



Community Development & Neighborhood Services

281 N. College Avenue
PO Box 580
Fort Collins, CO 80522

970.416.2740
970.224.6134 - fax
fcgov.com

BUILDING REVIEW BOARD

April 25, 2013

1:00 pm – 3:00 pm

City Council Chambers

300 LaPorte Avenue

AGENDA

1. Approve minutes from the February 28, 2013 Meeting

2. Capital Expansion Fee Study Follow Up

3. Follow-Up Reports:
 - None.

4. Other Business
 - 2012 I-Code Review Update

FORT COLLINS BUILDING REVIEW BOARD Regular Meeting – February 28, 2013 1:00 p.m.	
Council Liaison: Kelly Ohlson	Staff Liaison: Mike Gebo (416-2618)
Chairperson: Alan Cram	

A regular meeting of the Building Review Board was held on Thursday, February 28, 2013 at 1:00 p.m. in the Council Chambers of the Fort Collins Municipal Building at 300 Laporte Avenue, Fort Collins, Colorado.

BOARD MEMBERS PRESENT:

Alan Cram
 Andrea Dunlap
 Justin Montgomery
 Torey Lench
 Rick Reider
 Jeffrey Schneider

BOARD MEMBERS ABSENT:

George Smith

STAFF MEMBERS PRESENT:

Melanie Clark, Staff Support to the Board
 Mike Gebo, Chief Building Official
 Paul Eckman, Deputy City Attorney

ROLL CALL

The meeting was called to order and roll call was taken.

1. APPROVAL OF NOVEMBER 15, 2012 MINUTES:

A motion was made by Dunlap to approve the November 15, 2012 minutes as written. Montgomery seconded the motion.

Vote:

Yeas: Dunlap, Schneider, Cram, Reider, Lench, Montgomery

Nays: None

Abstain: None

2. ANNUAL ELECTIONS

A motion was made by Dunlap to appoint Alan Cram as Chairman. Reider seconded the motion.

Vote:

Yeas: Dunlap, Schneider, Cram, Reider, Lench, Montgomery

Nays: None

Abstain: None

A motion was made by Dunlap to appoint Jeff Schneider as Vice-Chairman. Montgomery seconded the motion.

Vote:

Yeas: Dunlap, Schneider, Cram, Reider, Lenocho, Montgomery

Nays: None

Abstain: None

3. CAPITAL EXPANSION FEE STUDY

Jessica Ping-Small, Revenue and Project Manager, stated the fees included in this study were: neighborhood parks, community parks, fire, police, and general government. The goal of this study was to provide a comprehensive review of the fees, which had not been done since 1996. Ping-Small discussed the calculation of the fees and the methodology of the study. The fees are proposed to increase due to the city's increased infrastructure, updated household size data, the inclusion of the trail infrastructure in the fees, and the inclusion of streets capital to the general government fee. Ping-Small reviewed the fees with and without the inclusion of the trail infrastructure, an aspect that remains debatable.

Ping-Small compared the proposal to neighboring jurisdictions and discussed the fund balances of the various fees. She stated the two large changes resulting from the study are the possible inclusion of the trail infrastructure and the inclusion of the streets capital to the general government fee. Additionally, staff is recommending codifying a comprehensive review of the fees every three to five years.

Cram asked what statistics determine the amount of usage based on house square footage. Ping-Small replied average household sizes are applied to infrastructure costs. Household size data was taken from the Census bureau housing survey and extrapolated to local data.

Cram asked what percentage of the trails is in the open space that was purchased with the special open space tax. Ping-Small replied she would need to return with that information.

Mike Beckstead, Chief Financial Officer, stated it comes down to a segregation of funds. Part of the trail fee here will go to build new trails and underpasses associated with those trails. Fees and revenues that come from these trail fees cannot be used to build underpasses within the existing trail system. Cram suggested that distinction be outlined in the document.

Lenoch asked if any opinion was voiced by the Homebuilders Association or Fort Collins Board of Realtors regarding the larger increase in fees for smaller units. Ping-Small replied all groups have had input regarding that issue, particularly affordable housing folks. There are currently very few permits for smaller units and there was a formulaic process which resulted in those increases. A way to mitigate this would be to create a credit for the smaller units.

Montgomery stated it would be difficult to make a recommendation given the extreme amount of data. He noted these fees have been increased annually based on inflation and asked what percentage increase this proposal would have over current fees. Ping-Small replied the average increase is 21% based on where the bulk of permits are pulled, and with the inclusion of the trails.

Montgomery asked how these fees fit in with general taxes and other revenue taken in by the City. He asked about the impact on the City coffers should these fees not be increased. Ping-

Small replied there would be less money available to grow the infrastructure as new development happens should the increase not be approved.

There was a question about the housing stock existing prior to 1996 that never paid these fees. Ping-Small replied they are benefitting without having paid the fees, but that is an unavoidable consequence.

There was a question asked if taking into account only the housing stock since 1996, which has paid into this system, makes more sense. Ping-Small replied functional population is calculated based on how many people are at a land use at any one given time.

A comparison was requested between a new construction 2,000 square foot home at current rates, versus the proposed new fees. Ping-Small replied current fees would be \$5,381 and proposed fees, with the trail fee, would be \$5,276. She added that the number decreases in larger units because of the community park fee.

It was asked whether uninhabitable basement square footage is included in calculations. Ping-Small replied in the negative. She stated that impact fees are assessed only when a new dwelling unit is added, not for remodels or additions.

Dunlap asked if the fees are associated with an area of town or specific development. Ping-Small replied a development has to benefit from the capital expansion fees. The trails fee is a slightly more difficult example than the other fees.

Cram stated the fees have increased 5% every year and asked if the need for the fees to double every twelve years actually exists. Beckstead disagreed that the increase has been 5% a year as that increase is based on inflation. Beckstead stated that he would return to the Board with a better understanding of that information.

It was asked how the future trails expansion would be funded if this trail fee is not included. Ping-Small replied Natural Area funding runs out in a couple years and there are some concerns regarding future funding.

Cram stated the mass of information provided makes it difficult to provide a recommendation. Ping-Small noted she could return with additional information as the item does not go before Council until June.

A motion was made by Lenocho to table the item until the Board's next meeting in April in order to allow the Board more time to review the information and to allow staff time to research Board questions. Schneider seconded the motion.

Vote:

Yeas: Dunlap, Schneider, Cram, Reider, Lenocho, Montgomery

Nays: None

Abstain: None

4. EASTSIDE/WESTSIDE NEIGHBORHOODS CHARACTER STUDY

See verbatim minutes attached.

