any service that a local government or a fire and emergency services provider is authorized to provide; (b) Has an estimated useful life of five years or longer; and (c) Is required by the charter or general policy of a local government or fire and emergency services provider pursuant to a resolution or ordinance.

29-20-104.5.(6). No impact fee or other similar development charge shall be imposed on any development permit for which the applicant submitted a complete application before the adoption of a schedule of impact fees or other similar development charges by the local government pursuant to this section. No impact fee or other similar development charge imposed on any development activity shall be collected before the issuance of the development permit for such development activity.

State of Colorado Requirements for Managing All Types of Development Fees

C.R.S. Title 29, Part 8, Land Development Charges, establishes statewide standards governing accountability for all land development charges, including impact fees, imposed by local governments to finance capital facilities and services. Section 29-1-803(1) requires that all moneys from land development charges must be deposited in a separate, interest-bearing account which clearly identifies the category of capital expenditure for which such charge was imposed. Any interest must be credited to that account. This section then describes what and how information regarding the account must be published at least once annually.

Colorado Supreme Court Decision

As described earlier, impact fees have been litigated at least since 1947. In Colorado, many of these historical cases were identified in the definitive February 2001 ruling by the Colorado Supreme Court regarding Krupp versus Breckenridge Sanitation District. Many of the key findings from that decision were incorporated in Senate Bill 01S2-015, passed in November 2001, which was codified in C.R.S. Title 29, Section 29-20-104.5 as described above. However, in their decision on Krupp versus Breckenridge Sanitation District, the justices provided amplification on the following requirements for Colorado impact fees.

- An impact fee is a one-time charge.
- An impact fee should be designed to defray the cost of expanding a district's infrastructure as development increases the demand for that district's services. Impact fees promote the policy of having development help pay its own way.
- A special district, through its board, is expressly authorized to fix and from time to time to increase or decrease fees, including impact fees, for services, programs, or facilities furnished by the district.
- The amount of the fee must be reasonably related to the overall cost of the capital. It must be fairly calculated and rationally based. Mathematical exactitude is not required, however, and the particular mode adopted by the district in assessing the fee is generally a matter of that district's discretion.
- Because the setting of rates and fees involves many questions of judgment and discretion, the rate-setting method chosen by a district cannot be set aside unless it is inherently unsound.
- The district must calculate the specific impact fee assessment for each new development using a publically promulgated fee schedule. Project proponents must be able to confirm that the district did not arbitrarily ignore the district's established fee schedule or miscalculated the assessment.

Other Guidance Regarding Impact Fees

BBC Research & Consulting (2020a, 2020b, 2021), through its preparation of numerous impact fee studies for fire districts in Colorado, has identified the following guidelines that help districts ensure their compliance with the letter and intent of Colorado regulations and with court decisions relating to impact fees.

- Impact fee revenue must be used only for capital infrastructure expansion required to maintain existing levels of service. No funds can be used for correcting existing system deficiencies or for operations, maintenance, repair, facility replacement, or facility betterment.
- Impact fee revenue must be kept in a separate fund from other revenue. Withdrawals from the impact fee fund can be used only to pay for growth-related infrastructure.
- Impact fees must be imposed on all forms of development and cannot be limited to one type of land use.

Impact Fees for Facility Expansion or Redevelopment

Impact fees in Golden Gate Fire Protection District would not be applicable to improvements to an existing residential structure that resulted in the structure maintaining its same size and use. This is because such a change would not lead to an increase in demand for service delivery and capital needs. However, any change that expanded the gross area of the subject building (designated “Building 1” in the county assessor’s records) or that accommodated a new Building 1 would be considered “new” development and would be subject to an impact fee based on the increase in gross area of the subject structure.

SECTION 2

METHODS

The Colorado Supreme Court in Krupp versus Breckenridge Sanitation District required that impact fees must be reasonably related to the overall cost of the service, fairly calculated, and rationally based. This section describes the methods used by Golden Gate Fire Protection District to ensure that this impact fee study meets these criteria.

