

Previous BOCC Questions from January and March 2025

- Can a Public Improvement District (PID) or Local Improvement District (LID) be an effective way to fund the project instead of an Impact Fee?

Creation of PID or LID is not currently a viable funding option for interchange funding because:

- *PIDs/LIDs are difficult to form with multiple jurisdictions and property owners.*
- *They need to be formed by a majority vote of property owners, which is particularly difficult with existing newly-developed neighborhoods.*
- *If the boundary were to be drawn smaller to encourage a positive vote, it would be difficult to obtain enough revenue.*

- Can/should Prosper be included in the impact fee?

The Prosper development is not recommended to be included in the impact fee area because:

- *Prosper's contribution to I-70/Airpark (Monaghan) traffic is minimal compared with the proposed area.*
- *It is more viable for Prosper to be a major contributor to the I-70/Watkins interchange improvements because their traffic generation will directly impact that interchange .*

- How can current and future funding of interchange improvements be documented?

The current interchange project includes capacity and safety improvements to handle the build-out of Sky Ranch and East Gate developments in unincorporated Arapahoe County and other planned County and Aurora development in the impact fee area south of I-70, assuming the planned surrounding roadway network is also completed. Future interchange improvements to accommodate development in Aurora and/or Adams County, beyond the impact fee area and/or north of I-70, will require another project with an approval process through CDOT, which would be initiated by Aurora and/or Adams County, without funding participation by the County.

The County impact fee resolution can include the intent of no County funding for future interchange improvements.

- Can financing costs be included in the impact fee? Are they reasonable?

County legal opinion is that financing costs can be included. County Staff believes that the methods and assumptions to develop a \$28 million financing cost estimate are reasonable.

- Where does the existing traffic not covered by the impact fee come from?

The estimated \$5 million existing traffic share is from homes and businesses that were built before the impact fee, primarily existing Sky Ranch homes, development in Aurora, and Foxridge Farms mobile homes.

- What happens if the developer pays off the bonds early?

The impact fee would be suspended once bonds are paid off.

- How do TABOR laws apply to impact fees?

TABOR does not apply because this would be a fee paying for a service.

- How does Sky Ranch receive and use the impact fees?

Sky Ranch Community Authority Board (CAB) will issue bonds with pledged revenue from the impact fee and Sky Ranch mills. The County will collect the impact fees and remit to Sky Ranch for bond payments. An agreement between the County and CAB will need to be executed to define this.

- What happens if Sky Ranch defaults on the bonds?

Sky Ranch CAB is solely responsible for paying off the bond, including incurred finance charges. The County will not be responsible for any repayment of the bonds since Sky Ranch CAB is the bond issuer. As Eastgate develops, they will be responsible for their pro-rata share of the cost of the interchange.

Funding Options without Aurora Participation in Impact Fees

- If Aurora does not participate in the impact fees, how will the funding gap be paid (to Sky Ranch)?

If Aurora does not participate in the impact fee program, Sky Ranch would negotiate with Aurora property owners to seek contributions corresponding to the estimated benefits for utilizing the improved interchange. Needed access through Sky Ranch and East Gate properties could be used as a tool to incentivize participation.

If property owners do not participate, Sky Ranch and Eastgate would likely need to use mills to fill the gap.