



Town of Johnstown

TOWN COUNCIL WORK SESSION

450 S. Parish, Johnstown, CO

Monday, November 28, 2022 at 6:00 PM

MISSION STATEMENT: Enhancing the quality of life of our residents, businesses, and visitors through community focused leadership.

AGENDA

CALL TO ORDER

AGENDA ITEMS

1. Greetings & Introductions
- [2.](#) School District Cash In Lieu Schedule
3. Other Discussion Items

ADJOURN

AMERICANS WITH DISABILITIES ACT NOTICE

In accordance with the Americans with Disabilities Act, persons who need accommodation in order to attend or participate in this meeting should contact Town Hall at (970) 587-4664 within 48 hours prior to the meeting in order to request such assistance.

The Community That Cares

johnstown.colorado.gov

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Town of Johnstown

TOWN COUNCIL WORKSESSION COMMUNICATION

AGENDA DATE: November 28, 2021

SUBJECT: School District Cash in Lieu Schedule

ATTACHMENTS:

1. CIL Memo to RE-5 School District
2. Western Demographics Analysis
3. Exhibit A Updated
4. Exhibit B Updated
5. Cash in Lieu Rates Presentation

PRESENTED BY: Matt LeCerf, Town Manager

WORKSESSION ITEM DESCRIPTION:

The Johnstown Milliken RE-5J School District is requesting the opportunity to visit with Council in a work session format to discuss an update to the Cash in Lieu fee schedule. Last time the fee schedule was updated was in 2018 and recently the District completed an updated analysis with Western Demographics. That information is enclosed in the work session packet for your review. The purpose of this item is to have a discussion regarding this request.

Town Staff and District Staff will be available to answer questions as necessary to understand the process and methodology of this study. Ultimate, if advised, this is the first step to begin presenting it to Council during a formal legislative process, if requested.

Reviewed and Approved for Presentation,

Town Manager

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Date: November 9, 2022
To: Weld RE-5J School Board Members
Cc: Karen Trusler, Superintendent of Schools
From: Michael Everest, Chief Financial Officer
Re: Update to District School Planning Standards and Methodology

At the September 21, 2022 Weld County School District RE-5J Board of Education Meeting, Mr. Shannon Bingham from Western Demographics, Inc. presented an updated report for the district's land dedication requirements using the same formula that has been used in the past. Weld RE-5J's requirements were last updated in 2018. These calculations have been updated since the September report to change the district's enrollment capacity for its high schools from 975 to 1,350. This reflects the capacity at the New Roosevelt High School that is currently under construction.

The updated values from the Western Demographics report are based off the costs associated with developed land that already has basic infrastructure: street frontage, water, sewer, storm sewer, electric, gas, and telephone/broadband. The below chart compares the district's current rates with the proposed rates.

Proposed Cash in Lieu Rate Comparison

	Current 2018 Rate	Proposed 2022 Rate
Single Family Detached	\$ 924	\$ 2,301
Single Family Attached	\$ 353	\$ 871
Apartment/Multifamily	\$ 613	\$ 1,514
Mobile Home	\$ 1,530	\$ 2,301

The analysis from Western Demographics calculates the cash in lieu rate for mobile homes to be \$3,766 due to the number of school-aged children a mobile home demographically generates. This is by far the highest rate of the different types of property. Many districts set the cash in lieu rate for mobile homes to be the same as single family detached homes to lessen this burden. District administration proposes that Weld RE-5J adopt this approach as well as reflected in the proposed rates above.

While the proposed rates are significantly higher than the current rates set in 2018, they are in line with surrounding school districts:

Single Family Detached Rates

Weld RE-2 (Eaton)	\$ 2,253
Weld RE-3J (Keenesburg)	\$ 2,235
Weld RE-4 (Windsor)	\$ 2,916
Weld RE-5J (Johnstown-Milliken)	\$ 2,301
Weld RE-6 (Greeley-Evans)	\$ 2,498
Weld RE-7 (Kersey)	\$ 1,723



District administration is seeking board approval to begin discussions with the district's municipalities using the updated report from Western Demographics as the basis to realign the district's cash in lieu rates with updated financial and demographic information. The proposed rate changes will put the district more in-line with neighboring districts. Once discussions have concluded, district administration will seek board approval on the agreed upon rates.