DATA SOURCES

On September 25, 2023, at the request of Golden Gate Fire Protection District, the Jefferson County Assessor's Office produced an ownership list for all privately owned properties in the district. This Microsoft Excel® spreadsheet includes the classification of each property (such as Vacant Land, Single Family Residential, or Agricultural), whether each property has at least one building, and the square footage of that primary building, referred to in the spreadsheet as "Building 1."

Information in the county's ownership list for the three fire station buildings that are publically owned by Golden Gate Fire Protection District is incomplete. However, this source does include the actual values for the land on which each fire station is sited. This information was used in Section 3 to calculate the capital costs for land for each fire station.

Golden Gate Fire Protection District's buildings and vehicles are insured by the Colorado Special Districts Property and Liability Pool. On November 6, 2023, this entity provided the property valuations for all of the structures and vehicles owned by the district. Because these values are based on replacement costs, they include depreciation. They are updated annually, which ensures that they reflect inflation. These values from the insurer were used to calculate the capital costs for the buildings and equipment owned by the district.

METHODS EMPLOYED IN THIS STUDY

In its impact fee study for the City of Greeley, Duncan Associates (2014) provided an excellent description of the methods most often used to determine impact fees. Excerpts from that document are provided below. Underlining is added to facilitate tracking between the Greeley description and the methods used in this Golden Gate Fire Protection District impact fee study.

A wide range of methodologies have been developed to calculate impact fees, consistent with the legal requirements and guidelines described in the previous section. Despite variations, there are two primary types of methodologies, which can be referred to as "standards-based" and "plan-based." Standards-based methodologies use a system-wide level of service standard, such as the system-wide ratio of road capacity to demand, the number of park acres per 1,000 residents, or the existing capital investment per service unit. Plan-based

methodologies are generally based on modeling and geographically-specific level of service standards ... and rely on a facility master plan to create the nexus between the cost of planned improvements and the projected growth over a defined time period. In general, the standards-based approach provides greater flexibility in expenditures (a plan-based approach requires a master plan update when planned projects change).

Most often, the standards-based approach ... can be expressed in terms of a physical ratio (e.g., park acres per 1,000 population), or in dollar terms (e.g., park cost per person). ... [T]his approach is sometimes referred to as “incremental expansion.” The basic assumption is that, as the community grows, it will be necessary to expand capital facilities proportional to growth.

Standards-based approaches tend to be of two main types, which can be referred to as “buy-in” or “consumption-based.” In general, buy-in approaches use historical system costs, while consumption-based approaches use current or planned unit costs. The buy-in method relies on a jurisdiction’s fixed asset listings.

Golden Gate Fire Protection District does not have the type of detailed facilities master plan described by Duncan Associates (2014). Therefore, a standards-based approach was used to prepare this impact fee study.

Within the standards-based approach, the existing capital investment per service unit was used. Depending on local characteristics, impact fee studies for other fire districts in Colorado have used a wide variety of service units for this calculation. Some of these have included:

- Numbers of existing structures, regardless of type or use;
- Numbers by unit type, such as residential, commercial, or industrial;
- Numbers by unit use, such as single-family housing, multi-family housing, retail, or warehouse;
- Square footage by unit type or unit use; and
- Numbers of annual service calls to the fire district by each unit type, unit use, or unit square footage.

Often, these service units are used in combination. For example, the Frederick-Firestone Fire Protection District impact fee study (BBC Research and Consulting, 2020a) also used a standards-based approach based on existing capital investment per service unit. That study evaluated 13,000 calls over six years and found that 65% were from single-family residential units, 3% were from multifamily residential units, and 32% were from non-residential developments. It then allocated 65% and 3% of capital investment costs *for each dwelling unit* for residential single-family and multi-family development respectively, and 32% *for each square foot* for non-residential development.