Meeting adjourned at 3:21 p.m.

Mike Gebo, Chief Building Official

Alan Cram, Chair

HEARING OF THE BUILDING REVIEW BOARD

CITY OF FORT COLLINS

Held Thursday, February 28, 2013

City Council Chambers

300 West Laporte Street

Fort Collins, Colorado

In the matter of:

Eastside & Westside Neighborhoods Character Study Presentation

Meeting time: 1:00 p.m., February 28, 2013

BOARD MEMBERS PRESENT:

Alan Cram, Chair

Andrea Dunlap

Jeff Schneider, Vice Chair

Rick Reider

Torey Lenocho

Justin Montgomery

STAFF MEMBERS PRESENT:

Mike Gebo, Chief Building Official

Melanie Clark, Board support

Pete Wray, Senior City Planner and Project Manager for the Eastside & Westside Neighborhoods Character Study, provided background of the project explaining staff had received direction from City Council in 2011 to have a new and broader look at neighborhood compatibility for both the eastside and Westside neighborhoods. He further explained a previous study took place in 2010 and an ordinance had been brought forward in early 2011 with a package of Land Use Code amendments approved by Council. This ordinance was later repealed by citizen initiative. Wray noted the bulk of that package was a revision to the existing floor area ratio standards. Wray stated staff was charged with revisiting the issue and a consultant team was hired. Beginning in the spring of 2012, staff worked with a Council ad hoc committee to establish the initial goal of the new process and schedule, initiating a public process. The group identified issues and objectives, a neighborhood profile in defining the character and context of the neighborhoods, potential tools and strategies to address the recognized issues of the largest construction examples, impacts of new additions and new construction within the neighborhoods, including the size of some of the issue homes, the immediate impacts on building mass and scale, solar access, and privacy on neighboring properties.

Wray stated the group brought forward conclusions of the study process at a Council Worksession in November and there was a staff recommendation on five key strategy options to address those issues. Council supported the five key strategy options with the inclusion of an assessment of the new floor area ratio. Wray stated they were directed to proceed with implementation. Since November 2012, staff and the consultant team drafted new Land Use Code language to include in the Ordinance. They had additional public meetings in January, working group meetings with neighbors and other stake holders, public open house meetings and a series of Board and Commission hearings. Wray noted they are at the final stage of implementation with the Building Review Board being the final Board from which they are seeking a recommendation. Wray further noted that City Council adopted the ordinance on first reading with second reading taking place on March 5th. 2013. Wray explained the Land Use Code amendments included in the package would be applicable to two zoning districts within both neighborhoods. He further explained the (NCL) Neighborhood Conservation, Low Density and the Neighborhood Conservation Medium Density (NCM) zones, comprised the boundaries of the two neighborhood study areas.

Wray stated that based on direction they received from Council in November, to include a revision to the existing floor area ratio, they proceeded in developing the package of Land Use Code amendments referred to as Option A. They recently developed Option B because of continued discussion and differing opinions on whether change to the floor area ratio should be included or not. Wray believes this was helpful for the Boards to look at in the event that Option A wasn't supported. Wray explained that Option A included five new standards.

The first was to expand the existing notice area for variance requests from 150 feet to 500 feet. The majority of public support was for this type of change.

The second standard was a revision to the existing floor area ratio standards. In the NCL zone, the existing floor area ratio is .4 or 40% lot coverage and in the NCM it is .5 or 50%. So they are looking at a new reduction in the floor area ratio for both zoning districts within both neighborhoods, based on lot size on a sliding scale. As well, it would be applied differently to the zoning districts. The second part of that change was to look at an adjusted measurement method for counting floor area, large volume spaces, elevated basements, and detached accessory structures up to 250 square feet. Wray referred to the packet provided to the Board explaining there were tables that outlined the adjusted floor area comparing the existing standard based on lot size to the proposed new standard. He explained that this is an enlargement of the NCL calculation. They highlighted the new allowances for total floor area based on lot size and the same for NCM. The intent of the adjustment was to address the largest recognized construction examples in order to limit the overall size to a certain extent. Wray stated that this was a slight adjustment as they didn't want to push it too far and be overly restrictive knowing they also had a package of new design standards that would play into addressing all of the issues associated with neighborhood compatibility. Wray referred to the slides explaining that it showed a description of the average lot size and house size within the two zoning districts and the average floor area ratio which is incidentally the same for both zoning districts which is .21. He further explained that the prevailing FAR is low and well within the existing floor area ratio maximum of .4 and .5. The largest lots are being reduced down from .4 to .33, which is still well within above the average FAR for these areas. Wray referred to another chart for the Westside neighborhood in the NCL zone showing a decreased trend for larger lot sizes. He explained that the intent was to address and target the outliers, the largest construction examples, providing sufficient flexibility for most other projects to not be affected by the FAR. He noted there are similar charts for the NCM and the Eastside neighborhoods.

Wray stated that the second part of this proposed standard is a measurement method change for the side wall height at the minimum side yard setback. He noted that under the current standard it is measured from the finished grade at wall of 18 feet for the second story and the new adjustment would be measured from the existing grade of property line on the left side.

Wray explained that the next standard is looking at a solar access standard based on a certain size project. He further explained there's a threshold, and where one story is being changed to a two story and where there is a neighboring property to the north of the side wall. They were not addressing east/west shading aspects. This is for neighboring properties to the north to reduce the sidewall height from eighteen feet to fourteen feet providing some flexibility for some elevated finished floors for steps up to front porch and such. Wray clarified that this is different than coming up with a more restrictive full solar access ordinance where there are several aspects that could be included in a solar ordinance which the City doesn't have right now. Some of those aspects or considerations include the exact measurement of shading on a neighboring property, building or yard. He is taking into account mature vegetation and trees, the shape of a lot, slope of grade, a lot of different things that could be factored into a solar ordinance. Wray reiterated they are recommending a simple standard to just look at the sidewall height for those that

would have neighboring properties to the north. Wray referred to a slide showing an illustration looking at the winter solstice, sun angle and generally where the shading would occur if a neighboring home is on the minimum of five foot side yard setback and with different roof pitches.

Wray stated that the next standard addresses front and side building façade articulation with a menu of options being provided to address building massing and scale and reduce the looming effect of long building walls. Wray explained that typically average building wall lengths are between thirty and thirty five feet and they are providing anything greater than forty feet. He noted that this gives a little extra provision for either having a setback or a step down to articulate the building façade wall design. Lastly they looked at a series of case studies in the neighborhoods and compared the existing standards to the proposed package of new amendments.