Land Dedication Fee-in-Lieu Analysis – Weld Re-5J School District Western Demographics, Inc. - 9/9/22

Introduction – This report updates the land dedication requirements for Weld Re-5J School District using the same formula that the district has historically used. This formula is commonly used in other rapidly-developing school districts. New values have been used for developed land value based on current samples of recent land sales and current infrastructure costs needed to construct new schools. The updated values propose a fee of **\$2,633.19**. This report identifies specific variables used in the fee calculations and illustrates the updated calculations as proposed by Western Demographics Inc. (Western), an acknowledged expert on the topic in the State of Colorado.

History – The majority of Front Range school districts have had land dedication or fee-in-lieu of land dedication systems for decades. These systems have been adopted by many City and County Jurisdictions and are intended to collect land for school sites or fees to facilitate the purchase of school sites and the provision of other capital needs. Two Colorado school districts (SD27 and Douglas County), have voluntary capital cost recovery fees, which also collect revenue for actual school construction in addition to funds for land acquisition. Given the smaller size of most land developments along the Front Range, the majority of Front Range school districts collect fee-in-lieu instead of receiving school land. This revenue is consolidated so that appropriate sites may be purchased in the best locations to serve student growth needs.

Figure 1 - Sample List of Front Range Districts Collecting Fee-In-Lieu

- Adams 12 (Thornton)
- Aurora Public Schools
 - Boulder Valley
 - Cherry Creek
- Colorado Springs District 11
 - Douglas County
- Poudre School District
- St. Vrain (Longmont)
 - Thompson Valley
- SD27J (Brighton, Thornton)

Figure 2 - Single Family Detached and Single Family Attached Units Under Construction



Current and Proposed Developments in Weld RE-5J – There is a significant amount of active and proposed new development in the Weld RE-5J area during the coming decades. The following table displays new developments slated for Johnstown and Milliken during the next 20 years.

Figure 3
Weld RE-5J Land Developments - DRAFT - 9/8/22

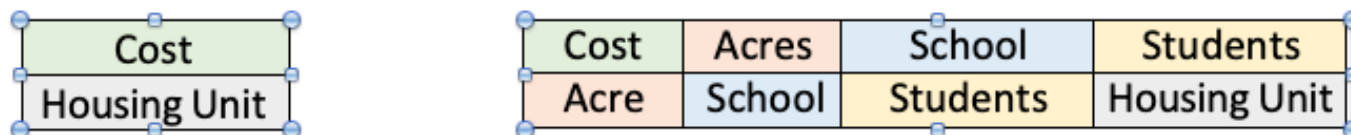
<u>Johnstown</u>	<u>Density</u>	<u>Count</u>	
Mallard Ridge	Detached	263	
Mallard Ridge	Townhome	138	
Mallard Ridge	Apartment	208	
Johnstown Farms	Detached	241	
Great Plains Village (Granary)	Detached	1039	
Great Plains Village (Granary)	Townhome	1115	
Keto / Maplewood Estates	Detached	960	
Subtotal		3964	
<u>Milliken</u>	<u>Density</u>	<u>Count</u>	<u>Acres</u>
Brookstone	Townhome	64	
Lot Holdings - Sunfield (IV)	Detached	86	150
Lot Holdings - Pheasant Hills (VI, VII)	Detached	?	257
Lot Holdings - Prairie Sky (VIII)	Detached	625	360
Lot Holdings - Trapper's Village (IX)	Detached	?	38
Lot Holdings - Golf Course (X)	Detached	?	624
Subtotal		775	

Western Demographics Methodology – Western's formula uses developed land cost which is more consistent with school district needs. Many districts spend millions of dollars to extend roads, water and sewer lines to sites that are not proximate to municipal infrastructure. The cost per acre to convert raw land into developed sites viable for an institutional building adds to the cost of an acre of school land. The majority of front range districts use developed land cost. Western has estimated a cost of **\$126,804** per acre to provide street frontage, water, sewer, storm sewer, electric, gas and telephone / broadband to a site. These cost figures are considered conservative given the recent escalation in the cost of construction which continues to make developing school sites an expensive proposition.