The Frederick-Firestone study resulted in three levels of impact fees by land use, including single-family residential per dwelling unit, multi-family residential per dwelling unit, and non-residential per square foot. Multiple levels of impact fees for different types of development are common in most impact fee studies for Colorado fire districts, including all of those referenced in this study.

In contrast to the mixed uses in the Frederick-Firestone and other Colorado fire districts, development in Golden Gate Fire Protection District consists almost exclusively of properties classified as agricultural or single-family residential. Of the district's 588 private properties, 204 have no buildings and 384 have one or more buildings. Three properties are classified in the county assessor's records as "commercial," but none of these has a building. There is one duplex/triplex, and there are no buildings with higher levels of approved residential occupancy. Future development is expected to be similar to current land use. Based on this uniformity, only one level of impact fee, designated as "single family residential," is needed in the district.

The ownership spreadsheet that was provided by the Jefferson County Assessor's Office for Golden Gate Fire Protection District included only two parameters relating to the structures on each property. These included "Building 1 Gross Area" and "Building 1 Basement Total" in square feet. Sizes for the structure designated as Building 1 ranged from 200 square feet to more than 6,500 square feet. On reviewing these data, the district's fire chief noted that the presence of a basement did not measurably increase the complexity of fighting a structure fire or the need for different fire-fighting materials or approaches. Therefore, the presence or area of a Building 1 basement was not considered as a factor in the impact fee calculation.

A more in-depth review of individual properties using data that is available only on the county assessor's website (not the spreadsheet) shows that, on the large lots that occur in the district, residents have installed many types of modifications and detached buildings. These include, but are not limited to, mother-in-law suites in basements, casitas, gazebos, garages with and without auxiliary dwelling units, tool sheds, workshops, studios, offices, gymnasiums, stables, barns, and enclosed riding arenas (potentially with offices and bunk rooms). Any of these could be made "habitable" with the addition of a restroom, where the water and sewer lines were plumbed into the existing well and septic tank on the property. While the square footage of each of these could be extracted from the assessor's office records, individual judgements would have to be made regarding the habitability of space within each building. Therefore, to provide consistency and avoid subjectivity, it was decided that only the gross area of Building 1 would be used to calculate the existing capital investment per service unit.

CALCULATING THE IMPACT FEE

The calculation of the impact fee for incremental expansion per square foot of any new construction for a property's primary building using the buy-in approach involved the following steps.

1. Create an inventory of major assets. Only buildings and vehicles were included in this 2024 impact fee study, because all of the smaller capital equipment owned by the district is depreciated to the point that its value is no longer on the books.
2. Calculate the current dollar value of the district's capital assets by summing the:
 - Values of the three fire stations using insured costs provided by the Colorado Special Districts Property and Liability Pool;
 - Land values for the properties on which the three stations are built, using data from the county assessor's spreadsheet; and

- Values of all of the vehicles and other major capital equipment owned by the district, based on the insured replacement costs provided by the Colorado Special Districts Property and Liability Pool.
3. Sum the square footages of the primary buildings (designated as Building 1) for all private properties in the district using data from the county assessor's spreadsheet.
 4. Divide the dollar value from step 2 by the total square footages from step 3. The result is the capital cost of the district's fixed assets per developed square foot of primary buildings in the district.

METHODS GUIDANCE AND REVIEW

BBC Research & Consulting (BBC) is one of the most experienced companies in the preparation of impact fee studies for government entities, including fire districts, in Colorado. Therefore, at the start of the impact fee study process, Golden Gate Fire Protection District contracted with BBC for the following services.

- On September 20, 2023, district and BBC personnel held a startup teleconference. At this meeting, BBC provided guidance regarding legal requirements, processes for conducting impact fee studies, methods, and data sources.
- After district personnel completed the draft impact fee study, BBC conducted an interim review to identify any deficiencies that would undermine the legal defensibility of the impact fees proposed by the district.
- District personnel revised the study as needed to address BBC's review comments. BBC then performed a final review and prepared a memorandum documenting its review and describing the overall reasonableness of the fees as compared to Colorado statutes and case law. BBC's findings are presented in the memo in Appendix A.

