



# **Northeast Teller County Fire Protection District Impact Fee Study**

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FINAL REPORT

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# **Northeast Teller County Fire Protection District Impact Fee Study**

**Prepared for**

Northeast Teller County Fire Protection District  
1010 Evergreen Heights Dr.  
Woodland Park, CO 80863

**Prepared by**

BBC Research & Consulting  
1999 Broadway, Suite 1470  
Denver, Colorado 80202-9750  
303.321.2547 fax 303.399.0448  
[www.bbcresearch.com](http://www.bbcresearch.com)  
[bbc@bbcresearch.com](mailto:bbc@bbcresearch.com)



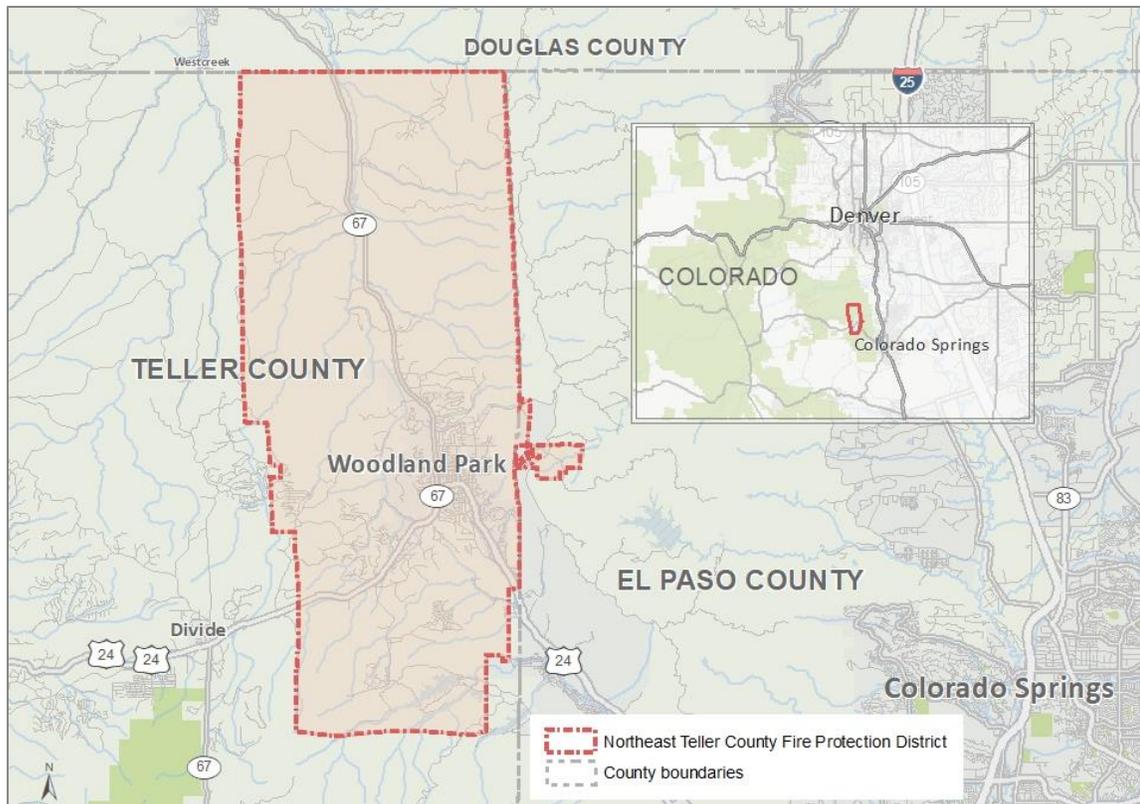
# SECTION I.

## Introduction

This report presents the analysis underlying the calculation of proportional development impact fees for Northeast Teller County Fire Protection District (NE Teller County FPD). This section describes fee design requirements and various implementation considerations for NE Teller County FPD.

NE Teller County FPD provides fire suppression, rescue, emergency medical, and other services within the District's 87 square mile service area, which includes Teller County's most populous city, Woodland Park, as well as a large area of unincorporated Teller County.<sup>1</sup> Additionally, a small portion of the District boundary stretches into El Paso County, where the District currently protects approximately 20 residences.<sup>2</sup> NE Teller County FPD serves and protects a mix of residential, rural, and commercial development.

**Figure I-1.**  
**Northeast Teller County Fire Protection District Service Area**



Source: BBC Research & Consulting from ArcGIS shapefiles, 2025.

<sup>1</sup> Northeast Teller County Fire Protection District; <https://netellerfire.org/>

<sup>2</sup> El Paso County Assessor

## Objectives

Many fire districts in Colorado impose development impact fees for expansion of public infrastructure. Colorado statute and a series of United States Supreme Court decisions dictate the amounts that districts can charge in impact fees and how they can devise, impose, and spend them. Because of those requirements, NE Teller County FPD retained BBC Research & Consulting (BBC) to prepare a report documenting the calculation of proportional and defensible impact fees to ensure it can maintain its existing service standards as development occurs in its service area.