Wray stated that Option B is the same as Option A; however, it does not include the reduction in the floor area ratio formula.

Schneider stated that some of the questions he had are non-relevant, as this has already been approved on first reading by City Council. He asked when the ordinance is proposed to be put into effect, assuming Council would again choose Option A at the second reading.

Wray answered that if Council adopts the ordinance on second reading and still chooses Option A, it would normally take effect ten days after the hearing. He explained they have included in both options A and B under section 8, a provision to allow a two month delay for application of the ordinance. He further explained they heard from several builders and owners that were in various stages of design who recommended allowing additional time to work through the processes to submit and staff responded in providing that. He noted that Council supported this provision on first reading.

Lenoch asked if the current solar access study to date took into account that east and west facing homes would be subject to different rules than north or south facing homes. He explained that this is all based on side walls and because the City already has the requirement that a certain percentage of the home be built on the front or back half of the lot, he believes they are creating some sort of scenario where homes will have different possible valuations relative to the solar access, because they are a south or east facing home and the effect of the winter solstice sun and the effect on its neighbors.

Wray stated they didn't look at an assessment of impacts on valuation. He explained that the standard simply limits the sidewall height where there is a neighboring property to the north that typically is applicable to homes that are on north/south streets where the sidewall height is adjacent to a property to the north. He further explained that it wouldn't affect east/west considerations or homes on an east/west aligned street. Wray reiterated they are not measuring a specific degree of shading and they looked at the winter solstice as the worst case scenario for maximum shading for a certain time of the year. Wray noted there had been a lot of questions on why they didn't consider impacts of mature

trees and other considerations. Wray believes that could go into a solar ordinance but the standard just focused on limiting the sidewall height.

Wray further noted they heard a lot from neighbors that solar access was one of the most important issues, including anything from the amount of shading on a building, sidewall, property, or yard within these neighborhoods.

Lenoch asked if staff was confident and happy with the fact that the study takes into account that this sidewall only effects fifty percent of the homes in the Eastside/Westside neighborhoods assuming that half the homes are on north/south streets and half the homes are on east/west streets.

Wray stated that it depends on the amount of new additions or new construction. He explained that eighteen cases were looked at in their case studies and of the eighteen there were eleven that had these conditions where the project was over a certain size, went to two stories, there was a neighboring property to the north, some of the homes were at a different lot alignment going on those type of streets, or they weren't impacted by the design or FAR standards.

Lenoch stated that he is concerned about the number of people that will be going in front of the Building Review Board or the Zoning Board of Appeals if something like this goes through.

Barnes clarified, with regards to Lenoch's question, about fifty percent of the lots being affected stating that is not necessarily true. He stated that as Wray alluded to briefly, there are thresholds that have to be met before the solar access kicks in. He explained that no matter what happens if the house to the north is a two story house then there are no solar access regulations. Therefore, it is already not possible to say that fifty percent of the lots, because that would assume then that every house is a one story house and we know that is not the case. He further explained the proposed construction has to result in a second story or an addition that brings the total square footage of the house to three thousand square feet or a new house that is twenty five hundred square feet. Barnes reiterated that there are a lot of thresholds that have to be met before the solar access regulation would kick in, and if the house to the north is a two story house or even a one and a half story house, it would not apply.

Schneider asked for clarification if an existing home would have to comply with the solar standard if it were a two story home with a ranch style to the north, but they added a one story addition out the back.

Barnes stated they would be looking at the new part of the addition and the additional impact being made. He explained the City can't make someone lower the height of the existing two story house. He further explained that it is possible to do a one story addition with wall heights that are taller than fourteen feet.

Cram shared his frustration with a comment that had been made that the Building Review Board was really not an important part of the decision process and therefore they were bypassed until they asked for a presentation. Cram explained the Building Review Board is deeply involved and charged with responsibility for building structures and is also the appeal process Board for people who wish to appeal their building permits.

Cram stated that he has heard the numbers, but the majority of the streets in the old, east/west portions of town are east/west so he takes umbrage with their assessment of how many homes would be affected. He further stated they did not look at what the orientation of the existing roof lines were regardless of whether the house is north, south, east or west, because it depends on the slope of the roof. He further stated they did not and acknowledged they did not take into consideration existing sheltering from trees that exist in the area and that is the area that has the biggest trees.

Cram expressed frustration and felt the solar piece is just an attempt to come in the back door with a solar recommendation. He believes if there is going to be a solar ordinance then they need to deal with a solar ordinance, so it can be dealt with equally throughout town and not just in two particularly chosen neighborhoods.

Cram stated that City Council has this attitude about wanting infill and a lot of people are not going to come into Fort Collins if in fact the houses are small.

Reider asked what "Elevated Basement" meant.

Barnes explained if you elevate your basement wall by more than three feet above the grade along a side lot line the basement will count as floor area and currently basements do not count as floor areas. Barnes read the section of the ordinance that pertains to the definition of an elevated basement stating "*Basement floor areas where any exterior basement wall is exposed by more than three feet above the existing grade at the interior side lot line adjacent to the wall.*"

Schneider asked if the three feet will be an average.

Barnes stated it is not average.

Schneider asked if the square footage would have to be part of a calculation of an addition if the side lot line were 3 feet one inch.

Barnes stated that it would or that it may be an appropriate case to take to the Zoning Board of Appeals. He explained that the Land Use Code cannot address every potential situation. He further explained that topographical situations are grounds for variances.

Reider stated that a lot of homes in Old Town rely upon basements for mechanical, sometimes a spare bedroom, storage, etc. He asked if in the floodway which occupies a lot of the Westside neighborhood in particular and some of the Eastside, if there would be any consideration for increased FAR for those lots that cannot have a basement. He

further asked if they would be faced with the same FAR as any other home regardless of whether there are in the floodway or not.

Wray confirmed this. He stated that the proposed changes to the FAR would apply to both zoning districts in both neighborhoods. He explained that if the basement is not counted, there would be an additional allowance for building square footage or accessory structures for those properties.

Reider asked what large volume spaces were and how they are determined.

Barnes stated that this is a loop hole in the current code. He explained that right now only the floor area of each floor level or each story is counted. He gave examples of homes with large two story atriums and vaulted ceilings that get counted as only one level. He further explained that if you have an area where the ceiling height exceeds fourteen feet, then that portion that exceeds fourteen feet will be counted twice, because it's really affecting the height of the structure. He noted that with the bulk and mass is where you get the looming issue over abutting properties.

Reider asked if the sidewall abutted to the neighbor's rear property line if the same standards would apply.