Basics of the Existing Formula – The calculation for school site acreage and cost is relatively simple and includes the following: 1) A land value is collected from comparable sales or appraisal method to establish cost per acre for potential sites; 2) The desired school site size is established to determine the acreage needed; 3) The desired school enrollments are added to establish the number of students that will be housed in a school; and 4) The student yield or average number of students from housing completes the formula.

The following diagram illustrates the variables and how the various units cancel out as the formula is completed and cost per housing unit is established. Residential densities are differentiated based upon the acreages assessed for single family homes, townhomes, apartments and mobile homes.

Figure 4 – Simplified School Site Acreage / Fee Formula



School Size and Student Yield Variables – The school enrollment and preferred site size metrics for Weld RE-5J that have been historically used continue in use in this fee calculation. Student yield statistics have been collected from sampling of existing developments. Mobile home developments are typically the leading producer of students in most Weld County school districts and that trend exists in Weld RE-5J with almost one student produced by each mobile home. There have been very few new mobile home park developments in the past decade.

Figure 5 – School Size Metrics

School Level	Elementary School	Middle School	High School
Desired School Enrollment	640	930	975
Necessary Acreage	10	23	40

Student Yield Per Dwelling Unit	Elementary School	Middle School	High School	Total
Single Family Detached	0.301	0.148	0.17	0.619
Single Family Attached	0.106	0.053	0.071	0.23
Mobile Home	0.469	0.224	0.306	0.999
Apartment	0.187	0.091	0.123	0.401

Fee-in-Lieu of Land Dedication Calculation – Raw Land - The fee-in-lieu element of the calculation converts the acreage needed per housing unit into a cost per acre of developed land that would support a school. The land sales used for comparable sales were conveyed during the past six years. Given the 9 comparable sites available, an average cost of \$44,559 was obtained. Older sales were inflated to current value at an expected appreciation of five percent per year consistent with land value cost escalation in Colorado and specifically in the Weld County area. Figure 6 illustrates the comparable sales and the calculation of the average raw land cost.

Figure 6

Weld RE-5J - Raw Land Comps - 8-30-22

PARCEL	ACCTTYPE	SALEPRICE	SALEDATE	GIS_Acres	Price_Per_Acre	Prior_Years	Formula_5%	Inflated_Price
95717300025	Agricultural	\$ 650,000.00	1/31/22 0:00	35.6	\$ 18,253.00	0	1	\$ 650,000.00
95717300026	Agricultural	\$ 600,000.00	11/10/21 0:00	35.1	\$ 17,102.00	1	1.05	\$ 630,000.00
95717300027	Agricultural	\$ 650,000.00	10/27/21 0:00	35.5	\$ 18,330.00	1	1.05	\$ 682,500.00
95718400053	Agricultural	\$ 375,000.00	4/14/17 0:00	32.7	\$ 11,482.00	5	1.25	\$ 468,750.00
105718000039	Commercial	\$ 1,000,000.00	6/15/22 0:00	17.2	\$ 58,288.00	0	1	\$ 1,000,000.00
105903000028	Agricultural	\$ 1,164,200.00	6/27/19 0:00	17.1	\$ 68,237.00	3	1.15	\$ 1,338,830.00
105905400014	Agricultural	\$ 2,500,000.00	2/22/22 0:00	40.9	\$ 61,077.00	0	1	\$ 2,500,000.00
105906300040	Agricultural	\$ 3,030,000.00	2/15/19 0:00	33.0	\$ 91,738.00	3	1.15	\$ 3,484,500.00
105912001001	Vacant Land	\$ 950,000.00	5/1/17 0:00	21.0	\$ 45,211.00	5	1.25	\$ 1,187,500.00
	Total	\$ 10,919,200.00	Total	268.0	\$ 40,742.43	Average	Total	\$ 11,942,080.00
	Raw Land		Inflated Average Per Acre		\$ 44,559.07			