CONSIDERATION OF ASSETS ACQUIRED VIA DONATIONS OR GRANTS

Preparation of this impact fee study found that Golden Gate Fire Protection District did not pay the full market price for some of its capital assets. Specifically, the land at one of the fire stations was "purchased" at a token price of \$10, a fire station was constructed using a mix of contracted and volunteer labor, a federal grant was used to defray part of the cost of a fire engine, and an old but still serviceable fire truck was sold to the district at a reduced price by an urban fire department that was upgrading its equipment. This led to discussions of how to properly address such asset acquisitions in this impact fee study.

Nearly all fire districts, along with many other special districts and municipalities, have similarly benefitted from asset acquisitions that did not involve full-price purchases by district taxpayers. Federal grants for full or matching funding to acquire capital assets are competitively awarded to fire districts every year. The transfer of older vehicles from large fire districts to less-well-funded districts is a common practice. Donated private funds for asset acquisitions include everything from gifts from individuals or companies to community-wide fundraising drives. Labor donations for capital assets can range from large-scale, barn-raising-type efforts to a single, skilled volunteer installing infrastructure such as a helipad or an electrical charging station.

Donations and grants of this type are so common that they are addressed in the Generally Accepted Accounting Principles (GAAP) issued by the Financial Accounting Standards

Board (FASB). Under the GAAP, all contributions or donations should be recorded as revenue, at fair value. The FASB defines fair value as “the price that would be received to sell an asset ... in an orderly transaction between market participants.” If the life of donated tangible property exceeds 12 months, it is recorded as a fixed asset at fair value on the balance sheet (Seyfert, 2024).

Capital assets that were acquired via donations or grants are handled in accordance with the preceding GAAP approach in impact fee studies. Use of this approach was explained by Michael Verdone (2023), Director of BBC, as follows:

If the Department can sell the donated land and fire equipment, it is an asset. Donated assets should be included in the calculation [of impact fees] because their value reflects the amount of capital needed to maintain the current service standard. Even though previous residents didn't pay for it, they still depend on it, and omitting that value from the calculations would let future development buy in at a rate below the amount needed to maintain service standards.

The current, future, and replacement value of an asset does not change based on the method by which it was obtained. It also does not change the critical nature of that asset in the service it provides the district's citizens. From an accounting perspective, there cannot be a donation or grant on one side of a balance sheet that is not accounted for as value on the other, in a manner identical to that of a purchase. To exclude value attributable to certain capital assets owned by the fire district, based on how it was acquired, adds subjectivity that is contrary to the strictly data-based nature of an impact fee study.

METHODS FOR UPDATING THIS IMPACT FEE STUDY

Impact fee studies should be updated regularly to reflect constantly changing information regarding a district's inventory of capital assets, the value of the land and buildings owned by the district, and the characteristics (in this case, square feet) of development in the district. It is recommended that this study should be updated every other year when the Jefferson County Assessor produces new versions of the assessed values for all privately owned property. Actions to update this study include the following:

- Call the Jefferson County Assessor's Office at (303) 271-8600 and request a spreadsheet showing the current land ownership for property within the boundaries of Golden Gate Fire Protection District. The county will invoice the district for a modest fee (currently less than \$100) to provide this information.
- Update the inventory of the district's vehicles and other capital assets.
- Contact the district's insurer, currently the Colorado Special Districts Property and Liability Pool, and request the insured values for all of the district's insured capital assets. It probably will provide separate reports for buildings and vehicles.
- If the district owns other capital assets that are not insured and are not fully depreciated, determine the value of each piece by comparing it to the prices of similar, used equipment on the Internet.
- Prepare updated versions of the Section 3 tables that document the values used to calculate the latest impact fee.
- Perform the calculation described earlier under “Calculating the Impact Fee.” The result will be the updated maximum allowable impact fee, representing the capital

cost of the district's fixed assets per developed square foot of primary buildings in the district.