Wray stated it would be the same as it pertains to the main building and accessory structures if they meet the threshold. Wray confirmed with Reider that it is simply how far back you are from the property line.

Schneider stated that all of the mailings went to property owners of the areas, which he understood, but thought it should be important to notify the industry or design professionals that are working in it. He asked why there wasn't any outreach to the professional industries.

Wray apologized for the oversight during the process stating that they really focused on community engagement from the area property owners and tenants. He noted they also included other interests and stake holders, which included builders, developers, and realtors. He explained that their notification included the study area for both of the neighborhoods as well as public information and notification on websites, through media and email distribution.

Reider stated that he remembered two years ago spending a lot of time attending many different meetings on the Eastside/Westside. He thought it came to a vote or consensus where the vast majority of the citizens impacted, which would have included himself with all the property he owns there, were opposed to any changes and so nothing happened. He asked why this is back so quickly if so many people were opposed to it just two years ago.

Wray stated they received direction from City Council.

Reider stated it bothers him that if just a couple of people for personal reasons or political reasons go against, what he believes to be the vast majority of the public that he heard from in all of those meetings. Reider asked if it was true that the vast majority of the public a few years ago were opposed to this, but a member or two of City Council has really pushed this thing through.

Wray stated that the previous effort was really a focus on just building size and the change to the FAR. He explained with this effort, they were asked to have a broader look at not only building size but design compatibility and that is the reason why they came up with a different package of Land Use Code amendments that includes new design standards. He further explained that their recommendation in November identified in the strategy report had floor area ratio as a viable tool to consider, which wasn't included based on the direction received at that time. Wray stated for this study they were to come up with mutually agreeable solutions and there were definitely mixed opinions in the previous effort with that and also through this process in looking at potential changes to the floor area ratio. He reiterated that at the November 27th work session, Council asked them to include a change to the floor area ratio with the other five recommended strategy options.

Reider asked Wray if he thought all the impacted parties were in favor of this, or if it was simply something that Council is dealing with. He asked if Wray has heard from a lot of neighbors in eastside/westside who are giving thanks and stating that this is a terrific thing. Reider stated that he appreciates what Wray and Barnes do and he knows they are working at the direction of Council.

Reider stated that he wasn't able to connect what he witnessed two years ago with what he witnessed during the most recent presentation. He was questioning how it came about.

Barnes stated that he thought Wray answered how it came about with regards to Reider's last question about whether everybody was in favor of this. Barnes stated that based on the last Council session when it got adjourned and the amount of public input on both sides that there was no consensus.

Schneider asked if the FAR is more or less restrictive when compared to other zoning districts.

Barnes stated that it is more restrictive. He clarified that there is already an existing FAR in the NCL and NCM zones that is more restrictive than the other zones. As well, there are other regulations in the NCL and NCM zones that are more restrictive than other zones, so by their very nature, those zoning districts have more restrictive regulations. Barnes noted that he didn't believe other zones have a FAR. He explained that the RL zone does low density residential where there's a three to one lot area to floor area ratio and the lot area has to be three times larger than the floor area, but in those zones they don't count the garage, and they don't count the basement in any circumstances.

Schneider asked why they are changing things for these zones when they don't take into account other aspects in those zones that require the three to one ratio.

Barnes stated that it is not changing. He explained that the current NCL and NCM regulations have been in place with regards to the size limitation on houses since 1991 and the NCL up until 2006 was more restrictive than it is now. He noted that it was a .33 and then was changed to .4 and the proposal now is basically to go back to what it was from 1991 until 2006.

Schneider clarified that his question was purely in those other areas where they don't take in account the garages or the basements why they don't use that same model for these two zoning districts.

Barnes reiterated they were added in 1991 and have been in place for 20 years. He explained the NCL, NCM and the NCB zones were enacted and implemented in 1991. At that time regulations were put in place, noting that if you spell out NCL, Neighborhood Conservation Low Density was to conserve the character and the established pattern.

Schneider stated one thing he heard change is the height of the sidewall for basement calculations, where it's not in place now.

Barnes stated that is in response to citizen concerns and they don't hear those concerns in other neighborhoods.

Schneider noted that part of this was to help promote the design assistance program.

Wray explained there were two other strategy options that were supported that aren't included in the potential Land Use Code changes. He stated that there was a lot of support for the promotion of the existing design assistance program that really hasn't been used much since 2011. He noted that would be an ongoing administrative action that staff is already working on further promoting. Wray explained that the other was to develop new design guidelines for these neighborhoods which, was also well supported from the neighborhoods, and outside interest. However, it's not budgeted or in current work programs. They are suggesting staff take a look at these in 2014 when we look at the neighborhood plan updates, concurrent with that process. So it is on future action identification.

Schneider noted that with a design assistance program and trying to help promote the program a list of preferred contractors and designers is being handed out. He further noted that one of the contractors on the list had his license revoked by the Building Review Board last year.

Wray stated that presently the program is promoted through the Landmark Preservation Commission, Historic Resources staff.

Schneider asked how the design assistance program interacts with Historic Preservation or Landmark Preservation Commission and whether they have to approve the design.

Wray stated that it's a voluntary design assistance program with money that Council put aside and established in 2011 to provide funding to support having architects assist in the design of additions or new construction.

Schneider asked if the design aspect of the ordinance would hinder Historic Preservation or if there were any concerns about the character of Historic Preservation with some of the design elements.

Barnes stated that Karen McWilliams, Historic Preservation Manager, has been involved in the process attending the workshops and being involved with the ordinance drafting and are aware of all of this. As well, the LPC has heard and made their recommendation to City Council. He reiterated that the design assistance is voluntary. Barnes explained that it's not, whether someone does it or doesn't, regardless of what they are recommended they still have to comply with the regulations which are design standards.

Cram stated that he didn't believe a motion was appropriate since City Council had already acted. The rest of the Board agreed.

Cram reiterated that he sincerely hoped this kind of an overlook or sidestep of the Building Review Board does not happen again. He explained that anytime there are changes to the building regulations in this City, that this is the Building Review Board. He asked that staff please look at the Board's requirements and what they are responsible for because, they are responsible for these things. He stated that the Board will hear appeals to these and have heard appeals to these kinds of issues about flood plain, how high the building is and so on and so forth.