This report documents BBC's analysis and recommendations for an impact fee that recovers the proportional capital costs associated with new development and in a manner consistent with the Colorado Revised Statutes.

## Colorado Impact Fee Requirements

Development impact fees have been used in Colorado going as far back as the 1920s, when cities began charging developers for the water rights required to serve new development.<sup>3</sup> Other states also charged impact fees to new development, and in 1947 one of the first legal challenges to impact fees was filed in Illinois. In that case, the Illinois Home Builders Association sued the Hinsdale Sanitary District over its tap fee. The case was appealed all the way to the Illinois Supreme Court, which ruled that the District's fee was legal so long as the revenues were used for capital expenditures and not operating expenses.<sup>4</sup>

In Colorado, impact fee requirements were heavily influenced by a 1999 lawsuit between Krupp and the Breckenridge Sanitation District. The case, known as *Krupp v. Breckenridge Sanitation District*, was heard by the Colorado Supreme Court, which ruled that impact fees are legal so long as they meet certain requirements. The requirements defined in the ruling on *Krupp v. Breckenridge Sanitation District* were formally codified by the Colorado Legislature with the passage of Senate Bill 01S2-015, "An Act Concerning Land Development Charges That May Be Imposed by Local Governments."

The Bill, which modified Section 29-20-104.5 of Title 29 of Colorado Revised Statutes, allowed local governments to impose impact fees on new development to fund expenditures on capital facilities needed to maintain existing service standards.<sup>5</sup> The impact fees are applicable to a broad set of land uses and can be calculated based on development characteristics of local land uses that roughly approximate each land use's burden on capital facilities. This enabling legislation allowed municipalities to charge a single impact fee to each type of development (e.g., residential, commercial, and industrial) rather than calculating fees on a case-by-case basis.

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<sup>3</sup> Lillydahl, J.H, 1987. *Impact Fees in Colorado: Economic, Political, and Legal Overview*. Presented at A Symposium on Impact Fees, 1987 Conference of the American Planning Association. New York City. Cited in White and Dahl, 2001.

<sup>4</sup> Carswell, A.T, 2012. *The Encyclopedia of Housing, Second Edition*. SAGE Publications. p. 385. ISBN 978-1-4129-8958-9. Retrieved 2023-04-03. Cited in Wikipedia, "Impact Fee;" accessed 2023-11-08 at [https://en.wikipedia.org/wiki/Impact\\_fee](https://en.wikipedia.org/wiki/Impact_fee).

<sup>5</sup> Local governments were defined as counties; home rule municipalities; and statutory cities, towns, territorial charter cities.

In 2016, the Colorado Legislature passed House Bill 16-1088, the “Public Service Fairness Act,” which granted fire protection districts organized under Article 1 of Title 32, C.R.S., and fire authorities established under Section 29-1-203.5 the ability to levy impact fees on new development. The bill amended C.R.S. 29-20-104.5, allowing these districts to charge development impact fees as a condition for issuing development permits and to use the revenue for capital facilities supporting fire protection, rescue, and emergency services related to new development. However, fire protection districts were not given unilateral authority to impose these fees; instead, they were required to enter into intergovernmental agreements with county or municipal governments, which would collect and remit the fees on their behalf.

In May 2024, the Colorado Legislature significantly expanded the authority of fire protection districts by passing SB24-194, the “Special District Emergency Services Funding Act.” Under C.R.S. 32-1-1002(1)(d.5), fire protection districts may impose and collect impact fees directly within their jurisdictions. Additionally, SB24-194 authorized both fire and ambulance districts to levy a sales tax, subject to voter approval, to generate additional revenue for district services.

To comply with current Colorado law, any development impact fees charged by a fire protection district must:

- Be a one-time charge imposed on new development;
- 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 which are directly related to proposed development;
- Be reasonably related to the overall cost of capital. Fees 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;
- Ensure 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; and
- Ensure that impact fees adopted by a local government do not require individual landowners to provide any site-specific dedication or improvements that meet the same need for capital facilities for which the district’s impact fee is imposed.

Because the setting of rates and fees involves many questions of judgment and discretion, districts have the flexibility to choose the most appropriate rate-setting method so long as it uses reasonable assumptions and logic in the basis of calculating the development impact fee schedule.

## U.S. Supreme Court Decisions

In *Sheetz v. County of El Dorado* (2024), the U.S. Supreme Court unanimously ruled that impact fees are subject to the Takings Clause of the Fifth Amendment of the U.S. Constitution. The two most notable court decisions that are used to analyze takings clause cases are often referred to as *Nollan* and *Dolan*<sup>6</sup>.

Guidance from these decisions requires that there be an "essential nexus" between the exaction/fee and the state interest being advanced by that exaction. In the more recent *Dolan v. City of Tigard* (1994) decision, the U.S. Supreme Court held that in addition to an essential nexus, there must be a "rough proportionality" between the proposed exactions and the project impacts that the exactions are intended to mitigate. In *Dolan*, the court further states that rough proportionality need not be derived with mathematical exactitude but must demonstrate some relationship to the specific impact of the subject project:

*"We think a term such as 'rough proportionality' best encapsulates what we hold to be the requirements of the Fifth Amendment. No precise mathematical calculation is required, but the city must make some sort of individualized determination that the required dedication is related both in nature and extent to the impact of the proposed development."*<sup>7</sup>

Over the past two decades since *Dolan*, many fire districts have imposed impact fees; thus, there now is a broad set of common practices when considering how best to reflect these judicial and statutory requirements in fee design efforts.