- Prepare a memo for the update. The memo should contain the updated Section 3 tables, all calculations, and the results. Attach each biennial update memo to this report as an appendix so the complete package of requirements, procedures, and results will be readily available. A blank Appendix B for the 2026 update is provided with this document. Additional appendices should be added in the future.

SECTION 3

IMPACT FEE INPUTS AND RESULTS

IMPACT FEE INPUTS

Capital Costs of Vehicles and Real Estate

Table 3.1 shows the 2023 values of the vehicles owned by Golden Gate Fire Protection District. All values are from the document titled “Auto Schedule, Coverage Period: 1/1/2023 to EOD 12/31/2023” that was produced by the district’s insurer, the Colorado Special Districts Property and Liability Pool.

Table 3.1: Capital Value of Golden Gate Fire Protection District Vehicles

Description	Value
1984 International, Tender 81 Tanker	\$23,729
1994 Sport, Tail Trailer	\$1,169
1995 Pierce, Engine 83 Fire Truck	\$50,000
1998 Emergency One, Engine 82 Pumper	\$130,000
2003 Ford, Utility 83 SUV	\$2,850
2003 Pierce, Engine 81 Pumper	\$240,000
2005 Ford, Brush 82 F550 SD Pickup	\$44,967
2006 International, Tender 83 Tanker	\$202,000
2009 Polaris, EUV	\$2,143
2016 Ford, F150 Pickup	\$12,500
2017 Ford, F150 Pickup	\$12,500
2018 Dodge, Brush 81 Pickup	\$34,277
Total	\$756,135

Table 3.2 shows the 2023 values of the three fire stations owned by Golden Gate Fire Protection District. Land values are from the Microsoft Excel® property ownership list spreadsheet provided by the Jefferson County Assessor’s Office. Building values are from the document titled “Property Schedule, Coverage Period: 1/1/2023-EOD 12/31/2023” that was provided by the district’s insurer, the Colorado Special Districts Property and Liability Pool. The building values include the insured values of the structures and their contents, such as furniture and other furnishings.

Table 3.2: Capital Value of Golden Gate Fire Protection District Fire Stations

Station	Value
No. 81, 32360 Robinson Hill Road	
Land	\$471,493
Building	\$401,212
No. 82, 7181 Crawford Gulch Road	
Land	\$352,835
Building	\$671,887
No. 83, 25231 Golden Gate Canyon Road	
Land	\$34,725
Building	\$80,268
Total	\$2,012,420

Other capital costs that might have been included in calculating an impact fee are the values of smaller pieces of equipment with a useful life of more than five years (for example, hydraulic rescue tools) and the cost of preparing this study.

- The smaller capital equipment owned by the district has depreciated to the point that its value is no longer on the books, although the equipment is still serviceable.
- The impact fee study was prepared mostly by district volunteers at a cost to the district of just \$4,000. This small cost would be lost as a rounding error compared to the value of the district’s vehicles and buildings and was not used.

Therefore, the capital costs considered in this study included only the values of the assets listed in Tables 3.1 and 3.2. Based on the data in the tables, the total value of the capital assets of Golden Gate Fire Protection District in 2023 is \$2,772,555.

Total Developed Square Footage

The ownership list that was provided by the Jefferson County Assessor’s Office identified a total of 588 privately owned properties within Golden Gate Fire Protection District. Table 3.3 shows the number of parcels within each property classification.

There are numerous additional land parcels that are listed in the county assessor’s records, but that are not on the private land ownership spreadsheet. None of these properties are subject to the special district tax of Golden Gate Fire Protection District. Examples include the property owned by Golden Gate Grange No. 451 that is classified as “9279, Charitable Non-Residential,” and the three fire station properties and many Jefferson County Open Space and State of Colorado tracts that are classified as “9000, Exempt Property.”

