

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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Attachment A
**Chatfield Downstream Channel Improvement Project
Easement Fee Structure
May 13, 2005
(Revised November 1, 2005)**

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BACKGROUND

At the November 6-7, 1995 and January 24-25, 1996 Board Meetings, several easements across CWCB Rights-Of-Way along the Chatfield Downstream Channel Improvement Project were approved by the Board. Following the approvals, the Board directed staff to develop a fee structure to be used as consideration for CWCB granting of easement. At the March 23, 2005 Board meeting, staff was requested to review and make a recommendation on the fee structure for the “Chatfield Downstream Channel Improvement Project Easement Fee Structure” dated March 6, 1996.

DISCUSSION

CWCB staff consulted with five entities which have experience in granting easements and charging fees for said easements: 1) City of Fort Collins (Stormwater Utility); 2) City of Littleton; 3) Urban Drainage and Flood Control District (UD&FCD); 4) Colorado State Land Board; and 5) Colorado Attorney General’s Office. Based on those discussions, the following fee determination methods were developed. In May 2005, the staff communicated with a number of entities that have to address the CWCB’s real estate easement fee issues. These communications have aided the staff in making additions and changes to the existing easement fee structure.

Procedure for the Computation of Easement Fees for the CWCB’s South Platte River Right-Of-Way.

Method I – Market Value Method

This method shall consider the fair market value of the subject site. It will require an appraisal by a licensed appraiser to determine the fair market value for the property in question. The appraisal may be based on comparable land values in the area at the time of negotiations, but it must also take into account the best and highest use of the property. The applicants must provide the appraisal to the CWCB in order to establish the fair market value for the subject property.

The cost of said appraisal shall be the sole responsibility of the applicant, and the CWCB shall have the right to independently verify the results of the appraisal at its own discretion.

The maximum term of easement is twenty-five (25) years.

The easement value is computed as follows:

Step 1 – Determine the fair market value of the subject property (unit value).

Step 2 – Determine size (area) of the impacted CWCB Right-Of-Way for the easement.

Step 3 – Compute the easement value as (market value/area) X (easement area)

Step 4 – Adjust the easement value by using the % impact table shown below in Method II.

The adjusted easement value shall equate to a total dollar value for a one-time lump sum payment to the CWCB. The easement is renewable in (25) years and the consideration for renewal will be the computed amount adjusted for inflation.

Method II – Impact Method

This method shall consider what percent impact value that will be realized to the CWCB lands for the proposed use area. The Base Real Estate Value of the CWCB right-of-way lands will be multiplied by the percent impact value. The CWCB shall establish the Base Real Estate Value for its lands based on current and recent transactions, discussions with adjacent land owners and communication with interested agencies (Urban Drainage & Flood Control District – UD&FCD, Denver Water, XCEL, Metro Cities and others who perform a similar activity.

Maximum term of easement is twenty-five (25) years.

The Value is computed as follows:

Step 1 – The Base Real Estate Value rate shall be ten dollars (\$10.00) per square foot.

Step 2 – Determine the percent (%) impact value for the requested use per complete application:

% Impact Table

Easement Use	% Impact
Drainage pipes and structural design features	50
Water and sewer line and related structures and systems	50
Recreational structures	50 to 70
Fences and paved surface area	70
Power lines	80
Private use structures (patios, decks, storage facilities, roads, etc.)	90

Value Formula: Value = (Base rate @ 10.00 sq ft.) X (Impact %) X (area in sq. ft.).

The **Value** means the dollar value for a one-time lump sum payment. The easement is renewable in 25 years and the consideration for renewal will be the computed amount adjusted for inflation.

All requests and approvals by the CWCB will have a revocable clause.

Method III – Special Use Easement

The Board may consider a Special Use Easement (Method III) on a case-by-case basis. In the event that Methods I and II do not appropriately fit an individual easement request, or if those methods result in an undue hardship for the applicant, then the Board may implement Method III at its discretion. The minimum fee for this type of easement is five hundred (500) dollars; however, the Board may decrease, increase, or waive the fee based on one or more criteria as outlined below. The criteria that the Board may consider in exercising its discretion in making fee adjustments are:

1. Costs to the CWCB
2. Benefits to the public
3. Type of activity involved
4. Right of way operation & maintenance costs and considerations
5. Positive and/or negative impacts to the environment or to the project
6. Size and physical characteristics of the parcel
7. Time or duration of the easement
8. Appurtenance of the easement to adjacent lands
9. Previous encumbrances
10. Public access