Village of Taos Ski Valley

Development Impact Fee Update Study

Administrative Draft

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Executive Summary

This report summarizes an analysis of development impact fees needed to support future development in the Village of Taos Ski Valley through 2030. It is the Village's intent that the costs representing future development's share of public facilities and capital improvements be imposed on that development in the form of a development impact fee. The public facilities and improvements included in this analysis are divided into the fee categories listed below:

- Public Safety Facilities
- Transportation Facilities
- Parks and Public Spaces
- Wastewater System Development
- Water System Development

Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. Although growth also imposes operating costs, there is not a similar system to generate revenue from new development for services. The primary purpose of this report is to calculate and present fees that will enable the Village to expand its inventory of public facilities, as new development creates increases in service demands.

The impact fee study was a collaboration between the Village of Taos Ski Valley, the Capital Improvements Advisory Committee (CIAC) and Willdan Financial Services. The approaches taken in this study adhere to industry standard practices for impact fee development and conform to the requirements of the Development Fees Act found in Article 8, Section 5 of the New Mexico Statutes.

Use of Fee Revenues

Impact fee revenue must be spent on new facilities or expansion of current facilities to serve new development. Items to be included in a capital improvement plan can be generally defined as capital acquisition items with a useful life greater than five years and cost greater than $10,000. Impact fee revenue identified in this study can be spent on water supply, treatment and distribution facilities; wastewater collection and treatment facilities; roadway facilities located within the service area; buildings for fire, police and rescue and essential equipment costing more than $10,000 or having a service life greater than five years; and, parks, recreational areas, open space trails and related areas and facilities.

In that the Village cannot predict with certainty how and when development within the Village will occur during the 10-year planning horizon assumed in this study, the Village may need to update and revise the project lists funded by the fees documented in this study. Any substitute projects should be funded within the same facility category, and the substitute projects must still benefit and have a relationship to new development. The Village could identify any changes to the projects funded by the impact fees when it updates the CIP. The impact fees could also be updated if significant changes to the projects funded by the fees are anticipated.

Development Impact Fee Schedule Summary

Table E.1 summarizes the maximum justified development impact fee schedule that would meet the Village's identified needs and does not unfairly overburden new development.

Table E.1: Maximum Justified Development Impact Fees - per Square Foot

Land Use	Public Safety Facilities	Transportation Facilities	Parks and Public Spaces	Wastewater System Development	Water System Development	Total - per Square Foot
Residential						
Single Family	$ 1.94	$ 0.67	$ 1.22	$ 2.10	$ 1.04	$ 6.97
Multifamily	$ 3.93	$ 0.94	$ 2.46	$ 4.24	$ 2.10	$ 13.68
Nonresidential						
Commercial	$ 3.97	$ 17.61	$ -	$ 5.52	$ 2.73	$ 29.82
Accommodations						
Hotel	$ 12.70	$ 3.02	$ 7.95	$ 15.39	$ 7.62	$ 46.69

Sources: Tables 3.6, 4.5, 5.6, 6.5 and 7.5.

Other Funding Required

Impact fees may only fund the share of public facilities identified in the Village's Infrastructure Capital Improvements Plan (ICIP) related to new development in Taos Ski Valley. They may not be used to fund the share of facility needs generated by existing development. As shown in **Table E.2,** approximately $15.1 million in additional funding will be needed to complete the facility projects the Village currently plans to develop. The "Non-Fee Funding Required" column shows non-impact fee funding required to fund a share of the improvements partially funded by impact fees. Non-fee funding is needed because these facilities will serve both existing and new development.

The Village will need to develop alternative funding sources to fund existing development's share of the planned facilities. Potential sources of revenue include but are not limited to existing or new general fund revenues, existing or new taxes, bed taxes, donations, and grants.

Table E.2: Impact Fee Revenue Projection

	Net Project Cost[1]	Fee Revenue	Non Impact Fee Funding Sources
Public Safety	$ 6,150,000	$ 3,407,000	$ 2,743,000
Transportation	7,495,850	2,913,906	4,581,944
Parks	1,750,000	1,516,000	234,000
Wastewater[2]	12,966,257	3,889,877	5,186,503
Water	4,275,000	1,925,174	2,349,826
Total	$ 32,637,107	$ 13,651,957	$ 15,095,273

[1] Net of any secured grant funding.

[2] Fee revenue shown is through 2030. New development occurring after 2030 is also responsible for an additional $3,889,877 of wastewater facilities costs.

Sources: Tables 3.6, 4.4, 4.5, 5.5, 6.4 and 7.4.

1. Introduction

This report presents an analysis of the need for public facilities to accommodate new development in the Village of Taos Ski Valley. This chapter provides background for the study and explains the study approach under the following sections:

- Study Objectives;
- Fee Program Maintenance;
- Study Methodology; and
- Organization of the Report.

Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. A strategy under the *Utilities Goals, Objectives and Strategies* section of the Village's Comprehensive Plan states: "Update the impact fees and system development fees. Section 5-8-30 of the New Mexico state statues require an update of land use assumptions and capital improvements plan required in order to impose impact fees at least every five years."

The primary purpose of this report is to update the Village's impact fees based on the most current available ICIP and land use projections. The maximum justified fees will enable the Village to expand its inventory of public facilities as new development leads to increases in service demands. This report supports the Comprehensive Plan policies stated above.

The Village collects public facilities fees under authority granted by the Development Fees Act contained in Chapter 5, Article 8 of the New Mexico Statutes. This report provides the necessary documentation required by the Act for adoption of the fees presented in the fee schedules in this report.

Taos Ski Valley is forecast to see limited growth through this study's planning horizon of 2030. Though limited, this growth will create an increase in demand for public services and the facilities required to deliver them. Consistent with its Comprehensive Plan strategies, the Village has decided to continue to use a development impact fee program to ensure that new development funds its share of facility costs associated with growth. This report makes use of the most current available growth forecasts and facility plans to update the Village's existing fee program to ensure that the fee program accurately represents the facility needs resulting from new development.

Fee Program Maintenance

Once a fee program has been adopted it must be properly maintained to ensure that the revenue collected adequately funds the facilities needed by new development. Section 5-8-30 of the New Mexico state statues requires that impact fee programs be updated every five years or when significant new data on growth forecasts and/or facility plans become available. For further detail on fee program implementation, see Chapter 8.

Study Methodology

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The six steps followed in this development impact fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
3. **Determine facilities required to serve new development:** Estimate the total amount of planned facilities, and identify the share required to accommodate new development;
4. **Determine the cost of facilities required to serve new development:** Estimate the total amount and the share of the cost of planned facilities required to accommodate new development;
5. **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the development impact fee schedule; and
6. **Identify alternative funding requirements:** Determine if any non-fee funding is required to complete projects.