Developed Land Cost – \$126,804 / Acre - Details – Developed land costs were calculated using the average costs from RLH Engineering based on current construction projects. Cost data were extracted from RS Means cost estimation manuals for institutional construction and compared to recent local school construction projects including Tointon K-8 Academy (Greeley), Roosevelt High School (Johnstown) and ElWell Elementary School (Johnstown). RS Means is the primary cost estimation source used in litigation for change orders and contract disputes in the construction industry. RLH Engineering (a regional authority on Colorado institutional construction costs) collected this data and provided it to Western. Linear footage-based costs in four major categories were converted into the \$126,804 per acre figure.

Figure 7 – Developed Land Data – RLH Engineering - 2022

Utility Service Provider	LF Unit Price from RS Means inflated to 2022 using ENR Inflation Factors	Elementary School (10 Acres)				Middle School / PK8 (25 Acres)				High School (50 Acres)			
		.5 mile service	Road / utilities to 2 side of 10 acre site	Total LF of Infrastructure	Cost for Infrastructure	.5 mile service	Road / utilities to 3 side of 25 acre site	Total LF of Infrastructure	Cost for Infrastructure	.5 mile service	Road / utilities to 4 side of 50 acre site	Total LF of Infrastructure	Cost for Infrastructure
Electrical	\$ 15.00	2,140	1,320	3,460	\$ 51,900	2,140	3,132	5,272	\$ 79,080	2,140	5,904	8,044	\$ 120,660
Gas	\$ 20.00	2,140	1,320	3,460	\$ 69,200	2,140	3,132	5,272	\$ 105,440	2,140	5,904	8,044	\$ 160,880
Telephone / Data	\$ 10.00	2,140	1,320	3,460	\$ 34,600	2,140	3,132	5,272	\$ 52,720	2,140	5,904	8,044	\$ 80,440
Water	\$ 45.00	2,140	1,320	3,460	\$ 155,700	2,140	3,132	5,272	\$ 237,240	2,140	5,904	8,044	\$ 361,980
Sewer	\$ 40.00	2,140	1,320	3,460	\$ 138,400	2,140	3,132	5,272	\$ 210,880	2,140	5,904	8,044	\$ 321,760
Stormwater	\$ 50.00	2,140	1,320	3,460	\$ 173,000	2,140	3,132	5,272	\$ 263,600	2,140	5,904	8,044	\$ 402,200
Roads	\$ 350.00	2,140	1,320	3,460	\$ 1,211,000	2,140	3,132	5,272	\$ 1,845,200	2,140	5,904	8,044	\$ 2,815,400
Cost per LF for Infrastructure	\$ 530.00	2,140	1,320	3,460	\$ 1,833,800	2,140	3,132	5,272	\$ 2,794,160	2,140	5,904	8,044	\$ 4,263,320

Average Cost/Acre for \$ 126,804

Cost per Acre \$ 183,380

Cost per Acre \$ 111,766

Cost per Acre \$ 85,266

Fee-in-Lieu of Land Dedication Calculation – The fee-in-lieu calculation for Weld Re-4 School District is shown in the following table.