Finance Administration
215 N. Mason
2nd Floor
PO Box 580
Fort Collins, CO 80522
970.221.6788
970.221.6782 - fax
fcgov.com

MEMORANDUM

Date: April 25, 2013
To: Building Review Board
From: Jessica Ping-Small, Revenue and Project Manager
Subject: Capital Improvement Expansion Fee Update

Staff presented the Capital Improvement Expansion Fee update to the Building Review Board on February 28, 2013. The board requested additional time to consider the implications of the fee update. In addition, the Board had the following questions:

1. How were capital expansion projects funded prior to 1996 and did development prior to this get a free pass?
 - a. **Response:** Capital expansion projects prior to 1996 were funded through general revenues that included sales tax, property tax, fees for service, etc. So although developers didn't incur an upfront fee via a capital expansion fee, the citizens and/or businesses that eventually occupied the new development helped fund the necessary projects. One exception is the Neighborhood Park fee which was first implemented in 1968.
2. Why don't capital expansion fees take housing type into consideration?
 - a. **Response:** Capital expansion fees for residential development are calculated based on household size and functional population. Factoring in some sort of weighting scale based on need for housing type would be very difficult as the data to support the fee calculation doesn't exist. An example would be a new senior or student housing development should potentially pay a higher police and fire fee because they would theoretically have more calls for those services. It's a worthwhile discussion but not a national standard for how capital expansion fees are structured. The legality and needs vs. benefits test around this type of fee requires specific and court tested methodologies which the City is recommending.
3. How have the trails been funded to date?
 - a. **Response:** Historically, paved trails have been funded by Conservation Trust (CT) dollars, which are generated by the Colorado Lottery and distributed to local governments on a per capita basis. The City receives about \$1.2 million annually in CT funding. Since 2006, and concurrent with sales and use tax funding shortfalls, CT funds have been allocated to park and trail maintenance. Currently, \$730,000 in CT funding is used for park and trail maintenance. The remaining \$470,000 is used for trails, but after land acquisition, planning, design and construction administration costs are covered, only ~\$270,000 is spent on actual trail construction each year. In addition, The Natural Areas Program has been contributing funding for construction of the City's paved trails since 2003 and is currently contributing \$350,000 annually. Aside from the one-time KFCG and

BCC funds, and occasional GOCO grants, the primary funding sources to build our trail system is the \$270,000 from CT and the \$350,000 from Natural Areas. If the Natural Areas funding ceases, build out of the trail system will slow considerably. We estimate it will cost ~\$15 million to build out the trail system as currently planned (in today's dollars, after expending the KFCG and BCC funds, and not including underpasses of major arterial streets for the Mason and Power trails). This means the build out the system will take **55 years** without the \$350,000 from Natural Areas and **24 years** if the funding remains. The time frame could be reduced somewhat by grant funding, but it should be noted the Trails Master Plan project could identify a variety of trail improvement projects that are not currently planned, thereby increasing the cost and time needed to complete the trail system. The implementation of a capital expansion fee for trails would also accelerate the build out of the system especially if Natural Areas funding ceases.

4. Provide clarification on the percentage of fee increases provided in the Background Section of the draft study.
 - a. **Response:** The percentage increases referenced the background section of the draft study are based off the original fees implemented in 1996. They are compared to the current fee structure, not the proposed fee structure. With the exception of the 14% increase to Park fees in 2000 in relation to the ADA requirements, the fees have been increased annually based on the local CPI.

Background Recap

In the fall of 2012, staff initiated a comprehensive review of the Capital Improvement Expansion Fees that were first implemented in 1996. The goal of the review was to ensure that the methodology first implemented was still applicable and also to assess the fee structure to confirm that it was in line with the current level of service. To assist with the review, Finance staff contracted with Duncan Associates, a nationally known firm that specialized in impact fees.

Capital Improvement Expansion fees are used to require new developments to pay a proportionate share of infrastructure costs. The City's Capital Improvement Expansion fees were originally prepared and adopted in 1996. The fees included in the study are:

- Neighborhood Parks
- Community Parks
- Fire
- Police
- General Government

Although the fees have been updated annually for inflation according to the Denver-Boulder-Greeley Consumer Price Index, there has not been a comprehensive review of the study since implementation. Staff worked with the Duncan Associates to review the methodology and update the fees. The outcome of the study retains the basic methodology of incremental expansion but recommends minor changes to some of the inputs. The fees have all been updated based on current level of service which factors in current capital assets for all fees. In addition, trails have been added to the parks calculations.

Staff will be recommending that City Council adopt the updated fee structure based on the fee study. The study reflects an increase to most fees. The current level of service which is the basis for all Capital



Improvement Expansion Fees has risen since 1996. Primary factors contributing to the increase are a change in household size, updates to the value of current infrastructure and the addition of trails to the fee calculations.

The item was discussed at a City Council Work Session on February 12th and first reading of the ordinance will be on June 18th.

Enclosures:

Power Point Presentation

Capital Improvement Expansion Fee Update

Building Review Board

April 25, 2013

Recap

- **Capital Improvement Expansion Fees are used to require new developments to pay a proportionate share of infrastructure costs or to “buy-in” to the system**
- **First implemented at the City of Fort Collins in 1996**
- **Fees updated annually according to the Denver-Boulder-Greeley Consumer Price Index**
- **In 2012, City contracted with Duncan Associates to:**
 - **Analyze methodology**
 - **Update Fees**
 - **Draft Study – Basis for presentation**

Fees – Overview

What's Driving the Changes?

- **Inputs to the calculations that include:**
 - Updated inventory of existing capital facilities
 - Updated determination of current replacement costs
 - Updated identification of existing levels of service
- Updated data source for household size which resulted in less variation between small and large units than previous study
- Inclusion of Trails infrastructure and the addition of streets capital to General Government

Although methodology remains similar – the inputs to fee calculations changed, resulting in a variation in updated fees – both positive and negative.