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Types of Facility Standards

There are three separate components of facility standards:

- *Demand standards* determine the amount of facilities required to accommodate growth, for example, park acres per thousand residents, square feet of police station space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicle volume-to-capacity (V/C) ratio used in traffic planning.
- *Design standards* determine how a facility should be designed to meet expected demand, for example, park improvement requirements and technology infrastructure for Village office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates the cost of planned facilities built to satisfy the Village's facility design standards.
- *Cost standards* are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. *Cost standards* are useful when demand standards were not explicitly developed for the facility planning process. *Cost standards* also enable different types of facilities to be analyzed based on a single measure (cost or value) and are useful when different facilities are funded by a single fee program. Examples include facility costs per capita, cost per vehicle trip, or cost per gallon of water per day.

New Development Facility Needs and Costs

A number of approaches are used to identify facility needs and costs to serve new development. This is often a two-step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

There are three common methods for determining new development's fair share of planned facilities costs in this study: the **existing inventory method**, the **planned facilities method**, and the **system plan method**. Often the method selected depends on the degree to which the community has engaged in comprehensive facility master planning to identify facility needs.

The formula used by each approach and the advantages and disadvantages of each method is summarized below:

Planned Facilities Method

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \text{cost per unit of demand}$$

This method is appropriate when planned facilities will entirely serve new development, or when a fair share allocation of planned facilities to new development can be estimated. An example of the former is a Wastewater trunk line extension to a previously undeveloped area. An example of the latter is expansion of an existing library building and book collection, which will be needed only if new development occurs, but which, if built, will in part benefit existing development, as well. Under this method new development will fund the expansion of facilities at the standards used in the applicable planning documents. **This approach is used for the transportation facilities, wastewater system development and water system development fees in this report.**

System Plan Method

This method calculates the fee based on the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development:

$$\frac{\text{Value of Existing Facilities + Cost of Planned Facilities}}{\text{Existing + New Development Demand}} = \text{cost per unit of demand}$$

This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. It is difficult, for example, to allocate a new fire station solely to new development when that station will operate as part of an integrated system of fire stations that together achieve the desired level of service.

The system plan method ensures that new development does not pay for existing deficiencies. Often facility standards based on policies such as those found in Comprehensive Plans are higher than the existing facility standards. This method enables the calculation of the existing deficiency required to bring existing development up to the policy-based standard. The local agency must secure non-fee funding for that portion of planned facilities required to correct the deficiency to ensure that new development receives the level of service funded by the impact fee. **This approach is used to calculate the public safety facilities fees and parks and public spaces fees in this report.**

Existing Inventory Method

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \text{cost per unit of demand}$$

Under this method new development will fund the expansion of facilities at the same standard currently serving existing development. By definition the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Future facilities to serve growth are identified through an annual CIP and budget process, possibly after completion of a new facility master plan. **This approach is not used in this report.**

Organization of the Report

The determination of a public facilities fee begins with the selection of a planning horizon and development of growth projections for population and employment. These projections are used throughout the analysis of different facility categories and are summarized in Chapter 2.

Chapters 3 through 7 identify facility standards and planned facilities, allocate the cost of planned facilities between new development and other development, and identify the appropriate development impact fee for each of the following facility categories:

- Public Safety Facilities
- Transportation Facilities
- Parks and Public Spaces
- Wastewater System Development
- Water System Development

Chapter 8 details the procedures that the Village must follow when implementing a development impact fee program.

2. Land Use Assumptions

Land use assumptions and growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the assumption used in this study based on a 2020 base year and a planning horizon of 2030.

Estimates of existing development and projections of future growth are critical assumptions used throughout this report. These estimates are used as follows:

- The estimate of existing development in 2020 is used as an indicator of existing facility demand and to determine existing facility standards. Village GIS data was used to estimate existing development in terms of dwelling units, lodging/accommodations units and nonresidential building square feet. The most recent American Community Survey data is used to estimate existing residents.
- The estimate of total development at the 2030 planning horizon is used as an indicator of future demand to determine total facilities needed to accommodate growth and remedy existing facility deficiencies, if any.
- Estimates of growth from 2020 through 2030 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for public facilities is based on the service population, dwelling units or nonresidential development creating the need for the facilities.

Service Area

The service area for this study is the Village limits.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use types. The land use types for which impact fees have been calculated for are defined below.

- **Single family:** Detached and attached one-unit dwellings (Includes single family homes and townhomes) on a single parcel.
- **Multifamily:** All attached multifamily dwellings including duplexes and condominiums.
- **Commercial:** All commercial, office, retail, educational, and service development.
- **Hotel:** All places of lodging that provide sleeping accommodations, including all suite hotels and business hotels.

Some developments may include more than one land use type, such as a mixed-use development with both lodging and commercial uses. In those cases, the facilities fee would be calculated separately for each land use type.

The Village has the discretion to determine which land use type best reflects a development project's characteristics for purposes of imposing an impact fee and may adjust fees for special or unique uses to reflect the impact characteristics of the use. If a project results in the intensification of use, at its discretion, the Village can charge the project the difference in fees between the existing low intensity use and the future high intensity use.

Existing and Future Development

Table 2.1 shows the estimated number of residents, dwelling units, nonresidential building square feet, employees, and overnight visitors in Taos Ski Valley, both in 2020 and in 2030.

Residential Dwelling Units

The base year estimates of existing single family dwelling units come from a GIS analysis requested by the Village for use in this analysis. The projected increase in single family dwelling units assumes four single family dwelling units per year and is based on input from the CIAC.

The base year estimates of multifamily units was provided by the Village for use in this analysis. The projected increase of 110 multifamily units was informed by input from the CIAC.

Employment and Nonresidential Building Square Feet

The estimate of 489 total existing workers, less 42 local government workers, is based on the latest data available from OnTheMap.ces.census.gov. The increase in employment assumes 30 permanent FTE added per year through 2030 and is based on input from the CIAC.

The estimate of existing nonresidential building square footage identified by the Village's GIS analysis. This estimate excludes hotels and accommodations, which are accounted for elsewhere in the analysis. The projected increase in building square footage to 2030 is assumed to remain constant relative to estimated employment.

Hotel Units

The base year estimates of hotel units were provided by the Village for use in this analysis. The projected increase of hotel units was informed by input from the Village and the CIAC.