A total of 204 properties are listed as not having buildings. These include 103 of the 104 properties listed as “4000, Agricultural” and all of the 79 properties classified as “0000, Vacant Land.” The remaining 22 properties without buildings fall in the 1000, Residential” group, “2000, Commercial” group, other 4000 group agricultural classification, “5000 Natural Resources” classification, and “8000 State Assessed” category.

Table 3.3: Property Classifications in Golden Gate Fire Protection District

Code	Assessor's Office Description	Number of Properties
0000	Vacant land ^{a/}	79
1000	Residential	7
1212	Single family residential	256
1215	Duplex/triplex	1
1235	Manufactured housing	1
1277	Property not integral to ag operation	59
2000	Commercial PPA ^{a/}	2
2023	Other comm-possessory interest ^{a/}	1
4000	Agricultural	104
4277	Farm/ranch residence	67
4279	Farm/ranch support bldgs	3
5000	Natural resources (vacant land) ^{a/}	5
8000	State assessed ^{a/}	3
	Total	588

^{a/} None of the properties in this classification in the district has a Building 1.

Among the 384 properties with at least one building, the structure sizes range from 200 square feet to more than 6,500 square feet. Collectively, the total gross area of all of the primary buildings (designated Building 1) in the county assessor's ownership list was 853,389 square feet.

IMPACT FEE CALCULATION

The buy-in method for incremental expansion was used to calculate the maximum allowable impact fee for new Building 1 construction or existing Building 1 expansion in Golden Gate Fire Protection District. This involved dividing the 2023 value of the district's capital assets (\$2,772,555) by the 2023 total gross area (853,389 square feet) of the structure designated as Building 1 for all properties in the district.

The resulting value is \$3.25 per square foot. This value is the amount of fire-fighting capital the district has in place to serve existing structures designated as Building 1. As such, it reflects the existing service standard that each new, expanded, or replacement Building 1 must replicate to maintain the district's existing level of service.

SECTION 4

DISCUSSION

As described in Section 2, gross area for the Building 1 on each private property in Golden Gate Fire Protection District ranges from 200 square feet to more than 6,500 square feet. At a maximum allowable impact fee of \$3.25 per square foot, Table 4.1 shows the impact fees for new Building 1 construction or for the expansion of an existing Building 1 for the property sizes that currently occur in the district.

Table 4.1: Impact Fees by Primary Building Size at the Golden Gate Fire Protection District Maximum Allowable Amount

Building 1 (square feet)	Number in Existing Housing Stock	Percent of Existing Housing Stock	Impact Fee ^{a/}
Less than 999	25	7	< \$3,247
1,000 to 1,999	161	42	\$3,250 to \$6,498
2,000 to 2,999	125	33	\$6,500 to \$9,748
3,000 to 3,999	49	13	\$9,750 to \$12,997
4,000 to 4,999	15	4	\$13,000 to \$16,247
5,000 to 5,999	7	1	\$16,250 to \$19,497
6,000 to 6,999	2	<1	\$19,500 to \$22,747
Total	384	100	--

^{a/} Based on an impact fee of \$3.25 per square foot of gross area.

Note that the existing housing stock *would not* be subject to impact fees. Impact fees would apply only to new development and would be charged at the time a building permit was pulled. Existing structures would not be subject to impact fees unless triggered by a redevelopment that added additional square footage onto the existing building's footprint.

The number and percent of existing housing stock values in Table 4.1 are intended only to illustrate the current distribution of residential development sizes. This information can be used to estimate the approximate value of impact fees to the district if future development follows the existing pattern.

Currently, the average size of all primary buildings in the district is 2,220 square feet (total of 853,389 square feet divided by 384 properties with a structure). The maximum allowable impact fee for a new structure of this average size would be \$7,215.