Fee Overview

Land Use Type	Unit	N'hood Park	Comm. Park	Trail	Fire	Police	Gen. Gov't	Total Fees	
								w/o Trail	w/Trail
Updated Fees									
Resid., up to 700 sf	Dwelling	\$1,181	\$1,001	\$474	\$255	\$128	\$300	\$2,865	\$3,339
Resid., 701-1,200 sf	Dwelling	\$1,515	\$1,285	\$608	\$324	\$162	\$384	\$3,670	\$4,278
Resid., 1,201-1,700 sf	Dwelling	\$1,674	\$1,419	\$672	\$359	\$180	\$423	\$4,055	\$4,727
Resid., 1,701-2,200 sf	Dwelling	\$1,744	\$1,479	\$700	\$373	\$187	\$443	\$4,226	\$4,926
Resid., over 2,200 sf	Dwelling	\$1,868	\$1,584	\$749	\$400	\$200	\$475	\$4,527	\$5,276
Commercial	1,000 sf	\$0	\$0	\$0	\$308	\$154	\$730	\$1,192	\$1,192
Industrial	1,000 sf	\$0	\$0	\$0	\$73	\$37	\$171	\$281	\$281
Current Fees									
Resid., up to 700 sf	Dwelling	\$937	\$1,041	\$0	\$112	\$75	\$142	\$2,307	\$2,307
Resid., 701-1,200 sf	Dwelling	\$1,325	\$1,477	\$0	\$160	\$109	\$201	\$3,272	\$3,272
Resid., 1,201-1,700 sf	Dwelling	\$1,559	\$1,735	\$0	\$186	\$129	\$235	\$3,844	\$3,844
Resid., 1,701-2,200 sf	Dwelling	\$1,791	\$1,996	\$0	\$215	\$148	\$272	\$4,422	\$4,422
Resid., over 2,200 sf	Dwelling	\$2,181	\$2,428	\$0	\$262	\$180	\$330	\$5,381	\$5,381
Commercial	1,000 sf	\$0	\$0	\$0	\$229	\$160	\$257	\$646	\$646
Industrial	1,000 sf	\$0	\$0	\$0	\$63	\$44	\$71	\$178	\$178
Change									
Resid., up to 700 sf	Dwelling	\$244	-\$40	\$474	\$143	\$53	\$158	\$558	\$1,032
Resid., 701-1,200 sf	Dwelling	\$190	-\$192	\$608	\$164	\$53	\$183	\$398	\$1,006
Resid., 1,201-1,700 sf	Dwelling	\$115	-\$316	\$672	\$173	\$51	\$188	\$211	\$883
Resid., 1,701-2,200 sf	Dwelling	-\$47	-\$517	\$700	\$158	\$39	\$171	-\$196	\$504
Resid., over 2,200 sf	Dwelling	-\$313	-\$844	\$749	\$138	\$20	\$145	-\$854	-\$105
Commercial	1,000 sf	\$0	\$0	\$0	\$79	-\$6	\$473	\$546	\$546
Industrial	1,000 sf	\$0	\$0	\$0	\$10	-\$7	\$100	\$103	\$103
Percent Change									
Resid., up to 700 sf	Dwelling	26%	-4%	n/a	128%	71%	111%	24%	45%
Resid., 701-1,200 sf	Dwelling	14%	-13%	n/a	103%	49%	91%	12%	31%
Resid., 1,201-1,700 sf	Dwelling	7%	-18%	n/a	93%	40%	80%	5%	23%
Resid., 1,701-2,200 sf	Dwelling	-3%	-26%	n/a	73%	26%	63%	-4%	11%
Resid., over 2,200 sf	Dwelling	-14%	-35%	n/a	53%	11%	44%	-16%	-2%
Commercial	1,000 sf	n/a	n/a	n/a	34%	-4%	184%	85%	85%
Industrial	1,000 sf	n/a	n/a	n/a	16%	-16%	141%	58%	58%

Neighborhood/Community Park Fees

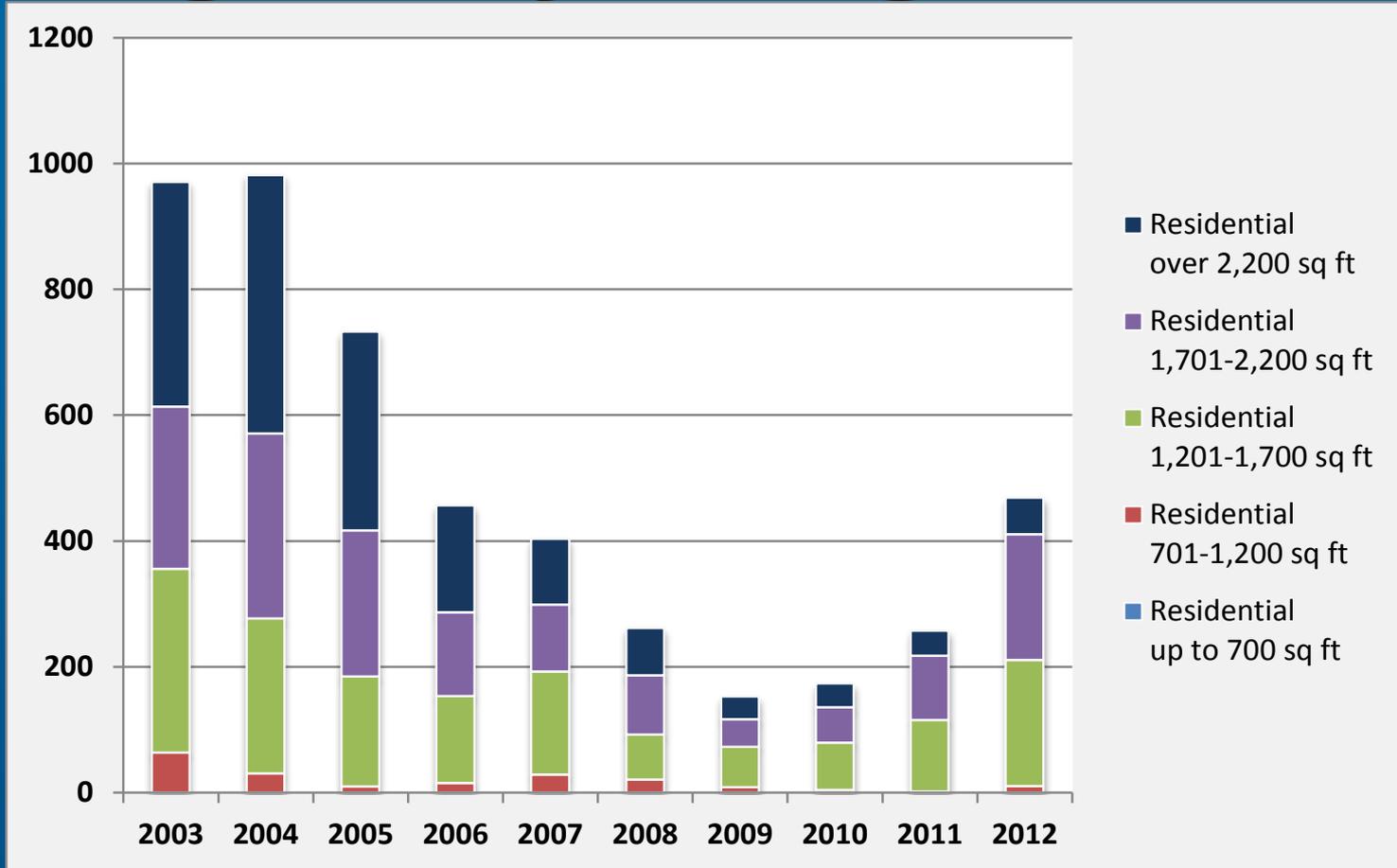
Land Use Type	Unit	Current Fee per Unit	Updated Fee per Unit	Percent Change
Neighborhood Parks				
Residential, up to 700 sq. ft.	Dwelling	\$937	\$1,181	26%
Residential, 701-1,200 sq. ft.	Dwelling	\$1,325	\$1,515	14%
Residential, 1,201-1,700 sq. ft.	Dwelling	\$1,559	\$1,674	7%
Residential, 1,701-2,200 sq. ft.	Dwelling	\$1,791	\$1,744	-3%
Residential, over 2,200 sq. ft.	Dwelling	\$2,181	\$1,868	-14%
Community Parks				
Residential, up to 700 sq. ft.	Dwelling	\$1,041	\$1,001	-4%
Residential, 701-1,200 sq. ft.	Dwelling	\$1,477	\$1,285	-13%
Residential, 1,201-1,700 sq. ft.	Dwelling	\$1,735	\$1,419	-18%
Residential, 1,701-2,200 sq. ft.	Dwelling	\$1,996	\$1,479	-26%
Residential, over 2,200 sq. ft.	Dwelling	\$2,428	\$1,584	-35%
Total Parks				
Residential, up to 700 sq. ft.	Dwelling	\$1,978	\$2,182	10%
Residential, 701-1,200 sq. ft.	Dwelling	\$2,802	\$2,800	0%
Residential, 1,201-1,700 sq. ft.	Dwelling	\$3,294	\$3,093	-6%
Residential, 1,701-2,200 sq. ft.	Dwelling	\$3,787	\$3,223	-15%
Residential, over 2,200 sq. ft.	Dwelling	\$4,609	\$3,452	-25%
Trails				
Residential, up to 700 sq. ft.	Dwelling	\$0	\$474	n/a
Residential, 701-1,200 sq. ft.	Dwelling	\$0	\$608	n/a
Residential, 1,201-1,700 sq. ft.	Dwelling	\$0	\$672	n/a
Residential, 1,701-2,200 sq. ft.	Dwelling	\$0	\$700	n/a
Residential, over 2,200 sq. ft.	Dwelling	\$0	\$749	n/a
Total Parks and Trails				
Residential, up to 700 sq. ft.	Dwelling	\$1,978	\$2,656	34%
Residential, 701-1,200 sq. ft.	Dwelling	\$2,802	\$3,408	22%
Residential, 1,201-1,700 sq. ft.	Dwelling	\$3,294	\$3,765	14%
Residential, 1,701-2,200 sq. ft.	Dwelling	\$3,787	\$3,923	4%
Residential, over 2,200 sq. ft.	Dwelling	\$4,609	\$4,201	-9%