Residents/Overnight Visitors

Single family dwelling units, multifamily units and hotel units are all assumed to generate overnight visitor demand. For the purpose of this analysis, no distinction is made between residents and visitors, as it is assumed they both create similar amounts of demand for facilities. The count of units is multiplied by the assumed occupancy density factors presented in Table 2.2 to estimate the total number of residents/overnight visitors in the base year and at the planning horizon.

Table 2.1: Land Use Assumptions

	2020	2030	Increase
Residential Dwelling Units			
Single Family Dwelling Units[1]	184	224	40
Multifamily Dwelling Units (Apartments, Condos)	277	387	110
Total	461	611	150
Employment[2]			
Commercial	447	747	300
Nonresidential Building Square Feet (1,000s)[3]	283	473	190
Lodging (Hotel Rooms)	146	321	175
Residents/Overnight Visitors[4]			
Single Family	74	90	16
Multifamily	125	174	50
Hotels	136	299	163
Total	334	562	228

[1] Base year dw elling unit estimate from GIS data. Increase assumes 4 single family dw elling units per year.

[2] Estimate of 489 total w orkers less 42 local government w orkers based on data from OnTheMap.ces.census.gov. Increase in employment assumes 30 permanent FTE added per year through 2030.

[3] Existing building square footage identified by the Village's GIS analysis. Excludes hotels and accommodations. Increase in building square footage assumed to remain constant relative to employment.

[5] Residents/overnight visitors calculated using dw elling unit and lodging room counts above and occupancy density factors from Table 2.2.

Sources: Village of Taos Ski Valley; U.S. Census Bureau LEHD Origin-Destination Employment Statistics (2002-2015) accessed at https://onthemap.ces.census.gov; Willdan Financial Services.

Occupant Densities

All fees in this report are calculated based on dwelling units (differentiated by size in square footage), nonresidential building square feet or lodging units. Occupant densities (residents per dwelling unit) or workers per building square foot are the most appropriate characteristics to use allocating fees based on demand created by a facility’s service population. In this study, occupant densities are used to calculate fees for the public safety facilities fees and the parks and public spaces fee.

The average annual occupant density factors used in this report are shown in **Table 2.2**.

Willdan reviewed water billing data from 2019 provided by the Village, by property to quantify the average amount of water consumption per various types of units. This consumption data was then used to estimate the average residents/overnight visitors per unit, using the assumption of 80 gallons of water consumption per capita per day.

The nonresidential occupancy factor was derived from data from the Institute of Traffic Engineers Trip Generation Manual, 10th Edition. The estimates of workers per 1,000 square feet are discounted by 50 percent, as businesses in the Village are estimated to be fully operational for only half of the year.

Table 2.2: Occupant Density Assumptions

Residential		
Single Family[1]	0.40	Residents and Visitors per Unit
Multifamily[1]	0.45	Residents and Visitors per Unit
Nonresidential[2]		
Commercial	1.17	Employees per 1,000 square feet
Visitor Accommodations		
Hotels[1]	0.93	Visitors per Unit

[1] Average residents and visitors per unit per day calculated based on water billing records, and the assumption of 80 gallons of water consumed per capita per day.
[2] Assumes businesses are operated for half of the year.

Sources: Village of Taos Ski Valley; ITE Trip Generation Manual, 10th Edition; Willdan Financial Services.

Land Cost Assumptions

Table 2.3 displays the land cost assumption used throughout this report. The assumption was developed based on an analysis of recent sales and appraisals in the Village.

Table 2.3: Land Cost

	Value Per Acre
Based on analysis of recent sales and appraisals provided by the Village	$ 242,000

Sources: Village of Taos Ski Valley; https://taosmls.paragonrels.com; Willdan Financial Serives.

3. Public Safety Facilities

The purpose of this fee is to ensure that new development funds its fair share of public safety facilities. A fee schedule is presented based on the existing inventory facilities standard of public safety facilities in the Village of Taos Ski Valley to ensure that new development provides adequate funding to meet its needs.

Service Population

Public safety facilities serve both residents, visitors, and businesses. Therefore, demand for services and associated facilities are based on the Village's service population including residents, visitors, and workers.

Table 3.1 shows the existing and future projected service population for public safety facilities. Residents and visitors are assumed to create an equal amount of demand for public safety facilities. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, it is reasonable to assume that demand for these services is less for one employee compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units. The 0.31-weighting factor for workers is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and reflects the degree to which nonresidential development yields a lesser demand for public safety facilities.

Table 3.1: Public Safety Facilities Service Population

	A Persons	*B* Weighting Factor	*A x B = C* Service Population
Residents/Overnight Visitors			
Existing (2020)	334	1.00	334
New Development	228	1.00	228
Total (2030)	562		562
Workers			
Existing (2020)	447	0.31	139
New Development	300	0.31	93
Total (2030)	747		232
Combined Service Population			
Existing (2020)			473
New Development			321
Total (2030)			794

[1] Workers are weighted at 0.31 of residents based on a 40 hour work week out of a possible 128 non-work hours in a week (40/128 = 0.31)

Sources: Table 2.1; Willdan Financial Services.

Existing Facilities Inventory

The Village's public safety facilities inventory is comprised of two fire stations, Village Hall Complex, and various durable equipment, apparatus, and vehicles. Note that the fire stations are planned to be expanded, so they are not listed in the existing inventory, rather as planned facilities in the ICIP. The Village spending to date on the new Village Hall Complex is listed in the existing inventory, and the remaining cost of that facilities is listed in the future planned facilities in the ICIP. In total the Village owns approximately $2.3 million worth of public safety facilities.

Table 3.2 displays the Village's existing inventory of public safety facilities.

Table 3.2: Existing Public Safety Facilities Inventory

	Replacement Cost
Buildings (square feet)	
Building & Improvements, Apron	$ 194,502
New Village Hall Complex (Capital Spending to Date)	1,200,000
Subtotal	$ 1,394,502
Public Safety Vehicles	
International 2002 Firetruck & Equipment	$ 320,463
GMC 1986 Fire Truck	253,319
Chevy Truck 1998 brush truck	30,209
Chevy 2005 Express Cargo-EMS	28,891
Burn Boss Mobile Air Curtain & Burn Boss- TSVI 1/2	26,250
Breathing Air Compressor System	23,760
Gmc 1988 4 X 4 Rescue Truck	22,000
1 E2V Argus Thermal Imaging Camera	13,950
Polaris 2012 Ranger	13,457
5 Air Paks fifty, 45 min w/o case	13,411
Danko Skid Unit - Wildland Engine	11,244
Power Pro Xt Ambulance (Cot) Gurney	10,696
Amkus Ion iS240 Spreader	10,207
Subtotal	$ 777,857
Law Enforcement Vehicles	
Ford 2012 Expedition	$ 27,971
Ford 2014 Expedition	33,179
2017 Ford Expedition	41,423
Subtotal	$ 102,573
Total Value - Existing Facilities	$ 2,274,931

Sources: Village of Taos Ski Valley; Table 2.3, Willdan Financial Services.

