

Financing, Town Funds and Uses Allowed

When developers/builders obtain building permits for new construction in Berthoud they have to remit payment to the Town for what are referred to as impact, or capital expansion, fees. As a community grows the existing infrastructure is not always able to accommodate the additional demand without expanding the capacity of that infrastructure in some manner. This fee structure imposed on new construction via “building permits” is to insure that “growth will pay its own way”, and that this financial burden will not be placed on existing citizens. Impact/Expansion fees have been developed for each specific element of our public infrastructure such as; streets, parks, general government infrastructure (a Town Hall is a great example), potable water, wastewater, storm drainage, etc. and these funds are essentially kept separate from other funds.

In addition to the Impact/Expansion Fee accounts, there are other funds that are generated on an annual basis from taxes etc., which are used for operating and maintaining existing infrastructure, or sometimes set-aside and earmarked for specific purposes such as constructing “new” community amenities. An example of a new amenity would be a new Recreation Center, because Berthoud has never had a recreation center. The cost of building infrastructure for the “first time” which has never been available to the community prior to this point in time cannot be passed along to the development community, because it is not considered as an “expansion” of existing infrastructure that was due to the impacts of growth.

In this case, having used our present facility for 86 years as Berthoud’s Town Hall in some fashion or another, we are essentially long overdue for a larger building, which makes it an eligible use of the impact/expansion fees that were set aside over the years for just such an occasion. Impact fees collected for parks expansions and open space/trails construction are in separate accounts and are not being used to purchase the bank building.

For a period of years the Board did set-aside approximately \$450,000 for the future construction of the Recreation Center, but those funds were essentially borrowed for a short time to purchase the Richardson Property north of Loveland Lake. The Board’s direction at the time was to surplus the property north of the high school, which was done, and the net proceeds of the sale (approximately \$650,000) was put back into the Recreation Center account to be combined at a future date with the \$500,000 proceeds of the Jones Estate when that is received.

We have 2 projects underway right now concerning the development of Waggener Farm Park (“including” a Community/Recreation Center) and development of our future Parks/Open Space/Trails areas. Neither of these projects will be impacted financially or otherwise if the Town Board decides to move forward with the procurement of the bank building.