## Fee Applicability

As noted above, fire districts can only use impact fee revenue to cover the costs of any necessary expansion of capital facilities that are required to serve new development. In addition, fee amounts can only be set in a manner that is proportional to the cost of capital facility expansion needed to maintain—but not improve—existing standards of service.

**Capital facilities.** *Capital facilities* are the physical component of public services. Under Colorado statute, the definition of *capital* can include all equipment that has at least a five-year lifetime. It does not include personnel or any operational elements of service costs, even in circumstances where new staff are required to operate new facilities. Capital facilities generally include buildings, apparatus, vehicles, office furniture, and other support facilities.

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<sup>6</sup> *Nollan v. California Coastal Commission*, 483 U.S. 82; 1987 and *Dolan v. City of Tigard* (1994) 114S.Ct. 2309.

<sup>7</sup> *Dolan v. City of Tigard* (1994) 114S.Ct. 2309.

**Nature of capital investments.** Not all capital facility costs are associated with community growth or with the expansion of capacity. Most fire districts make investments in capital facilities not because of growth pressures but for the repair and replacement of existing capital. For example, fire districts often make capital investments related to:

- *Repair and replacement of existing facilities*, such as annual building maintenance or replacing a roof;
- *Betterment of existing facilities*, such as introducing new services or improving existing capital facilities without increasing service capacity; and
- *Facilities expansions*, such as expanding an existing building to accommodate growing personnel requirements.

Fire districts are not allowed to account for such investments as part of impact fee calculations nor are they allowed to expend impact fee funds on such investments.

## Capital Standards

In designing impact fees, fire districts must determine the appropriate capital standards applicable to each category of infrastructure. Facility standards can vary widely between districts. Whereas some states have legislation that describes such criteria with great specificity, other states—like Colorado—use more general standards. There are two primary approaches for calculating capital standards.

**Capital buy-in approach.** Capital standards can be estimated using the replacement value of specific capital facilities and the qualified equipment necessary for each category of capital facilities. For example, a city of 2,500 homes with a 20,000 square foot recreation center that has a replacement value of \$5 million would have a recreation center standard of 8 square feet per housing unit (i.e., 20,000 square feet/2,500 homes = 8 square feet per home) and a replacement value of \$250 per square foot (i.e., \$5 million/20,000 square feet = \$250 per square foot). Thus, each existing residence would have an embedded recreational investment of \$2,000 per home (i.e., \$250 x 8 square feet = \$2,000 per home), representing the community's recreational facility standard, which is what a developer could be charged for recreational facilities for each new unit.

One important dimension of the capital buy-in approach is the use of the replacement value of each asset. As mentioned earlier, the purpose of impact fees is to maintain the current level of service. Therefore, the value of each asset should be assessed by its current functionality, not its dollar value. For example, even if a dump truck were purchased in 1980 and its present resale value is less than \$10,000, the replacement value for that dump truck would be equal to the market rate of a new unit that performs the same function as the original vehicle.

If capital standards are defined using a capital buy-in approach, then calculations of those standards must account for any debt that applies against the relevant capital facilities. Because current residents are already responsible for that debt, it would be duplicative and inappropriate to charge developers impact fees that also include that debt.

**Plan-based approach.** Fire districts can also use a *plan-based approach* to set capital standards, which relies on capital improvement or other specific plans to estimate the value of capital required to serve future development. A plan-based approach requires forecasts of residential and commercial growth and detailed data on capital expansion plans and costs. Plan-based approaches must focus on expansion-related projects or the expansion portion of projects rather than betterment or replacement projects.

## Other Considerations

Over time, some consensus has emerged on how best to ensure that impact fees comply with state statutes and court rulings. Many of the factors that fire districts must consider in designing fees appropriately are described above, but BBC also presents other considerations to be made:

- **Land use allocation.** Courts have indicated that all forms of development that have facility impacts—that is, residential, industrial, and commercial developments—must pay their fair share of expansion costs. If one type of development is exempted from fees, then fees may not be sufficient to cover expansion costs that result from new development.
- **Use specificity.** Impact fee calculations vary between different forms of land use. When compelling evidence is available that the forms, sizes, or uses of particular types of development will result in substantially different demands for fire protection services, then a district's impact fees should reflect that information.
- **Fund balance.** A fire district's impact fee fund balance represents cash investments the existing community has made in capital expansion. When utilizing the capital buy-in approach for calculating development impact fees, these cash investments are combined with capital facilities valuations to arrive at the total capital investment that the community has made.
- **Redevelopment.** The application of impact fees raises questions about how to deal with the redevelopment of existing properties. The redevelopment of a residence—even if it involves full scraping—does not lead to an increase in service demands, because it is still one residential unit with no implications for service delivery costs or capital needs. In contrast, the redevelopment of a larger lot into multiple homes would be assessed an impact fee based on the net number of new residential units, because there would be clear implications for service delivery and capital needs. Commercial redevelopment would be subject to the same considerations.
- **Waivers.** Fire districts should not waive fees unless the funds are reimbursed from other sources such as the general fund or other contributions by the developer to system expansion that meets or exceeds the calculated fees.
- **Timing.** Fees should be assessed at the time that building permits are issued.
- **Updates.** Impact fee calculations should be updated periodically to account for changes in costs and asset values. Most fire districts update their fees every year using an inflation multiplier and conduct updates to their impact fee studies every three to five years.