Existing Level of Service

Table 3.3 shows the existing level of service per capita of public safety facilities. The existing facilities standard per capita is calculated by dividing the value of the existing facilities by the existing service population. This level of service is not used to calculate the impact fees, as the planned facilities presented below indicate a higher level of service than is currently provided. New development can fund this higher level of service through impact fees, but the Village must fund existing development's share of this higher level of service through funding sources other than impact fees.

Table 3.3: Existing Level of Service

Value of Existing Facilities	$	2,274,931
Existing Service Population		473
Cost per Capita	$	4,809
Facility Standard per Resident	$	4,809
Facility Standard per Worker[1]		1,491

[1] Based on a weighing factor of 0.31.

Sources: Tables 3.1 and 3.2.

Planned Facilities

Table 3.4 summarizes the planned public safety facilities needed to serve the Village, as identified in the ICIP. The Village plans to build expand the new Village Hall Complex, expand its fire stations and public safety buildings to add capacity to accommodate new development. The ICIP also includes additional public safety vehicles and apparatus needed to serve new development. In total, this study includes $6.2 million of eligible planned public safety facilities.

Table 3.4: Planned Public Safety Facilities

	Total Cost	
Public Safety Administrative Facilities	$	1,000,000
Fire Sub-station #2 Expand and Renovate		1,500,000
Fire Rescue Truck		400,000
Renovate and Expand Primary Fire Station #1		2,500,000
Fire Hydrants Additional (see note for locations)		250,000
Pumper Tender (Fire Dept.)		500,000
Cost of Planned Facilities	$	6,150,000

Source: Village of Taos Ski Valley 2023-2027 Infrastructure Capital Improvements Plan.

Cost Allocation

Table 3.5 shows the calculation of the system plan facilities standard per capita for public safety facilities used to calculate the fees. This value is calculated by dividing the total value of all public safety facilities in 2030 by the total service population in 2030. The value per capita is multiplied by the worker weighting factor of 0.31 to determine the value per worker. The resulting standard is the cost standard that will be achieved when all the facilities are realized, and new development has come online.

Table 3.5: Public Safety Facilities System Standard

Value of Existing Facilities	$	2,274,931
Value of Planned Facilities		6,150,000
Total System Value (2030)	$	8,424,931
Future Service Population (2030)		794
Cost per Capita	$	10,607
Cost Allocation per Resident	$	10,607
Cost Allocation per Worker[1]		3,288

[1] Based on a weighting factor of 0.31.

Sources: Tables 3.1, 3.2 and 3.3.

Fee Revenue Projection

Completing the planned facilities will provide a higher value of facilities per capita than is currently provided in the Village. Impact fee revenue may not be used to increase the level of service provided to existing development. Therefore, impact fee revenue will not fully fund the planned facilities and some non-fee funding will be required. **Table 3.6** shows the projected fee revenue and the non-fee funding required through 2030. After accounting for the projected future impact fee revenue approximately $2.7 million in non-fee funding will be needed to complete the planned facilities.

The Village will need to use alternative funding sources to fund existing development's share of the planned public safety facilities. Potential sources of revenue include but are not limited to existing or new general fund revenues, existing or new taxes, donations, and grants.

Table 3.6: Revenue Projection - System Standard

Cost per Capita	$ 10,607
Growth in Service Population (2020- 2030)	321
Fee Revenue	$ 3,407,000
Net Cost of Planned Facilities	6,150,000
Non-Fee Revenue to be Identified	$ (2,743,000)

Sources: Tables 3.1, 3.2 and 3.4.

Fee Schedule

Table 3.7 shows the maximum justified public safety facilities fee schedule. The Village can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The total fee includes a three percent (3.0%) administrative charge to fund costs that include: a standard overhead charge applied to Village programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

Table 3.7: Public Safety Facilities Fee - Maximum Justified Fee Schedule

	A	*B*	*C = A x B*	*D = C x 3%*	*E = C + D*	*F = E / Avg SF*
Land Use	**Cost Per Capita**	**Density**	**Base Fee[1]**	**Admin Charge[1, 2]**	**Total Fee[1]**	**Fee per Sq. Ft.[3]**
Residential						
Single Family	$10,607	0.40	$ 4,243	$ 127	$ 4,370	$ 1.94
Multifamily	$10,607	0.45	$ 4,773	$ 143	$ 4,916	$ 3.93
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 3,288	1.17	$ 3,852	$ 116	$ 3,968	$ 3.97
Hotel	$10,607	0.93	$ 9,865	296	$ 10,161	$ 12.70

[1] Fee per dwelling unit or per 1,000 square feet of nonresidential.

[2] Administrative charge of 3.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

[3] Assumes average single family dwelling unit size of 2,250 square feet, multifamily size of 1,250 square feet and hotel room size of 800 square feet.

Sources: Tables 2.2 and 3.3.

4. Transportation Facilities

This chapter details an analysis of the need for transportation facilities to accommodate new development. The chapter documents a reasonable relationship between new development and the impact fee for funding these facilities.

Trip Demand

The need for transportation facilities is based on the trip generation placed on the system by development. A reasonable measure of demand is the number of average daily vehicle trips. Estimates of vehicle trip generation, by land use, are the basis of the service units used in this fee calculation.

Table 4.1 shows the average daily trip generation rates by land use category used in this analysis. They are based on the latest available information from the ITE Trip Generation Manual, 10th Edition. Trip generation is expressed per dwelling unit for single family, multifamily and hotel units based on an estimate of average trips per resident and the assumed number of annual average occupants shown above in Table 2.2.

The two types of trips adjustments made to trip generation rates for nonresidential land uses are described below:

- Pass-by trips are deducted from the trip generation rate for commercial land uses. Pass-by trips are intermediates stops between an origin and a destination that require no diversion from the route, such as stopping to get gas on the way to work.
- Trip generation rates are discounted by 50 percent for nonresidential uses, as businesses in the Village are estimated to be fully operational for only half of the year.

