

Memo

To: Tom Baker
From: Tim Cain
Date: January 31, 2013
Re: Policy discussion: Impact Fee – Parkland Improvement

Background: For the past several years the Town Council and Parks, Open Space, Trails & Recreation Committee have discussed the amount of revenue needed to build great parks in New Castle. During lean times, as evidenced by The Great Recession, it has been very difficult to provide our citizens with first class park amenities. In order to generate the money needed to build impressive parks, staff and volunteers have spent countless hours, labor and materials to see through on our vision to create the best parks in Colorado. Even though we have a \$500.00 Recreational Facilities Development Fee per new residential dwelling unit for developing and equipping recreational facilities, a dedicated one-half per cent of the sales tax for park capital improvements and we obtain DOLA grants (through countless efforts) that is, however, not enough. Please note that the Recreational Facilities Development Fee shall not include the operation and maintenance of such recreational facilities (15.40.030). During the October 6, 2012 council retreat, the council developed a strategic plan task number 2.81 to consider a new impact fee for parkland improvement.

Discussion: New Castle fees and grants allocated for construction of parks have not been enough to pay for the kind of things one might see in a better funded town or a municipality with ordinances that require developers to build parks. For example, we do not have enough revenue to build a small water park, a few tennis courts, ice rinks or baseball field complex. If we want to sustain the vision of developing fantastic parks we will need to rethink how we fund them. By doing so, we can become a feature destination for people who want to live, work and play in New Castle thereby driving economic development. Therefore it can be considered an economic necessity to change the way we have been doing things. One way to accomplish this is by increasing the Recreational Facilities Development Fee.

The fee increase is allowed in Planned Unit Developments (PUDs) which have current vested rights. Individual lot owners in Castle Valley Ranch and Lakota Canyon Ranch as well as all other new residential dwellings in Town can be assessed a fee increase as long as it is applied equally throughout the Town. The assessed fee shall be paid for by the lot owner at the time of issuance of a building permit or utility connection (15.40.050).

The Recreational Facilities Development Fee also applies to residential dwelling units outside the Town's corporate limits if the lot owner has had either Town water and/or sewer extended to the lot (15.40.020 & 15.40.040).

The Town Council may review the Recreational Facilities Development fee upon written recommendation by the Town's Recreation Director based upon the Director's determination that the demand for

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recreational facilities or the development costs associated therewith has substantially changed (15.40.070). If council agrees with a fee increase, a resolution shall memorialize the fee increase.

Recommendation: Town council to consider authorizing the Recreation Director to propose an increase in the Recreational Facilities Development Fee (perhaps \$750.00) or provide direction to staff about whether or not to research and seek other possible funding mechanisms.