## SECTION II.

# Impact Fee Derivation

As described in Section I, there are several types of information that fire protection districts must consider to appropriately set their development impact fees, including determining capital standards. BBC used data from various sources to make appropriate considerations in calculating development impact fees for Northeast Teller County Fire Protection District.

- **Capital standards.** BBC used NE Teller County FPD’s current investment in capital facilities as the basis for determining capital standards for the fee update – known as the capital buy-in approach. We obtained the information directly from the District. The valuation included estimates of investments in land and buildings, vehicles and apparatus, and miscellaneous equipment. Calculations of capital standards must also account for any debt that exists in connection with relevant infrastructure. At the time of this study, NE Teller County FPD carries debt on its training facility.
- **Land use allocation.** It is important for fire districts to determine how impact fees should be allocated according to land use so that all forms of development pay their fair share of expansion costs. Although NE Teller County FPD does not maintain a database of relevant land use, data from the Teller County and El Paso County Assessor’s Offices indicates that approximately 75 percent of current development in NE Teller County FPD’s service area is for residential purposes while 25 percent is for non-residential.<sup>1</sup> BBC used this distribution to allocate the total value of capital facilities between residential and non-residential development.
- **Use specificity.** To the extent possible, impact fees should reflect the degree to which different forms, sizes, and uses of particular types of development will result in different demands for fire protection services. For residential development, square footage serves as a proxy for demand due to the relative uniformity of residential structures and activity. For non-residential development—where service demand varies substantially based on building use and intensity—the fee calculation uses employment generation rates to reflect occupancy intensity.
- **Fund balance.** When using the capital buy-in approach, the balance of a fire district’s impact fee fund must be combined with capital facilities valuations to arrive at the total capital investment. With this study, NE Teller County FPD is establishing impact fees for the first time and so does not have a current impact fee fund balance.
- **Proportionality.** By using NE Teller County FPD’s current investment in capital facilities to derive capital standards and then setting fee rates to replace the current standards of facility investment, BBC has ensured that proportionality has been reasonably and fairly derived. New growth is simply replicating its proportional share of an existing facility

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<sup>1</sup> Non-residential development includes commercial, retail, office, institutional, industrial, and warehouse space.

standard. Existing standards will be the standards to which new growth will be held accountable.

## **Establishing a Nexus**

A core requirement of any impact fee is a clear and rational nexus between new development and the capital facilities needed to serve that development. In the fire protection context, this nexus is straightforward: structures create fire risk, and fire risk requires fire infrastructure. Every new building, regardless of use, adds to the inventory of property that must be protected and increases the need for stations, apparatus, and trained personnel capable of responding to emergencies. This relationship is not speculative but inherent in the nature of the service. Fire protection exists to safeguard the built environment, so growth in the built environment necessarily increases the demand for response capacity.

Because the physical characteristics of development drive fire protection needs, building square footage is the most appropriate and consistent metric for quantifying growth-related demand. Larger structures require more response resources in terms of personnel, apparatus, water supply, and operational complexity. They also increase exposure, potential loss, and incident duration if a fire does occur. Building area therefore provides a stable and objective measure of the system capacity that must exist to protect new development.

For non-residential uses, employment density provides an important supplemental indicator. These land uses vary widely in the number of people present within a given square footage, and occupancy affects the likelihood and type of emergencies to which a fire agency must respond. Incorporating employment density allows the methodology to account for medical and rescue incidents that arise from human activity within commercial and institutional buildings, while still anchoring the analysis in the structural characteristics that drive capital needs.

Call data is sometimes suggested as a basis for establishing nexus, but it is not a reliable or equitable measure for capital impact fees. Historical call volume reflects operational workload, not the capacity of stations, engines, and specialized equipment required to protect the built environment. Many calls, particularly medical, traffic-related, or mutual-aid events, are not caused by new development and do not drive long-term capital needs. Call data can fluctuate due to demographic factors, social behavior, or one-time incidents that have no relationship to development patterns. For these reasons, call data is useful for staffing and deployment decisions but does not provide a defensible foundation for allocating capital costs to growth.

The methodology used in this impact fee study therefore establishes the nexus through measurable attributes of development: building square footage, augmented by employment density where appropriate. This approach ties the fee directly to the physical and functional characteristics of growth, aligns with the purpose of fire protection capital facilities, and provides a fair and reasonable basis for assigning costs to new development.