Table 4.1: Trip Generation Rates

Land Use Category	ITE Category	Average Daily Trip Rate	Average Daily Trip Rate
Residential - Trips per Dwelling Unit		**Per Unit**	
Single Family[1]	Single Family Housing (210)	1.06	
Multifamily[2]	Multifamily Housing (Mid-Rise) (221)	0.83	
Nonresidential		**Per Employee**	**Per KSF**
Commercial[3]	Shopping Center (820)	5.32	12.46
		Per Unit	
Hotel[3]	Multifamily Housing (Mid-Rise) (221)	1.71	

[1] Based on 2.65 weekday trips per resident, multiplied by 0.79 residents/overnight visitors per unit.

[2] Based on 1.84 weekday trips per resident, multiplied by 1.6 visitors per dwelling unit.

[3] Trip rate discounted by 34% to exclude pass-by trips. A pass-by trip is made as an intermediate stop on the way from an origin to a primary trip destination without a route diversion. Pass-by trips are not considered to add traffic to the road network. Assumption based on ITE Trip Generation Handbook data.

Sources: Institute of Traffic Engineers, Trip Generation, 10th Edition; Institute of Traffic Engineers, Trip Generation Handbook, 3rd Edition; Table 2.2, Willdan Financial Services.

Trip Generation Growth

The planning horizon for this analysis is 2030. **Table 4.2** lists the base year and 2030 land use assumptions used in this study. The trip demand factors calculated in Table 4.1 are multiplied by the existing and future dwelling units and building square feet to determine the increase in trip generation attributable to new development.

Table 4.2: Land Use Scenario and Trip Generation

		2020		Growth 2020 to 2030		Total - 2030	
Residential	Average Daily Trip Rate	Units/ Employees	Average Daily Trips	Units/ Employees	Average Daily Trips	Units/ Employees	Average Daily Trips
Residential							
Single Family	1.06	184	195	40	42	224	237
Multifamily	1.71	277	474	110	188	387	662
Nonresidential							
Commercial[1]	5.32	387	2,057	300	1,595	687	3,652
Hotel Rooms	1.71	146	250	175	299	321	549
Total			2,976		2,124		5,100
			58.4%		41.6%		100%

[1] Excludes accommodations employees.

Sources: Tables 2.1 and 4.1.

Existing Level of Service

The existing level of service for transportation facilities is quantified in terms of miles of roads per 1,000 average daily trips. The level of service is calculated for paved roads and for gravel roads. **Table 4.3** displays the existing level of service.

Table 4.3: Existing Level of Service

Classification	Miles of Road	Average Daily Trips	Miles of Road per 1,000 Average Daily Trips
Paved	0.47	2,976	0.16
Gravel	5.66	2,976	1.90

Sources: Village of Taos Ski Valley; Table 4.3, Willdan Financial Services.

Planned Transportation Projects

Cost estimates for transportation facilities needed to serve new development as identified in the Village's ICIP are shown in **Table 4.4**. Offsetting revenues dedicated to these projects are subtracted from the total costs to determine the net project costs. The net costs are then allocated to new development based on new development's proportional share of demand in 2030, as the projects will serve both existing and new development. This approach ensures that new development will not fund more than its fair share of transportation projects. In total, $3.1 million of transportation project costs are allocated to new development through this impact fee.

Table 4.4: Planned Transportation Projects

	A	*B*	*C = A - B*	*D*	*E = C x D*
Project Name	**Total Cost**	**Grant Revenue**	**Net Project Cost**	**Share Allocated to New Development[1]**	**Cost Allocated To Impact Fee**
Transportation Projects					
Porcupine and Zaps Road	$2,706,700	$ -	$ 2,706,700	41.6%	$ 1,125,987
Kachina Road	3,289,150	-	3,289,150	41.6%	1,368,286
Acquire Snow Storage Area/Land	1,500,000	-	1,500,000	41.6%	624,000
Total - Transportation Projects	$ 7,495,850	$ -	$ 7,495,850		$ 3,118,274

[1] Allocation to new development based on new development's share of total trips at the planning horizon.

Sources: Table 4.2; Village of Taos Ski Valley 2023-2027 Infrastructure Capital Improvements Plan; Willdan Financial Services.

Cost per Trip

Every impact fee consists of a dollar amount, representing the value of facilities, divided by a measure of demand. In this case, all fees are first calculated as a cost per trip. Then these amounts are translated into housing unit (cost per unit) and employment space (cost per 1,000 square feet or room) fees by multiplying the cost per trip by the trip generation rate for each land use category. These amounts become the fee schedule.

Table 4.5 displays the calculation of the cost the cost per trip demand unit by dividing the costs allocated to new development from Table 4.4 by increase in trips from Table 4.2.

Table 4.5: Cost per Trip to Accommodate Growth

Fee Program Share of Transportation Projects	$ 3,118,274
Less Existing Fund Balance[1]	(204,368)
Net Costs	$ 2,913,906
Growth in Trip Demand	2,124
Cost per Trip	$ 1,372

Sources: Village of Taos Ski Valley; Tables 4.2 and 4.4, Willdan Financial Services.

Fee Schedules

Table 4.6 shows the maximum justified transportation facilities fee schedule. The Village can adopt any fee up to these amounts. The maximum justified fees are based on the costs per trip shown in Table 4.5. The cost per trip is multiplied by the trip demand factors in Table 4.1 to determine a fee per unit of new development. The total fee includes a three percent (3.0%)

administrative charge to fund costs that include: a standard overhead charge applied to all Village programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue, and cost accounting, mandated public reporting, and fee justification analyses.

Table 4.6: Maximum Justified Transportation Facilities Impact Fee Schedule

Land Use	Cost Per Trip	Average Daily Trip Rate	Base Fee[1]	Admin Charge[1, 2]	Total Fee[1]	Fee per Sq. Ft.[3]
	A	*B*	*C = A x B*	*D = C x 3%*	*E = C + D*	*F = E / Avg SF*
Residential						
Single Family	$ 1,372	1.06	$ 1,454	$ 44	$ 1,498	$ 0.67
Multifamily	$ 1,372	0.83	$ 1,136	$ 34	$ 1,170	$ 0.94
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 1,372	12.46	$ 17,092	$ 513	$ 17,605	$ 17.61
Hotel - per Room	$ 1,372	1.71	$ 2,348	$ 70	$ 2,418	$ 3.02

[1] Fee per dwelling unit, hotel room, or per 1,000 square feet of nonresidential.

[2] Administrative charge of 3.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

[3] Assumes average single family dwelling unit size of 2,250 square feet, multifamily size of 1,250 square feet and hotel room size of 800 square feet.

Sources: Tables 2.2 and 4.5.

5. Parks and Public Spaces

The purpose of the parks and public spaces impact fee is to fund the parks and public spaces needed to serve new development. The maximum justified impact fee is presented based on the system standard of parks and public spaces per capita.

