

Arapahoe County Oil & Gas Transportation Impact Study

BOCC Study Session

September 1, 2020



What is a Transportation Impact Fee?

- Fee charged to new development used to pay for expenditures on capital facilities required as a result of the new development
- Rural Transportation Impact Fee and Smoky Hill Area Regional Impact Fee apply to traffic-generating developments based on building square footage:
 - Residential
 - Commercial
 - Office
 - Industrial
- Proposed: Oil & Gas Fee

Background of Oil & Gas in Arapahoe County

2013

Oil & Gas Transportation Impact Study completed

2016

BOCC chose to continue voluntary contributions rather than adopt Oil & Gas Transportation Impact Fee

BOCC adopted Rural Transportation Impact Fee

2018

Adams and Boulder Counties adopted Oil & Gas transportation impact fees

BOCC directed staff to conduct an Oil & Gas Transportation Impact Study Update

- Incorporate reduced fees for development with pipelines
- Evaluate impacts of energy related non-oil & gas uses
- Study Update initiated in July

Mitigation Activities Include

- Paved roads
 - Additional asphalt overlay to offset impacts
 - Expedited reconstruction due to faster expiration of service life
 - Adding shoulders to offset impacts to safety
- Gravel roads
 - New gravel
 - Additional grading
 - Increased dust suppression applications
 - Paving

Fee Calculation Method by Improvement Type

Improvement Type	Fee Calculation Method
Asphalt Overlay / Reconstruction	ESAL-Based Average Cost per Pad & per Well
Gravel Maintenance	Trip-Based Average Cost per Pad & Well
Paving Gravel Roads	Use Eastern Plains Transportation Impact Fee of \$153.10/Daily VMT; Oil & gas vehicles - 1.5 average passenger car equivalent
Shoulder Improvements	

Proportion of Defensible Per Well Fee by Improvement Type

Improvement Type	West Zone		East-Central		East Zone	
	No Pipelines	All Pipelines	No Pipelines	All Pipelines	No Pipelines	All Pipelines
Approximate Defensible Well Fee by Improvement Type - \$\$\$\$ (%)						
Asphalt Overlay / Reconstruction	\$58,552 (94.5%)	\$4,034 (78.9%)	\$168,762 (95.7%)	\$19,944 (79.5%)	\$19,786 (40.4%)	\$1,932 (9.7%)
Gravel Maintenance	\$124 (0.2%)	\$36 (0.7%)	\$4,056 (2.3%)	\$4,089 (16.3%)	\$25,908 (52.9%)	\$16,952 (85.1%)
Paving Gravel Roads	\$3,284 (5.3%)	\$1,043 (20.4%)	\$3,527 (2.0%)	\$1,054 (4.2%)	\$3,282 (6.7%)	\$1,036 (5.2%)
Shoulder Improvements						
Total Fee/Well	\$61,960 (100%)	\$5,113 (100%)	\$176,345 (100%)	\$25,087 (100%)	\$48,976 (100%)	\$19,920 (100%)

Takeaway from this table: Gravel Maintenance Costs make up a small part of the total fee in the West, but a large part of the fee in the East where much of the road system is gravel

Original (2019) Defensible Oil & Gas Roadway Impact Fee Schedule

Pipeline Scenario			West	East-Central	Far East
Fresh Water Pipeline	Produced Water Pipeline	Product Pipeline			
<i>Per Pad Fees</i>					
n/a	n/a	n/a	\$1,112	\$2,495	\$468
<i>Per Well Fees</i>					
-	-	-	\$61,960	\$176,345	\$48,976
✓	-	-	\$59,840	\$172,258	\$46,739
-	-	✓	\$35,448	\$117,259	\$36,224
-	✓	-	\$34,789	\$115,911	\$34,909
✓	-	✓	\$33,327	\$113,171	\$33,986
✓	✓	-	\$32,668	\$111,823	\$32,671
-	✓	✓	\$7,369	\$33,486	\$22,157
✓	✓	✓	\$5,113	\$25,087	\$19,920

BOCC
Guidance at
December 17,
2019 Study
Session

- Prepare a reduced fee schedule by treating roto-paved roads as normal asphalt for well fees
- Convene another meeting with industry representatives to present findings and schedule with roto-pave road reduction

A 3rd Industry Stakeholder Meeting was held on June 4, 2020

- Participants included representatives of COGA, API and 4 operators
- Industry comments included:
 - Appreciation for ongoing coordination
 - Questions about trip generation assumptions → importance of independent fee calculation option
 - Requests for acknowledgment of other revenues generated by oil & gas

END OF
PRESENTATION

- QUESTIONS &
DISCUSSION