## NE Teller County FPD Revenue and Expenditure

Property tax revenues for NE Teller County FPD's general fund are collected through the District's 13.182 property tax mill of properties that are within the District's service area.<sup>2</sup> A millage rate is the tax rate used to calculate local property taxes and represents the amount per every \$1,000 of a property's assessed value that a district would charge.

The District's expenditures are allocated to personnel costs—including salaries, benefits, and administration—as well as supplies, maintenance, and normal operational costs. Property tax revenue that funds NE Teller County FPD's operating budget will continue to be dedicated to the District's ongoing operational expenses and may not be sufficient to fund the District's growth-related capital facilities needs. With impact fees, new development pays for an equitable share of new facilities and existing taxpayers will not be responsible for subsidizing growth. In addition, NE Teller County FPD's general operating funds can be reserved for other, non-growth-related uses.

### Impact Fee Calculations

BBC's methodology for updating NE Teller County FPD's impact fee includes the following tasks:

1. Quantify the capital facilities investment needed to maintain current level of service;
2. Develop estimates of NE Teller County FPD's current land use and service demand pattern; and
3. Calculate the fire protection capital costs per unit of development (per residential dwelling unit or per square foot of non-residential development).

**Capital facilities investment.** A conservative method of establishing NE Teller County FPD's current level of service for fire protection is to quantify its financial investment in capital facilities. Specifically, the District has three types of capital facility-related assets that should be included in a calculation of current facilities investment:

- Buildings and structures, including fire stations;
- Major vehicles and apparatus, such as fire engines and specialized vehicles; and
- A variety of lifesaving and fire-fighting portable equipment and other property.

Figure II-1, on the following page, presents NE Teller County FPD's current capital facilities and the replacement values included in impact fee calculations. Only the portion of each asset used to support structural fire protection has been included in the fee calculations. Capital facilities that are primarily dedicated to wildland fire response (such as brush trucks) have been excluded, as wildland fire activity is not a consequence of new development and cannot be funded through development impact fees.

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<sup>2</sup> NE Teller County FPD Special District Transparency Notice, 2025

As shown in the last row of Figure II-1, the total replacement value of NE Teller County FPD’s current capital facilities is approximately \$17.3 million.

**Figure II-1.**  
**Northeast Teller County Fire Protection District Current Assets, 2025**

Type of Capital Facilities	Replacement Value	Debt Against Asset		Equity Position for Fee Calculation	
<b>Buildings</b>					
Station 1	\$7,056,000	-	\$0	=	\$7,056,000
Station 3	\$1,200,000	-	\$0	=	\$1,200,000
Storage Building	\$50,000	-	\$0	=	\$50,000
<b>Vehicles and Apparatus</b>					
1987 Pierce Engine	\$1,200,000	-	\$0	=	\$1,200,000
2019 Ford F150	\$100,000	-	\$0	=	\$100,000
2010 Mack Tender	\$600,000	-	\$0	=	\$600,000
1993 Pierce Quint Aerial	\$1,750,000	-	\$0	=	\$1,750,000
2015 Pierce Engine	\$1,300,000	-	\$0	=	\$1,300,000
2002 Ford utility	\$100,000	-	\$0	=	\$100,000
2014 Ford Explorer command	\$85,000	-	\$0	=	\$85,000
2023 Freightliner Rescue/Engine	\$700,000	-	\$0	=	\$700,000
2003 International Engine	\$700,000	-	\$0	=	\$700,000
2009 Ford Rescue	\$125,000	-	\$0	=	\$125,000
1993 Ford Service truck	\$180,000	-	\$0	=	\$180,000
2025 Ford Explorer	\$85,000	-	\$0	=	\$85,000
<b>Miscellaneous Equipment</b>					
Mechanic shop equipment	\$160,000	-	\$0	=	\$160,000
Office equipment and furniture	\$45,000	-	\$0	=	\$45,000
IT equipment	\$28,000	-	\$0	=	\$28,000
Medical equipment	\$150,000	-	\$0	=	\$150,000
Radio inventory	\$200,000	-	\$0	=	\$200,000
SCBA units	\$230,000	-	\$0	=	\$230,000
Bunker gear	\$205,000	-	\$0	=	\$205,000
Miscellaneous Portable Equipment (including equipment on emergency vehicles)	\$1,075,000	-	\$0	=	\$1,075,000
<b>Total Value of Fire Capital Facilities for Fee Calculation</b>					<b>\$17,324,000</b>

Source: Northeast Teller County Fire Protection District; BBC Research & Consulting, 2025.

**Current land use.** BBC used the current pattern of development in NE Teller County FPD’s service area as the first step for allocating capital facilities costs between residential and non-residential land uses. Figure II-2 presents the breakdown of units and square footage for residential and non-residential development, based on current data from the Teller County and El Paso County Assessors. As shown in Figure II-2, the majority of the development in the service area is residential (66.2 percent single family residential and 9.2 percent multi-family residential) while 24.6 percent is non-residential.

**Figure II-2.  
Residential and Non-  
residential Square Footage  
in the NE Teller County FPD  
Service Area, 2025**

Source:  
Teller County Assessor; El Paso County  
Assessor; BBC Research & Consulting,  
2025.