Service Population

Parks and public spaces in Taos Ski Valley primarily serve residents and visitors. Therefore, demand for services and associated facilities is based on the Village's resident and visitor population. No weighting is included since residents and visitors are assumed to generate an equal amount of demand for parks and public spaces. **Table 5.1** shows the existing and future projected service population for parks and public spaces.

Table 5.1: Park and Public Spaces Service Population

	Residents/ Overnight Visitors	Total Service Population
Existing (2020)	334	334
New Development	228	228
Total (2030)	562	562

Source: Table 2.1.

Existing Parks and Public Spaces Inventory

The Village of Taos Ski Valley owns a modest inventory parks and public spaces throughout the Village, mostly comprised of publicly accessible open space. **Table 5.2** summarizes the Village's existing parks and public spaces inventory in 2020.

Table 5.2: Existing Open Space Land Inventory

		Acres
Kachina Open Space		
Parcel 1		1.09
Parcel 2		0.24
Parcel 3		4.43
Parcel 4		1.73
Total		7.50
Hiker Parking		0.70
Total Acres		8.20
Cost per Acre	$	242,000
Total Value - Open Space	$	1,984,400

Source: Village of Taos Ski Valley

Planned Parks and Public Spaces Unit Costs

Table 5.3 displays the planned parks and public spaces facilities identified in the Village's ICIP. The total cost of these improvements is approximately $1.8 million.

Table 5.3: Planned Parks and Public Spaces

Multi-Purpose Trails (Amizette to Kachina) Planning, Acquisition, and Development	$	750,000
Hiker Parking Lot Expansion or Additional Location and Improvements		350,000
Kachina Wetland Park Improvements		300,000
Public Restrooms and Recreational Structures		350,000
Total	$	1,750,000

Source: Village of Taos Ski Valley 2023-2027 Infrastructure Capital Improvements Plan.

Parks and Public Spaces Cost per Capita

Table 5.4 shows the cost per capita of providing new parks and public spaces at the system facility standard. The system standard per capita is calculated by dividing the value of facilities at the planning horizon by the future service population.

Table 5.4: Parks and Public Spaces Cost per Capita

Value of Existing Facilities	$1,984,400
Value of Planned Facilities	1,750,000
Total System Value (2030)	$3,734,400
Future Service Population (2030)	562
Cost per Capita	$ 6,642

Sources: Tables 5.1, 5.2 and 5.3.

Fee Revenue Projection

Completing the planned facilities will provide a higher value of facilities per capita than is currently provided in the Village. Impact fee revenue may not be used to increase the level of service provided to existing development. Therefore, impact fee revenue will not fully fund the planned facilities and some non-fee funding will be required. **Table 5.5** compares a projection of fee revenue to the cost of the planned facilities. After accounting for the projected future impact fee revenue approximately $234,000 in non-fee funding will be needed to complete the planned facilities.

The Village will need to use alternative funding sources to fund existing development's share of the planned public safety facilities. Potential sources of revenue include but are not limited to existing or new general fund revenues, existing or new taxes, donations, and grants.

Table 5.5: Fee Revenue Projection

Cost per Capita	$ 6,642
Growth in Service Population (2019- 2030)	228
Fee Revenue	$ 1,516,000
Net Cost of Planned Facilities	1,750,000
Non-Fee Revenue to be Identified	$ (234,000)

Sources: Tables 5.1, 5.3 and 5.4

Fee Schedule

Table 5.6 shows the maximum justified parks and public spaces fee schedule. The Village can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The total fee includes a three percent (3.0%) administrative charge to fund costs that include: a standard overhead charge applied to Village programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

Table 5.6: Park and Public Spaces Maximum Justified Impact Fee Schedule

Land Use	Cost Per Capita (A)	Density (B)	Base Fee[1] (C = A x B)	Admin Charge[1, 2] (D = C x 3%)	Total Fee[1] (E = C + D)	Fee per Sq. Ft. (F = E / Avg SF)
Residential - per Dwelling Unit						
Single Family	$ 6,642	0.40	$ 2,657	$ 80	$ 2,737	$ 1.22
Multifamily	$ 6,642	0.45	$ 2,989	$ 90	$ 3,079	$ 2.46
Hotel - per Room	$ 6,642	0.93	$ 6,177	$ 185	$ 6,362	$ 7.95

[1] Fee per dwelling unit or per hotel room.
[2] Administrative charge of 3.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.
[3] Assumes average single family dwelling unit size of 2,250 square feet, multifamily size of 1,250 square feet and hotel room size of 800 square feet.

Sources: Tables 2.2 and 5.4.

6. Wastewater System Development Fees

This chapter details an analysis of the need for wastewater facilities to accommodate growth within the Village of Taos Ski Valley. It documents a reasonable relationship between new development and a wastewater system development fee to fund wastewater facilities that serve new development.

Wastewater Demand

Estimates of new development and its consequent increased wastewater demand provide the basis for calculating the wastewater facilities fee. The need for wastewater facilities improvements is based on the wastewater demand placed on the system by development. A typical measure of demand is a flow generation rate, expressed as the number of gallons per day generated by a specific type of land use. Flow generation rates are a reasonable measure of demand on the Village's system of wastewater improvements because they represent the average rate of demand that will be placed on the system per land use designation.

Table 6.1 shows the calculation of equivalent dwelling unit (EDU) demand factors based on flow generation by land use category. Data specific to wastewater flow was not available, so flow generate for wastewater is assumed to be 69% of water flow generation based on Willdan's experience in other jurisdictions. Wastewater flow is less than water flow due to use, irrigation, and system seepage.

EDU factors express wastewater flow from each land use in terms of the flow generated by a single family dwelling unit. This allows for a calculation of wastewater demand in uniform service units, consistent with state statues.

Table 6.1: Wastewater Demand by Land Use

Land Use Type	Average Flow Generation/ DU & KSF[1]	Equivalent Dwelling Unit (EDU)
Residential - Dwelling Units		
Single Family	22.27	1.00
Multifamily	25.05	1.12
Nonresidential		
Commercial	26.81	1.20
Hotel Room	57.81	2.60

[1] Average gallons per day based on 2019 water billing data. Assumes wastewater flow generation is 69% of water flow generation.

Source: Village of Taos Ski Valley Public Works; Willdan Financial Services.

EDU Generation by New Development

Table 6.2 shows the estimated EDU generation from new development through 2030. The EDU factors from Table 6.1 are multiplied by the land use assumptions from Table 2.1 to estimate total EDUs in the base year, at the planning horizon and for new development. New development will generate approximately 846 new EDUs through 2030, comprising 43.3% of wastewater demand in the Village at that time.