Proposed Fee Breakdown

Residential 1200-1700 sq. ft.	Total Fee w/out Trail	%	Total Fee w/Trail	%
Neighborhood Park	\$1,674	41%	\$1,674	35%
Community Park	1,419	35%	1,419	30%
Trail	0	0%	672	14%
Fire	359	9%	359	8%
Police	180	4%	180	4%
General Government	423	10%	423	9%
Total	\$4,055	100%	\$4,727	100%

Park fees account for over 75% of the total fee structure.

Single-Family Building Permit Data



Larger unit permits have steadily declined in the last 10 years.

Annual Revenue Impact Analysis – Based on 10 yr. Avg.

Unit Type*	Current Fees	Proposed Fees w/o Trails	% Change	Proposed Fees w/Trails	% Change
Resid., up to 700 sq. ft.	\$28,607	\$35,526	0%	\$41,404	45%
Resid., 701-1,200 sq. ft.	769,574	863,184	12%	1,006,186	31%
Resid., 1,201-1,700 sq. ft.	1,065,557	1,124,046	5%	1,310,324	23%
Resid., 1,701-2,200 sq. ft.	704,867	673,624	-4%	785,204	11%
Resid., over 2,200 sq. ft.	888,941	747,860	-16%	871,595	-2%
Commercial	276,428	510,065	85%	510,065	85%
Industrial	4,323	6,824	58%	6,824	58%
Total	\$3,738,296	\$3,961,130	6%	\$4,531,602	21%

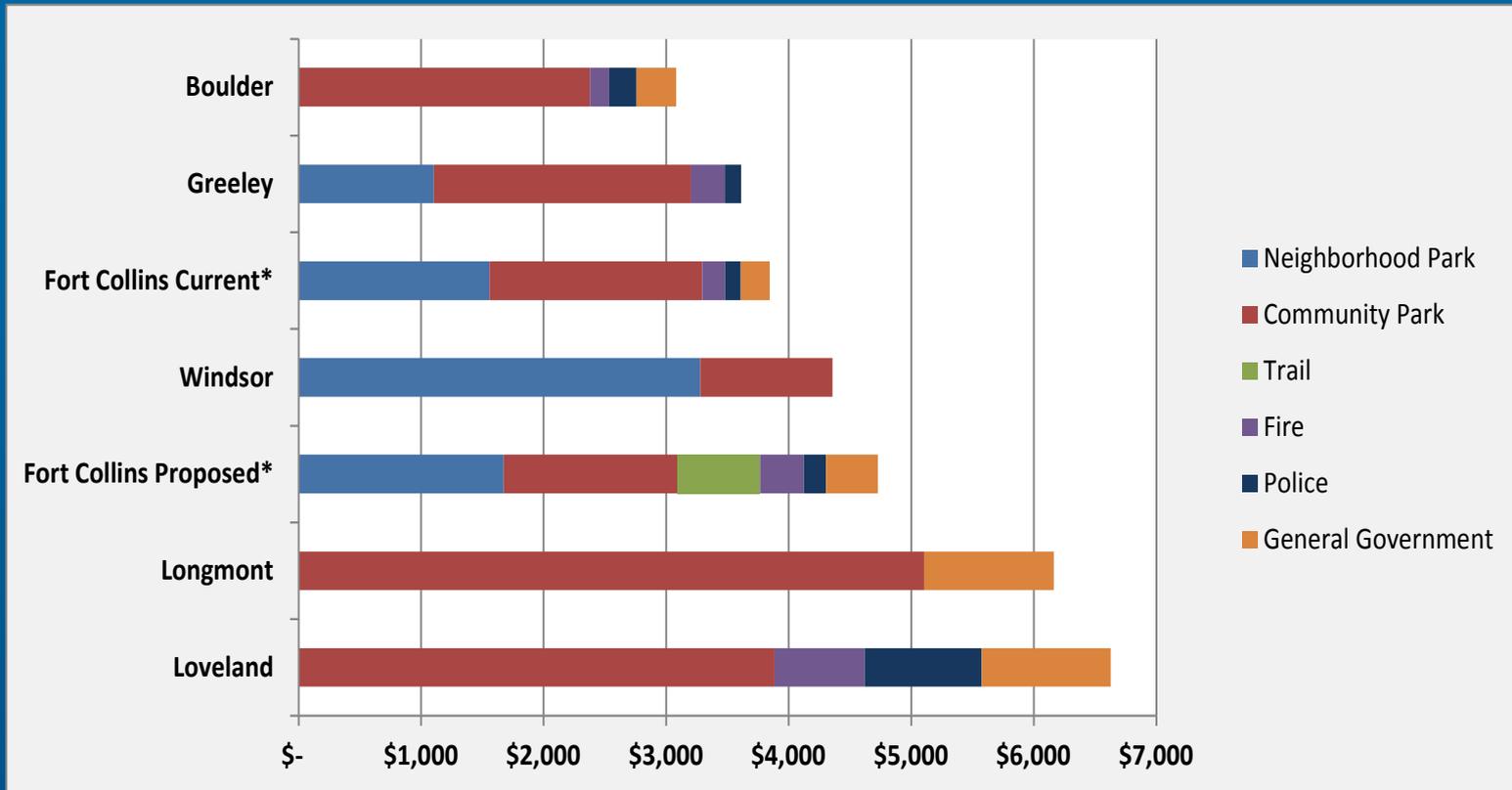
*Units include both single and multifamily dwellings for residential