Figure 8 – LPSD Fee-in-Lieu of Land Development Fee Basis

Johnstown-Milliken RE5J School District - Initial Land Dedication Fee-In_Lieu Calculations - DRAFT				
Western Demographics, Inc. - 9/9/19 - Scenario #1				
Cost Element	Elementary School	Middle School	High School	Totals
A1 - Students per School - (SFD)	640	930	975	
A2 - Johnstown-Milliken RE5J SD Student Yeld Per SFD Dwelling Unit	0.301	0.148	0.170	0.619
A3 - Site Acreage by Level	10.0	23.0	40.0	
A4 - Developed Land Cost	\$171,681	\$171,681	\$171,681	
A5 - Cost Per Unit by Level - SFD	\$ 807.44	\$ 628.39	\$ 1,197.37	\$ 2,633.19
B2 - Johnstown-Milliken RE5J SD Student Yeld Per Single Family Attached Dwelling Unit	0.106	0.053	0.071	0.230
B5 - Cost Per Unit by Level - SFA	\$ 284.35	\$ 225.03	\$ 500.08	\$ 1,009.45
F2 - Johnstown-Milliken RE5J SD Student Yeld Per Mobile Home Dwelling Unit	0.469	0.224	0.306	0.999
F5 - Cost Per Unit by Level - MANUF HM	\$ 1,258.10	\$ 951.08	\$ 2,155.26	\$ 4,364.43
G2 - Johnstown-Milliken RE5J SD Student Yeld Per Apartment Unit	0.187	0.091	0.123	0.401
G5 - Cost Per Unit by Level - APT	\$ 501.63	\$ 386.37	\$ 866.33	\$ 1,754.33
Raw Land Cost / Acre Based on 10 Recent Sales - With Annual Inflation				\$44,877
Infrastructure Cost / Acre - Categories and Average				
Electrical				
Gas				
Telephone / Data	Costs Based on Samples			Samples
Water	Average Cost Per Acre - Elementary		\$183,380	EIWell ES
Sewer	Average Cost Per Acre - Middle		\$111,766	Tointon K-8
Stormwater	Average Cost Per Acre - High School		\$85,266	Roosevelt HS
Roads		Average Cost - Basic Infrastructure		\$ 126,804
Developed Land Cost Including Basic Infrastructure				\$171,681

Land Dedication Acreage Calculation ---- The methodology to obtain the land dedication acreage (as opposed to the fee) is illustrated in the following table.

Figure 9 – Land Dedication Acreage

Weld RE-5J School District - Land Dedication Acreage Calculations Western Demographics, Inc. - 9/8/22 - Scenario #1				
Calculation Element	Elementary School	Middle School	High School	Totals
A1 - Students per School - (SFD)	640	930	975	
A2 - Weld RE-5J SD Student Yield Per SFD Dwelling Unit	0.30	0.15	0.17	0.6190
A3 - Site Acreage by Level	10.0	23.0	40.0	
A6 - Acreage Per Unit by Level - SFD	0.0047	0.0037	0.0070	0.0153
B2 - Weld RE-5J SD Student Yield Per CD/TH/Duplex Dwelling Unit	0.11	0.05	0.07	0.2300
B6 - Acreage Per Unit by Level - CD/TH/Duplex	0.0017	0.0013	0.0029	0.0059
F2 - Weld RE-5J SD Student Yield Per Manufactured Home Dwelling Unit	0.47	0.22	0.31	0.9990
F6 - Acreage Per Unit by Level - MANUF HM	0.0073	0.0055	0.0126	0.0254
G2 - Weld RE-5J SD Student Yield Per Apartment Unit	0.19	0.09	0.12	0.4010
G6 - Acreage Per Unit by Level - APT	0.0029	0.0023	0.0050	0.0102

Adjacent Districts – The other Weld County school districts close to RE-5J are collecting fees that are close to the \$2,633.19 fee proposed for single family homes.

Figure 10

District	SFD Fee
Weld RE-2 (Eaton)	\$ 2,253
Weld RE-3J (Keenesburg / Lochbuie / Hudson)	\$ 2,235
Weld RE-4 (Windsor / Severance)	\$ 2,916
Weld RE - 6 (Greeley-Evans)	\$ 2,498
Weld RE-7 (Platt Valley / Kersey)	\$ 1,723

Conclusion – An average fee per single family detached unit of \$2,633.19 is reasonable given the various costs faced by Weld Re-5J School District as it continues to provide high quality school facilities for its students and families. This report confirms that this proposed fee uses reasonable, updated variables and a methodology consistent with common practice in the State of Colorado. The revenue collected will greatly assist the district with its efforts to construct needed schools as the community continues to grow.