Table 6.2: Wastewater Facilities Equivalent Dwelling Units

		2020[1]		Growth 2020 to 2030		Total - 2030	
	EDU Factor	Units/ 1,000 Sq. Ft./Rooms	EDUs	Units/ 1,000 Sq. Ft./Rooms	EDUs	Units/ 1,000 Sq. Ft./Rooms	EDUs
Residential							
Single Family	1.00	106	106	40	40	146	146
Multifamily	1.12	251	281	110	123	361	404
Nonresidential							
Commercial	1.20	283	339	190	228	473	567
Hotel Rooms	2.60	146	380	175	455	321	835
Total			1,106		846		1,952
Percent of Total			56.7%		43.3%		100.0%

[1] Only includes properties that are served by the Village w astew ater system.

Sources: Tables 2.1 and 6.1, Willdan Financial Services.

Existing Level of Service

Existing level of service for wastewater facilities is quantified in terms of asset value per EDU. **Table 6.3** details the calculation of the existing level of service.

Table 6.3: Existing Level of Service

Sewer Assets[1]	$ 6,774,911
Existing EDUs	1,106
Existing Cost per EDU	$ 6,126

[1] Replacement cost new , less depreciation of sew er plant assets. Book value adjusted to 2021 using Engineering New s Record's Construction Cost Index.

Sources: Village of Taos Ski Valley Depreciation Schedule - 2019; ENR Construction Cost Index; Willdan Financial Services.

Facility Needs and Costs

Table 6.4 identifies the planned wastewater facilities identified in the ICIP. Offsetting revenues dedicated to these projects are subtracted from the total costs to determine the net project costs. The net costs are then allocated to new development based on new development’s proportional share of demand in 2030. The improvements will have more than enough capacity to serve development through 2030, so only a share of the allocation to new development is allocated to development to 2030. In total, nearly $3.9 million worth of wastewater facilities costs are allocated to new development through this methodology.

Table 6.4: Wastewater Facilities Allocation to New Development

Project No.	Total Cost	Grant Revenue	Net Project Cost	Allocation to New Development	Allocation to Development to 2030	Total Allocated Costs
	A	*B*	*C = A - B*	*D*	*E*	*F = C x D x E*
Wastewater Treament Plant, Excess Capacity, built to serve growth[1]	$14,453,257	$1,487,000	$12,966,257	60.0%	50.0%	$ 3,889,877
Total	$14,453,257	$1,487,000	$12,966,257			$ 3,889,877

[1] Includes interest from debt service.

Sources: Village of Taos Ski Valley 2023-2027 Infrastructure Capital Improvements Plan; Table 6.2, Willdan Financial Services.

Cost per EDU

The cost of planned facilities allocated to new development in Table 6.4 is divided by the total growth in EDUs to determine a cost per EDU. **Table 6.5** displays this calculation.

Table 6.5: Cost per EDU

Net Cost of Planned Facilities	$ 3,889,877
Growth in EDUs	846
Cost per EDU	$ 4,598

Sources: Tables 6.2 and 6.4.

Fee Schedule

The maximum justified fee for wastewater facilities is shown in **Table 6.6**. The cost per EDU is converted to a fee per unit of new development based on the EDU factors shown in Table 6.1. The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all Village programs for legal, accounting, and other departmental and administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the facilities fee, and (3) fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Table 6.6: Wastewater Facilities System Development Fee

	A	B	C = A x B	D = C x 3%	E = C + D	F = E / Avg SF
	Cost Per EDU	EDU Factor	Base Fee	Admin Charge[1, 2]	Total Fee[1]	Fee per Sq. Ft.[3]
Residential						
Single Family	$ 4,598	1.00	$ 4,598	$ 138	$ 4,736	$ 2.10
Multifamily	$ 4,598	1.12	$ 5,150	$ 155	$ 5,305	$ 4.24
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 4,598	1.20	$ 5,518	$ 166	$ 5,684	$ 5.52
Hotel - per Room	$ 4,598	2.60	$ 11,955	$ 359	$ 12,314	$ 15.39

[1] Fee per dwelling unit or per 1,000 square feet of nonresidential.

[2] Administrative charge of 3.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

[3] Assumes average single family dwelling unit size of 2,250 square feet, multifamily size of 1,250 square feet and hotel room size of 800 square feet.

Sources: Tables 6.1 and 6.5; Willdan Financial Services.

7. Water System Development Fees

This chapter details an analysis of the need for water system facilities to accommodate growth within the Village of Taos Ski Valley. It documents a reasonable relationship between new development and a water system development fee to fund water facilities that serve new development.

Water Demand

Estimates of new development and its consequent increased water demand provide the basis for calculating the water facilities fee. The need for water facilities improvements is based on the water demand placed on the system by development. A typical measure of demand is a flow generation rate, expressed as the number of gallons per day generated by a specific type of land use. Flow generation rates are a reasonable measure of demand on the Village's system of water improvements because they represent the average rate of demand that will be placed on the system per land use designation.

Table 7.1 shows the calculation of equivalent dwelling unit (EDU) demand factors based on flow generation by land use category. The flow generation estimates based on the Village's 2019 water billing data. The flow generation estimates based on the Village's 2019 water billing data. Note that properties not served by the Village's water system were excluded from the calculation of water demand factors and are excluded from estimates of total EDUs.

EDU factors express water flow from each land use in terms of the flow generated by a single family dwelling unit. This allows for a calculation of water demand in uniform service units, consistent with state statues.

Table 7.1: Water Demand by Land Use

Land Use Type	Average Flow Generation/ DU & KSF[1]	Equivalent Dwelling Unit (EDU)
Residential		
Single Family	32.28	1.00
Multifamily	36.31	1.12
Nonresidential		
Commercial	38.86	1.20
Hotel	83.78	2.60

[1] Average gallons per day based on 2019 billing data.

Source: Village of Taos Ski Valley Public Works; Willdan Financial Services.

EDU Generation by New Development

Table 7.2 shows the estimated EDU generation from new development through 2030. The EDU factors from Table 7.1 are multiplied by the land use assumptions from Table 2.1 to estimate total EDUs in the base year, at the planning horizon and for new development. New development will generate approximately 846 new EDUs through 2030, comprising 43.3% of wastewater demand in the Village at that time.

Note that properties not served by the Village's water system are excluded from demand in 2020.