Annual Revenue Impact Analysis – 2012 Actuals

Unit Type*	Current Fees	Proposed Fees w/o Trails	% Change	Proposed Fees w/Trails	% Change
Resid., up to 700 sq. ft.	\$0	\$0	0%	\$0	0%
Resid., 701-1,200 sq. ft.	1,119,024	1,255,140	12%	1,463,076	31%
Resid., 1,201-1,700 sq. ft.	2,025,788	2,136,985	5%	2,491,129	23%
Resid., 1,701-2,200 sq. ft.	946,308	904,364	-4%	1,054,164	11%
Resid., over 2,200 sq. ft.	322,860	271,620	-16%	316,560	-2%
Commercial	10,594	19,549	85%	19,549	85%
Industrial	22,203	35,051	58%	35,051	58%
Total	\$4,446,778	\$4,622,709	4%	\$5,379,529	21%

*Units include both single and multifamily dwellings for residential

Fee Comparison – Residential

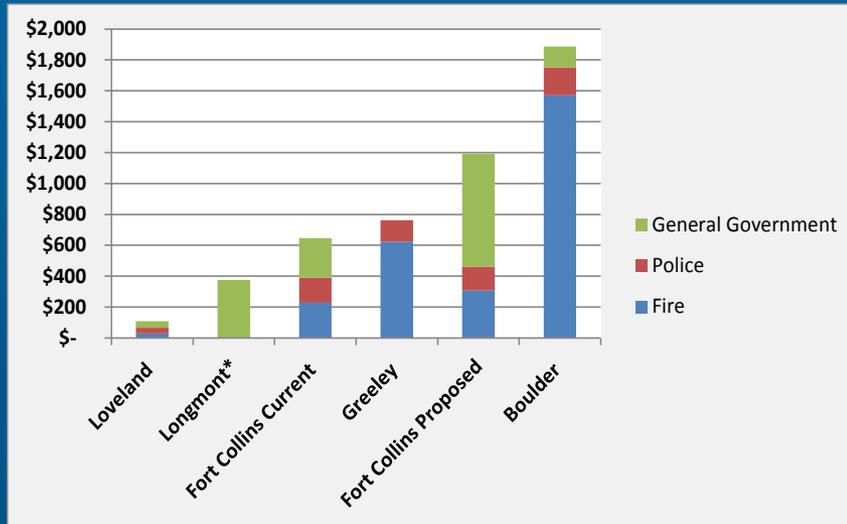


*Fort Collins Fees based on a 1201-1700 sq. ft. unit

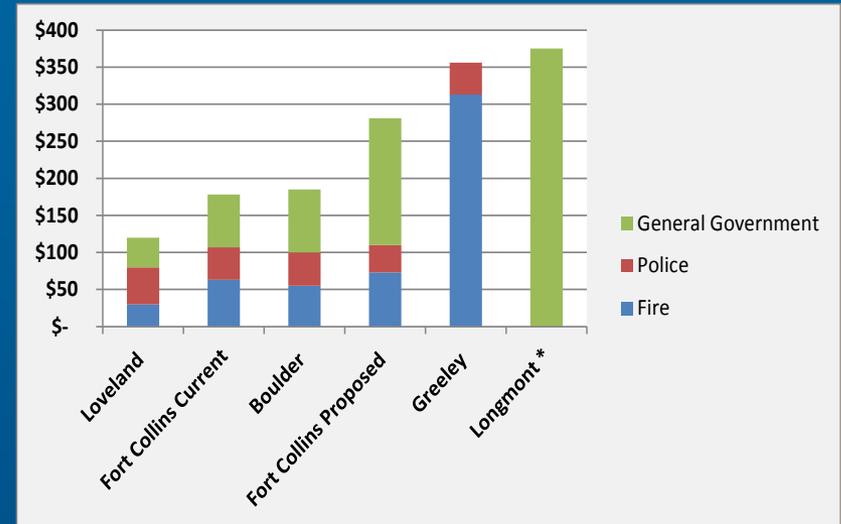
Neighborhood and Community Park fees are the most common and substantial of the Capital Expansion fee mix in Northern Colorado.

Fee Comparison - Commercial/Industrial*

Commercial Per 1,000 sq. ft.



Industrial Per 1,000 sq. ft.



*Longmont's General Government fee is a flat \$375

*Commercial/Industrial fees approximated based on varied multipliers and unique city classifications

Conclusions

- Fee update retains basic methodologies of original study
- Inputs to formula and asset information updated for all fees
- Reduction household size driving partial fee change
- Inclusion of trails increasing net fees substantially
- Staff will recommend codifying comprehensive review every 3-5 years
- New web page:
<http://www.fcgov.com/finance/capitalexansion.php>