**Weld County School District RE-5J
Johnstown/Milliken, Colorado**



**Exhibit A
School District Planning Standards**

		Single Family Detached	Single Family Attached	Mobile Home	Apartment
i.	Student Yields				
	Elementary School	0.301	0.106	0.469	0.187
	Middle School	0.148	0.053	0.224	0.091
	High School	0.170	0.071	0.306	0.123
	Total	0.619	0.230	0.999	0.401
ii.	School Facility Enrollment Capacities				
	Elementary School	640			
	Middle School	930			
	High School	1350			
iii.	School Site Acreage Requirements				
	Elementary School	10			
	Middle School	23			
	High School	40			
iv.	Developed Land Value per Acre (Including Basic Infrastructure)				
	\$171,681				

Revised 11/04/2022 based on information provided by Western Demographics, Inc.

**Weld County School District RE-5J
Johnstown/Milliken, Colorado**



**Exhibit B
School District Methodology**

Based on the School District Planning Standards, contained in Exhibit A, calculation of land dedication or in-lieu payments uses the following procedures:

	Student Yield	Acres per Student Capacity	Acres Required per Housing Unit	Per Acre Value	Cash in Lieu Amount Per Unit
Single Family Detached					
Elementary	0.301	0.05	0.0047	\$ 171,681	\$ 807
Middle	0.148	0.02	0.0037	\$ 171,681	628
High School	0.170	0.02	0.0050	\$ 171,681	866
Total	0.619		0.0134		\$ 2,301
Single Family Attached					
Elementary	0.106	0.02	0.0017	\$ 171,681	\$ 284
Middle	0.053	0.01	0.0013	\$ 171,681	225
High School	0.071	0.01	0.0021	\$ 171,681	362
Total	0.230		0.0051		\$ 871
Apartment					
Elementary	0.187	0.03	0.0029	\$ 171,681	\$ 502
Middle	0.091	0.01	0.0023	\$ 171,681	386
High School	0.123	0.01	0.0036	\$ 171,681	626
Total	0.401		0.0088		\$ 1,514
Mobile Home					
Elementary	0.469	0.07	0.0073	\$ 171,681	\$ 1,258
Middle	0.224	0.02	0.0056	\$ 171,681	951
High School	0.306	0.03	0.0091	\$ 171,681	1,557
Total	0.999		0.0220		\$ 3,766

Revised 11/04/2022 based on information provided by Western Demographics, Inc.



Update to District School Planning Standards & Methodology

Karen Trusler

Superintendent of Schools

Michael Everest

Chief Financial Officer

Weld County School District RE-5J

November 9, 2022

Overview

- Weld RE-5J last updated its School District Planning Standards and Methodology in 2018.
- Board of Education presentation by Shannon Bingham from Western Demographics, Inc. on September 21, 2022.
- Planning Standards updated on November 4, 2022 to change high school enrollment from 975 to 1,350.
 - Reflects capacity of the New Roosevelt High School that is currently under construction.

Proposed Cash in Lieu Rate Comparison

- Updated values based off costs associated with developed land with basic infrastructure.
 - street frontage, water, sewer, storm sewer, electric, gas, and telephone/broadband

Proposed Cash in Lieu Rate Comparison

	Current 2018 Rate	Proposed 2022 Rate
Single Family Detached	\$ 924	\$ 2,301
Single Family Attached	\$ 353	\$ 871
Apartment/Multifamily	\$ 613	\$ 1,514
Mobile Home	\$ 1,530	\$ 2,301

Comparison with Neighboring Districts

- Proposed rates are significantly higher than 2018 rates.
- Proposed rates are comparable to neighboring districts.

Single Family Detached Rates

Weld RE-2 (Eaton)	\$	2,253
Weld RE-3J (Keenesburg)	\$	2,235
Weld RE-4 (Windsor)	\$	2,916
Weld RE-5J (Johnstown-Milliken)	\$	2,301
Weld RE-6 (Greeley-Evans)	\$	2,498
Weld RE-7 (Kersey)	\$	1,723

Requested Board Action

- District administration is seeking board approval to begin discussions with district's municipalities using the updated rates as presented.
- This change would realign the district's cash in lieu rates with updated financial and demographic information and make the district more in-line with neighboring districts.
- Once discussions have concluded, district administration will seek board approval on the agreed upon rates.