Table 7.2: Water Facilities Equivalent Dwelling Units

	2020[1]			Growth 2020 to 2030		Total - 2030	
	EDU Factor	Units/ 1,000 Sq. Ft./Rooms	EDUs	Units/ 1,000 Sq. Ft./Rooms	EDUs	Units/ 1,000 Sq. Ft./Rooms	EDUs
Residential							
Single Family	1.00	106	106	40	40	146	146
Multifamily	1.12	251	281	110	123	361	404
Nonresidential							
Commercial	1.20	283	339	190	228	473	567
Hotel Rooms	2.60	146	380	175	455	321	835
Total			1,106		846		1,952
Percent of Total			56.7%		43.3%		100.0%

[1] Only includes properties that are served by the Village water system.

Sources: Tables 2.1 and 7.1, Willdan Financial Services.

Existing Level of Service

Existing level of service for wastewater facilities is quantified in terms of asset value per EDU. **Table 7.3** details the calculation of the existing level of service.

Table 7.3: Existing Level of Service

Water Assets[1]	$ 2,428,792
Existing EDUs	1,106
Existing Cost per EDU	$ 2,196

[1] Replacement cost new, less depreciation of water plant assets. Book value adjusted to 2021 using Engineering News Record's Construction Cost Index.

Sources: Village of Taos Ski Valley Depreciation Schedule - 2019; ENR Construction Cost Index; Willdan Financial Services.

Facility Needs and Costs

Table 7.4 identifies the planned water facilities to be funded through this impact fee. Offsetting revenues dedicated to these projects are subtracted from the total costs to determine the net project costs. For some projects, the net costs are allocated to the impact fee based on the Village's assessment of the capacity provided by that improvement needed to serve new development. For the water line upgrades project, the net costs are then allocated to new development based on new development's proportional share of demand in 2030. Some of the improvements will have more than enough capacity to serve development through 2030, so only a share of the allocation to new development is allocated to development to 2030, based on the Village's assessment.

In total, over $1.9 million worth of water facilities costs are allocated to new development through this methodology. Note that the planned facilities indicate an increase in level of service compared to the existing level of service. New development can fund this higher level of service through impact fees, but the Village must fund existing development's share of this higher level of service through funding sources other than impact fees.

Table 7.4: Water Facilities Costs to Serve New Development

Description	*A* Total CIP Cost Estimate	*B* Grant Revenue	*C = A - B* Net Project Cost	*D* Allocation to New Development	*E* Allocation to Development to 2030	*F = C x D x E* Total Allocated Costs
Gunsite Springs Engineering, Design, Construction and Distribution Lines	$ 1,750,000	$ -	$ 1,750,000	43.3%	100.0%	$ 758,453
Kachina Water Tank	2,976,899	2,176,899	800,000	80.0%	100.0%	640,000
Kachina Distribution Lines	225,000	-	225,000	80.0%	100.0%	180,000
Surface Water Treatment Plant Gunsite (Plan, Engineer, Design, & Construction)	1,500,000	-	800,000	43.3%	100.0%	346,721
Total	$ 6,451,899	$ 2,176,899	$ 3,575,000			$ 1,925,174

Sources: Village of Taos Ski Valley 2023-2027 Infrastructure Capital Improvements Plan; Table 7.2, Willdan Financial Services

Cost per EDU

Table 7.5 calculates a cost per EDU associated by dividing the total cost of projects allocated to new development identified in Table 7.4, by the growth in EDUs identified in Table 7.2**.**

Table 7.5: Cost per EDU

Net Cost of Planned Facilities	$ 1,925,174
Growth in EDUs	846
Cost per EDU	$ 2,276

Sources: Tables 7.2 and 7.4.

Fee Schedule

The maximum justified fee for water facilities is shown in **Table 7.6**. The cost per EDU is converted to a fee per unit of new development based on the EDU factors shown in Table 7.1. The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all Village programs for legal, accounting, and other departmental and administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the facilities fee, and (3) fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Table 7.6: Water Facilities System Development Fee

	A	B	C = A x B	D = C x 3%	E = C + D	F = E / Avg SF
	Cost Per EDU	**EDU Factor**	**Base Fee**	**Admin Charge[1, 2]**	**Total Fee[1]**	**Fee per Sq. Ft.[3]**
Residential						
Single Family	$ 2,276	1.00	$ 2,276	$ 68	$ 2,344	$ 1.04
Multifamily	$ 2,276	1.12	$ 2,549	$ 76	$ 2,625	$ 2.10
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 2,276	1.20	$ 2,731	$ 82	$ 2,813	$ 2.73
Hotel - per Room	$ 2,276	2.60	$ 5,918	$ 178	$ 6,096	$ 7.62

[1] Fee per dwelling unit or per 1,000 square feet of nonresidential.
[2] Administrative charge of 3.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.
[3] Assumes average single family dwelling unit size of 2,250 square feet, multifamily size of 1,250 square feet and hotel room size of 800 square feet.

Sources: Tables 7.1 and 7.5; Willdan Financial Services.

8. Implementation

Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in Chapter 5, Article 8 of the New Mexico Statutes. A high level summary of the adoption process followed by the Village for this impact fee update is shown below. Refer to the New Mexico Development Fees Act for detailed guidelines:

1. Form Capital Improvements Advisory Committee (CIAC) to provide input on land use assumptions and ICIP.
2. Review land use assumptions (receive and incorporate feedback from CIAC)
3. Hold land use assumption hearing with Planning and Zoning Commission
4. Review and adopt land use assumptions via Village Council Resolution
5. Draft impact fee analysis based on adopted ICIP
6. Review ICIP and impact fee analysis (receive and incorporate feedback from CIAC)
7. CIAC provides written comments on the proposed ICIP and impact fees at least five business days before ICIP and impact fee adoption hearing.
8. Planning and Zoning Commission Hearing ICIP and Impact Fee Adoption Hearing
9. ICIP and Impact Fee Ordinance for adoption at Village Council Hearing. Requires first and second reading at two meetings.

Fee Program Maintenance

Once a fee program has been adopted it must be properly maintained to ensure that the revenue collected adequately funds the facilities needed by new development. Section 5-8-30 of the New Mexico state statues requires that impact fee programs be updated every five years or when significant new data on growth forecasts and/or facility plans become available.

Programming Revenues and Projects with the ICIP

The Village maintains an Infrastructure Capital Improvements Plan (ICIP) to plan for future infrastructure needs. The ICIP identifies costs and phasing for specific capital projects. The use of the ICIP in this manner documents a reasonable relationship between new development and the use of those revenues.

The Village may decide to alter the scope of the planned projects or to substitute new projects if those new projects continue to represent an expansion of the Village's facilities. If the total cost of facilities varies from the total cost used as a basis for the fees, the Village should consider revising the fees accordingly.