Table 4.2 provides a comparison of selected features of Golden Gate Fire Protection District with other Colorado fire protection districts that recently conducted impact fee studies. As seen in the last column, the impact fee for an average-sized residential unit in Golden Gate Fire Protection District was the highest among these agencies. Reasons for this finding that are suggested by the data in the table are as follows.

Among the districts in the table, Golden Gate Fire Protection District has the smallest service population. Public agencies typically must have a minimum amount of building and equipment capital infrastructure regardless of the number of citizens served. Economies of scale then allow that infrastructure to be used more efficiently and expanded in steps only when additional capacity is needed. The larger numbers of residential and non-residential units in other fire districts allow them to use their infrastructure more efficiently across a larger service base.

Golden Gate Fire Protection District does not have any non-residential development. Other districts have non-residential development ranging from about a million square feet to more than 30 million square feet. The sharing of capital requirements with non-residential development substantially reduced capital costs per residential unit in other fire districts.

The steep, mountainous terrain in Golden Gate Fire Protection District can greatly increase the travel time from a fire station to a location where emergency services are needed. To address this, Golden Gate Fire Protection District sited a fire station on each of the district's three main roads. This resulted in one fire station per 128 residential units, while the ratios at the other fire districts in the table are 2.6 to 33 times higher. Each station is capital-intense, requiring a building, vehicles, and other equipment. The use of multiple fire stations to provide shorter response times substantially increased capital costs per household in Golden Gate Fire Protection District. However, district residents, through the decisions of their elected fire district board over the years, collectively judged shorter response times to fires and other emergencies to be critical to their experience of living in the Golden Gate Canyon setting.

Table 4.2: Recent Impact Fee Study Results for Colorado Fire Protection Districts

Fire District	Year of Study	Number of Residential Units	Non-Residential ^{a/} (square feet)	Number of Fire Stations	Residential Units per Fire Station	Non-Residential Impact Fee	Impact Fee per Residential Unit
Golden Gate Fire Protection District	2024	384 ^{b/}	0	3	128	Not applicable	\$7,215 ^{c/}
East Grand Fire Protection District #4 ^{d/}	2019	7,298	3,299,352	3	2,433	\$0.28 per square foot	\$682
Elbert Fire Protection District	2021	1,049	Not available	3	350	\$1.58 per square foot	\$3,585
Frederick-Firestone Fire Protection District	2020	11,904	6,702,000	4	2,976	\$0.81 per square foot	\$825 to \$974
Loveland Fire Rescue Authority	2020	41,714	30,457,971	10 ^{e/}	4,171	\$1.44 ^{f/} per square foot	\$950 to \$1,187
Strasburg Fire Protection District	2017	2,116	1,223,942	2	1,058	\$0.53 per square foot	\$526 to \$824
Timberline Fire Protection District	2020	3,305	894,722	10	330	\$2.82 per square foot	\$2,327

a/ “Non-Residential” includes uses such as commercial and industrial.

b/ For this table, all properties in Golden Gate Fire Protection District with a “Building 1” in the county assessor’s records were assumed to be residential units.

c/ Calculated based on the average size of a Building 1 in the district of 2,220 square feet.

d/ Unless otherwise noted, each agency’s impact fee study in the References Cited section was the source of information in this table.

e/ Agency’s website was the source of this information.

f/ Commercial properties only. Impact fee for industrial development was calculated separately.

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APPENDIX A

**MEMORANDUM FROM
BBC RESEARCH & CONSULTING REGARDING THE
REASONABLENESS OF THE FINDINGS OF THIS STUDY**



December 8th, 2023

Mr. Chris Creech
Bookkeeper
Golden Gate Fire Protection District
Golden, CO 80402

Re: Golden Gate Fire Protection District Impact Fee Study Review

Dear Mr. Creech:

This letter provides BBC Research & Consulting's (BBC) evaluation of the impact fee analysis conducted by Golden Gate Fire Protection District in Jefferson County. The purpose of the analysis was to ensure that the resulting impact fee aligns with Colorado Revised Statutes and Federal Case Law. BBC Research & Consulting was engaged to review the study and assess its adherence to standard impact fee methodologies.