Development Type	Unit Count	Total Square Footage	Percent of Total Square Footage
<b>Residential</b>	<b>3,590</b>	<b>5,670,684</b>	<b>75.4%</b>
Single family residential	2,964	4,981,543	66.2%
Dwellings up to 1,200 SF	676	631,762	8.4%
Dwellings 1,200 to 2,399 SF	1,908	3,241,505	43.1%
Dwellings 2,400 to 3,599 SF	341	939,416	12.5%
Dwellings 3,600+ SF	39	168,860	2.2%
Multifamily residential	626	689,141	9.2%
<b>Non-residential</b>	<b>394</b>	<b>1,850,851</b>	<b>24.6%</b>
Commercial & Retail	154	984,968	13.1%
Office	68	276,086	3.7%
Public & Institutional	44	291,085	3.9%
Industrial & Manufacturing	13	101,915	1.4%
Warehouse & Storage	115	196,797	2.6%

The \$17.3 million value of fire capital facilities (Figure II-1) is allocated across residential and non-residential development based on the relative share of total square footage in the District (Figure II-2). Allocating costs between residential and non-residential development based on existing square footage provides a rational and proportional framework for distributing the costs of firefighting facilities and equipment. Building square footage serves as a measurable indicator of the built environment’s potential demand for fire protection services. Larger structures typically present greater fire risk, all else equal, in addition to requiring more time and personnel to inspect or suppress fires and may involve more complex response protocols. As such, square footage offers a reliable and consistent proxy for estimating system demand,

Within the District’s service area, residential uses comprise 75.4 percent and non-residential uses comprise 24.6 percent of the built environment. Of the \$17.3 million in fire capital facilities value, \$13.1 million is allocated to residential development and \$4.3 million is allocated to non-residential development.<sup>3</sup>

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<sup>3</sup> Numbers do not sum to total due to rounding.

**Residential impact fee calculation.** The methodology for calculating residential impact fees is based on the finished square footage of dwelling units. This approach is appropriate because fire protection service demand from residential uses generally scales with the size and complexity of the structure. Residential buildings also tend to exhibit relatively consistent patterns in construction type, layout, and use, making square footage a reasonable and reliable proxy for the level of service required.

The residential share of the fire capital facilities value—\$13.1 million—is allocated to residential development on a per square-foot basis such that larger structures pay more in total than smaller structure, but each structure pays the same fee on a square-footage basis. Figure II-3 presents the maximum impact fees for residential development within the District.

**Figure II-3.**  
**Maximum Allowable Residential Impact Fees for NE Teller County FPD**

Calculation of Residential Impact Fees			
Development Type	Residential Share of Fire Capital Value [A]	Residential Square Footage [B]	Impact Fee (Costs by Land Use Category / Existing Development) [A] / [B]
Residential	\$13,061,021	5,670,684	\$2.30

Source: Northeast Teller County Fire Protection District; Teller County Assessor; El Paso County Assessor; BBC Research & Consulting, 2025.

As Figure II-3 shows, the proposed residential fee is \$2.30 per square foot.

**Non-residential impact fee calculation.** Non-residential fire impact fees are calculated using the \$4.3 million allocated to non-residential development in conjunction with employment density rates to reflect use intensity amongst different categories of non-residential land use. While building size remains an important factor in determining the impacts new development has on NE Teller County FPD’s capital facilities, the intensity and variability of use across non-residential land uses plays a large role in influencing service demand. For example, a 10,000-square-foot storage warehouse would typically generate fewer emergency calls than a similarly sized commercial kitchen, school, or medical facility.

The non-residential fee model uses average employees per 1,000 square feet from the *Institute of Transportation Engineers (ITE) Trip Generation Manual* to account for this variability.<sup>4</sup> The *ITE Trip Generation Manual*, published by the Institute of Transportation Engineers, provides empirically derived estimates of the employee density generated by different land uses. These rates are based on extensive observational studies conducted at sites across North America and are widely used in transportation planning, traffic impact studies, and land use analysis.

While square footage provides a baseline measure of physical scale, it does not capture differences in activity intensity or occupancy patterns that influence fire risk and service needs.

<sup>4</sup> ITE Trip Generation Manual 11<sup>th</sup> Edition, 2021.

ITE employee density rates serve as a practical proxy for these factors, reflecting how frequently a property is accessed and used. Land uses with higher employment density rates generally correspond to higher levels of human activity, increasing the probability of fire incidents, medical calls, and other emergency responses. Incorporating employment rates therefore enhances the model’s ability to allocate costs in proportion to actual service demand.

As shown in Figure II-4, different non-residential land uses generate differing levels of activity. For example, office development has an estimated employment density of 2.9 employees per 1,000 square feet, nearly ten times greater than the 0.3 employees per 1,000 square feet for warehouse & storage buildings. The non-residential portion of the fire capital facilities value—\$4.3 million—is distributed across development types in proportion to their share of total weighted employment. This produces a cost per square foot that reflects the relative service demands associated with each use and distributes the cost burden in proportion to the demand generated by different types of economic activity and land use.

