



HOME BUILDERS
ASSOCIATION
of
METRO DENVER®

November 16, 2009

Dennis Welker
John McCarty
Southeast Metro Stormwater Authority
76 Inverness Drive East, Suite A
Englewood, Colorado 80112-8844

Via electronic mail

Dear Messrs. Welker and McCarty,

The HBA of Metro Denver appreciates the opportunity to provide our comments on behalf of our members regarding the proposed SEMSWA fees as presented in the meeting November 2 and in the draft document posted to the agency's website.

Our primary concern is the significant impact these proposed fees will have on our members. As we are all painfully aware, these are not normal economic times. The housing market continues to labor under an unprecedented weak economy while builders and developers are struggling to keep their organizations in tact, serve their existing customers and find the rare buyer in order to keep their employees and trade partners employed. The addition of significant costs through the fees as proposed is very likely to have a negative impact on stabilization of the housing market in the SEMSWA service territory.

To highlight the economic benefit to the local community and local government created by new housing we'd like to share with you data provided by the National Association of Home Builders concerning the jobs, income and taxes generated by home building in a local community. (The full report is available upon request.) This information is certainly worth your consideration as you prepare to act on this very steep increase in fees:

The estimated one-year impacts of building 100 single family homes in a typical metro area include:

- \$21.1 million in local income,
- \$2.2 million in taxes and other revenue for the local government, and
- 324 local jobs.

The additional, annually recurring impacts of building 100 single family homes in a typical metro area include:

- \$3.1 million in local income,
- \$743,000 in local taxes and other revenue for local government, and
- 53 local jobs.

While the HBA generally agrees that development should pay its proportional share of development-related costs, we believe the above data demonstrates an economic benefit to the community that is often overlooked. We are concerned that any further impediment to housing development at this time will stall the return of those benefits to the local economy and government and well as further dampen the housing market in the SEMSWA service territory.

Additionally, in looking for some correlation to rational nexus and proportionality, while there is reference to reduced future operation and maintenance costs and increases in SEMSWA's fee revenue related to impervious area, it is not evident if and how these fiscal benefits have been calculated in the proposed fees or whether the benefits to existing residents have been considered.

The fees proposed by SEMSWA seem to be excessive. The total costs of services have increased substantially over what has been typical historically, in some cases by 100% or more. Taken together with the current Arapahoe County and City of Centennial fees, which you have indicated will not be reduced or eliminated, the net effect is extreme. If the original intent in creating SEMSWA was to relieve the city and county of these responsibilities it would seem logical that there not be correlating fees at the city and county level. Clarification in this regard would be helpful.

Additionally it appears that SEMSWA will be reviewing documents that are more appropriately the city's or county's responsibility, such as plats, construction plans, county agreements, etc. In general, we are unclear as to the division or duplication of responsibilities, related services and fees among SEMSWA, the county and the city.

The hourly rates used in estimating cost of service are very high and comparable to the fees typically charged by for-profit firms. We understand that these hourly rates include overhead costs; a breakdown of overhead vs. hourly rates should be provided. We urge that greater scrutiny be given to this computational element of estimation.

We assume it is the intent, but recommend that it be clearly stated that projects with previous agreements are not subject to these new fees.

Likewise we assume that individual fees will only be applicable on the specific reviews necessary to an individual project. That is, for example if there are no easements, no fees for easement review will be charged; if no LOMR is required, no LOMR fee is charged.

We look forward to working with you to keep fees under control, ensure no duplication of services while continuing to protect the waterways of Colorado.

Regards,



Kim Calomino

Vice President, Technical and Regulatory Affairs