About BBC Research & Consulting

BBC is a 53-year-old economic and financial consulting firm based in Denver, Colorado. During its 53-year history, BBC has conducted many impact fee studies on behalf of fire districts across the state, showcasing a deep understanding of the intricacies involved in assessing fees for fire protection services. Notably, BBC's expertise extends beyond Fire Districts, as the firm has successfully completed impact fee studies for many municipalities throughout the United States. This diverse experience highlights BBC's qualifications for evaluating Golden Gate Fire Protection District's impact fee study as a third-party reviewer.

Methodology Review

BBC conducted a comprehensive review of the impact fee analysis methods employed by the Golden Gate Fire Protection District. The aim was to determine whether the methods align with the legal frameworks outlined in Colorado Revised Statutes and Federal Case Law.

There are two generally accepted methods for calculating impact fees. In the first method, referred to as the plan-based approach, the cost of a capital improvement plan is divided by new growth increments to determine the appropriate share of capital costs imposed on new development. In the second approach, known as capital buy-in, the existing value of capital assets is divided by the number of existing development units to estimate the current level of

service. The findings of BBC's review showed the study used a capital buy-in methodology, which is consistent with standard impact fee practices.

The study also included other best practices, including a thorough analysis of relevant data, adherence to legal guidelines, and a straightforward approach to calculating impact fees. The study demonstrates a commitment to transparency and accuracy, ensuring the integrity of the impact fee calculation process.

Data Utilization

The impact fee analysis relied on property data from the Jefferson County Assessor's Office and asset data from Golden Gate Fire Protection District. The data from these sources was used to identify the value of the District's existing assets as well as the amount of core building area served by the District. The data from the County Assessor showed that the District serves a core building area approximately 853,000 square feet. This area is inclusive of most of the finished building space in the District.¹ The analysis also showed the District serves this building area with \$2.8 million of capital, including real estate, buildings, and equipment. BBC's review of data and its application determined the analysis to calculate the District's capital asset values and service population was conducted in a manner consistent with best practices and statutory requirements.

Service Standard and Impact Fee Basis

The study used the data to establish a service standard of \$3.25 per square foot, derived from the District's asset valuations and service population. This service standard serves as the foundation for the District's impact fees. It also ensures that new developments contribute to the Fire District's firefighting assets at a rate equal to that of the District's existing residents. In this way, the approach aligns with the principle of fairness because it distributes the financial burden of fire protection infrastructure equitably among both existing and new residents.

Conclusion

BBC's review of the District's the impact fee study found that it is consistent with Colorado Revised Statutes and Federal Case Law. The methods and data employed in the study align with standard impact fee practices, and the appropriate use of data ensured the resulting impact fees are consistent with best practices. The established service standard of \$3.25 per square foot demonstrates a commitment to equitable development and a fair distribution of the financial responsibility for fire protection assets between new and existing residents.

¹ The area of outbuildings, stables, and sheds, and other structures was not included in the analysis and will not be assessed impact fees in the future.

BBC's evaluation confirms the reliability and validity of the impact fee analysis, providing assurance that the resulting fees are legally sound and justifiable within the context of the District's operational needs. If you have any further questions or require additional information, please do not hesitate to contact me.

Kind regards,

A handwritten signature in black ink that reads "M. Verdone". The signature is written in a cursive style with a large, stylized initial "M" and a long, sweeping underline.

Michael Verdone, Ph.D.

Director, BBC Research & Consulting

APPENDIX B

**MEMORANDUM DOCUMENTING
2026 IMPACT FEE UPDATE**

(To be prepared and added in that year)