**Figure II-4.**  
**Maximum Allowable Non-residential Impact Fees for NE Teller County FPD**

Calculation of Non-residential Impact Fees						
	Non-residential Share of Fire Capital Value <b>[A]</b>	Employees per 1,000 SF <b>[B]</b>	Existing Development (SF) <b>[C]</b>	Weighted Employment <b>[D] = [B] x [C]/1,000]</b>	Share of Total Employment <b>[E] = [D] / Σ[D]</b>	<b>Impact Fee</b> (Total Value x Share of Emp / Existing Development) <b>[A] x [E] / [C]</b>
Commercial & Retail		2.1	984,968	2,093	56.5%	<b>\$2.44</b> per square foot
Office		2.9	276,086	795	21.4%	<b>\$3.31</b> per square foot
Public & Institutional	\$4.26 million	2.0	291,085	594	16.0%	<b>\$2.35</b> per square foot
Industrial & Manufacturing		1.5	101,915	157	4.2%	<b>\$1.77</b> per square foot
Warehouse & Storage		0.3	196,797	67	1.8%	<b>\$0.39</b> per square foot

Note: Public & Institutional development includes government facilities, schools, corrections, clinics, public services, and similar development.

Source: Northeast Teller County Fire Protection District; Teller County Assessor; El Paso County Assessor; ITE Trip Generation Manual 11<sup>th</sup> Edition, 2021; BBC Research & Consulting, 2025.

The result of allocating the non-residential capital burden in the manner described above resulted in full recovery of costs associated with the fees shown in the rightmost column of Figure II-4. Maximum recommended fees are \$2.44 per square foot for retail and commercial development; \$3.31 per square foot for office space; \$2.35 per square foot for institutional development; \$1.77 per square foot for industrial and manufacturing development; and \$0.39 per square foot for warehouse and storage development.

**Summary of impact fee results.** The results of the residential and non-residential fee calculations for NE Teller County FPD are summarized in Figure II-5, which presents the maximum allowable impact fees by development type and unit of measurement (per dwelling

unit or per square foot). NE Teller County FPD can choose to charge less than the amounts shown in Figure II-5 in order to meet other strategic objectives of the District.

**Figure II-5.**  
**Summary of Maximum Allowable**  
**Impact Fees for NE Teller County FPD**

Source:

Northeast Teller County Fire Protection District; Teller County Assessor; El Paso County Assessor; ITE Trip Generation Manual 11th Edition, 2021; BBC Research & Consulting, 2025.

Development Type	Impact Fee
<b>Residential</b>	
Residential Fee	\$2.30 per square foot
<b>Non-residential</b>	
Commercial & Retail	\$2.44 per square foot
Office	\$3.31 per square foot
Public & Institutional	\$2.35 per square foot
Industrial & Manufacturing	\$1.77 per square foot
Warehouse & Storage	\$0.39 per square foot

The impact fees presented in Figure II-5 are designed to ensure that new development contributes fairly and proportionately to the cost of NE Teller County FPD’s fire protection capital facilities. The total capital valuation is \$17.3 million and represents the District’s current investment in stations, vehicles, apparatus, and response equipment.

This total cost has been allocated across residential and non-residential development based on the share of existing square footage in the District. Within residential development, impact fees are calculated by unit size, using a tiered approach that reflects the proportional service needs associated with different home sizes. For non-residential development, fees are based on trip-weighted demand, using vehicle trip rates as a proxy for occupancy intensity and associated land use intensity. The resulting fee structure is equitable and tailored to the unique characteristics of land use in the District.

**Impact fee revenue projections.** Teller County saw overall growth of 6.6 percent from 2013 (population 23,110) through 2023 (population 24,631),<sup>5</sup> or approximately 0.66 percent per year. The City of Woodland Park witnessed overall population growth of 8.9 percent across the same decade, while unincorporated Teller County grew by 6.4 percent.

Looking forward, BBC estimated impact fee revenues for the District assuming an annual growth rate of 0.67 percent for residential development (i.e., population) and 0.90 percent for non-residential development (i.e., employment) based on growth forecasts for Teller County published by the Colorado State Demography Office (SDO).<sup>6</sup> The projections used in calculating future impact fee revenues are based on the average of the SDO’s forecasts for annual growth in the County in between 2025 and 2030.<sup>7</sup>

<sup>5</sup> Colorado State Demography Office, Teller County Population Estimates and Forecasts

<sup>6</sup> <https://demography.dola.colorado.gov/assets/html/county.html>

<sup>7</sup> Growth and revenue projections are based only on data for Teller County, as El Paso County comprises such a small share of development in the NE Teller County FPD service area.

Figure II-6 summarizes BBC’s annual revenue projections based on forecasted growth. The revenue projections assume that new development future development patterns follow existing trends in that dwellings of different sizes increase with population growth while non-residential development increases with employment growth.

**Figure II-6.  
Projected Annual Impact Fee  
Revenues for NE Teller County FPD**

**Note:**

Estimates of future development are shown in dwelling units for residential development and in square feet for non-residential development.

**Source:**

Northeast Teller County Fire Protection District; Teller County Assessor; Colorado State Demography Office; BBC Research & Consulting, 2025.

<b>Development Type</b>	<b>Projected Annual Growth* (dwelling units or sq. ft.)</b>	<b>Projected Annual Revenue</b>
<b>Residential</b>		
Single family residential		
Dwellings up to 1,200 SF	5	\$13,800
Dwellings 1,200 to 2,399 SF	13	\$53,820
Dwellings 2,400 to 3,599 SF	2	\$13,800
Dwellings 3,600+ SF	0	\$0
Multifamily residential	4	\$9,200
<b>Non-residential</b>		
Commercial & Retail	8,833	\$21,595
Office	2,476	\$8,200
Public & Institutional	2,610	\$6,126
Industrial & Manufacturing	914	\$1,620
Warehouse & Storage	1,765	\$688
<b>Projected annual revenue</b>		<b>\$128,849</b>

As Figure II-6 illustrates, the impact fees proposed in this report could generate approximately \$129,000 annually to enable the District to build new facilities and purchase equipment needed to maintain service levels as the region grows, without placing an undue burden on existing development.

**Comparison with other districts.** While fee structures and methodologies vary, the comparison demonstrates that the proposed fees for Northeast Teller County Fire Protection District fall within the range commonly assessed by peer entities.

**Figure II-7.  
Impact Fee Comparison for Peer Fire Protection Entities**

Fire District	Year of impact fee study or fee update	County	Firm	Residential fee		Non-residential fee
				Single family	Multi family	
<i>NE Teller</i>	2025	Teller	BBC	\$3,680	\$2,300	\$2.05
Estes Valley FPD	2018	Larimer	Pinnacle	\$784	\$419	\$0.37
Berthoud FPD	2025	Larimer, Weld, Boulder	BBC	\$3,923	\$2,847	\$2.77
Eaton FPD	2025	Weld	BBC	\$3,388	\$1,621	\$4.76
Timberline FPD	2020	Boulder, Gilpin	EPS	\$2,327	\$2,327	\$2.82
Grand FPD	2024	Grand	EPS	\$3,434	\$1,257	\$6.03

Notes: NE Teller Single Family fee is based on a 1,600 square foot home and Multi-family fees are based on a 1,000 square foot unit. Where applicable, the non-residential fee is for commercial development. Eaton FPD single family fee is based on a 2,500 SF dwelling. Grand FPD single family fee is based on a 2,700 SF dwelling. Grand FPD multifamily fee is based on a 1,000 SF dwelling. For Estes Valley FPD, Pinnacle recommended a fee of \$0.74 in the 2018 impact fee study. Berthoud FPD single family fee is based on a 2,200 SF dwelling

## SECTION III.

# Summary and Recommendations

The residential and non-residential development impact fees that BBC recommends for NE Teller County FPD's consideration represent maximum allowable amounts. However, NE Teller County FPD may choose to adopt fees below these amounts. BBC offers the following recommendations regarding implementation of impact fees for Northeast Teller County Fire Protection District:

- NE Teller County FPD should provide the development community with a minimum of three to six months' notice prior to implementing the impact fee schedule. This advance notice ensures developers have sufficient time to adjust project budgets and timelines.
- NE Teller County FPD should maintain its impact fee fund in an interest-bearing account that is separate and apart from its general fund. All fees collected in accordance with the impact fee schedule shall be deposited and accounted for as required in *Colorado Revised Statutes Title 29, Article 1, Part 8, Section 29-1-803 (see also C.R.S. 32-1-1002(1)(d.5))*.
- NE Teller County FPD should adhere to a written policy governing expenditure of monies from its impact fee fund. Withdrawals from the impact fee fund should only be used to pay for growth-related capital facilities with a service life of five or more years. All proceeds shall be used in conformance with *Colorado Revised Statutes Title 29, Article 20, Part 1, Section 29-20-104.5 (see also C.R.S. 32-1-1002(1)(d.5))*.
- NE Teller County FPD should prohibit the payment of operational expenses with impact fees, including the repair and replacement of existing facilities not necessitated by growth. In cases where NE Teller County FPD expects new capital facilities to partially replace existing capacity and to partially serve new growth, the District and its legal counsel should determine, to the best of its ability, what percentage of repair and replacement is necessary to serve new development and should use that as the basis of allocating funding for repair and replacement needs.
- NE Teller County FPD should update its impact fee studies periodically (e.g., every three to five years) as it invests in additional equipment and facilities and as future development occurs, to ensure its impact fees reflect its existing service standards.
- Between updates, NE Teller County FPD should adjust its impact fees annually at the start of each year based on the U.S. Bureau of Labor Statistics' Mountain-Plains Information Office's consumer price index for the Mountain-Plains Region.<sup>1</sup>
- NE Teller County FPD should establish a process to address unique scenarios that may require further individualization of impact fees. This process should include a mechanism allowing property owners to present data if they believe the fee, as applied, does not

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<sup>1</sup> <https://www.bls.gov/regions/mountain-plains/cpi-summary>

accurately reflect the specific impacts of their development, ensuring compliance with *Sheetz v. County of El Dorado, Cal., 601 U.S. 267 (2024)*.