

SUBJECT

First Reading of Ordinance No. 121, 2012, Amending the City Code to Increase the Amounts of the Capital Improvement Expansion Fees Contained in Chapter 7.5 of the City Code so as to Reflect Inflation in Associated Costs of Services.

EXECUTIVE SUMMARY

The City Code requires annual adjustments to certain building permit related fees. Capital Improvement Expansion fees and Neighborhood Parkland fees are to follow the changes in the Denver-Boulder-Greeley Consumer Price Index (CPI). Street Oversizing fees are adjusted by the changes posted in the Engineering News Record (ENR). The CPI has increased 1.8% and the ENR has increased 1.6%. Additionally the Code is being updated to reference to the most recent amended manual, *The ITE Trip Generation Manual, 8th Edition, 2008*.

Staff is working with a consultant who specializes in capital impact fees to re-evaluate the underlying assumptions and formulas used to calculate the City's fees. A presentation is scheduled for a work session on February 12, 2013 and formal consideration on March 5, 2013.

BACKGROUND / DISCUSSION

In May 1996, Council adopted Ordinance No. 051, 1996, which established capital improvement expansion fees for Community Parkland, Police, Fire, and General Government services. The purpose of the fees is to have new development pay a proportionate share of the capital improvements and equipment that will be necessary to provide services to the development. The Code provisions provide for the annual adjustment of the fees to keep up with inflation, using the Denver-Boulder (now Denver-Boulder-Greeley) Consumer Price Index.

The City has imposed a Parkland fee for neighborhood parks since 1968. In August 1996, Council adopted Ordinance No. 105, 1996, which aligned the Neighborhood Parkland fee to the housing size differentials in the Capital Improvement Expansion fee ordinance, and updated the fee schedule to reflect pre-1996 inflation. The Neighborhood Parkland fees were adjusted for inflation in 1997-2007, along with the Capital Improvement Expansion fees. Based on the Denver-Boulder-Greeley Consumer Price Index for all urban consumers, the inflation level since the last annual adjustment is an increase of 1.8% for 2013. This Ordinance adjusts the fee schedules in Chapter 7.5 and Chapter 23 of the City Code to account for inflation. In the Ordinance, all amounts for the capital improvement expansion fees have been rounded to the nearest dollar.

The Ordinance increases Street Oversizing Fees by 1.6% to reflect the index published in the Engineering News Record, as well as the average weekday vehicle trips as indicated by *The ITE Trip Generation Manual, 8th Edition, 2008*.

FINANCIAL / ECONOMIC IMPACTS

The 2012 revenue budget in the table below reflects changes in both the rates and volume of building activity.

Summary information:

Revenue				
	2010	2011	2012	2013
Fee Type	Actual	Actual	Forecast	Comparison
Capital Expansion Fees	\$ 777,353	\$ 1,326,962	\$ 1,845,000	\$ 1,878,000
Neighborhood Parkland Fees	346,749	884,092	1,253,000	1,276,000
Street Oversizing Fees	2,121,165	1,441,107	2,445,000	2,484,000

Rate Change				
	2010	2011	2012	2012
Fee Type	Authorized	Authorized	Authorized	Proposed
Capital Expansion Fees	0.00%	1.10%	3.80%	1.80%
Neighborhood Parkland Fees	0.00%	1.10%	3.80%	1.80%
Street Oversizing Fees	0.00%	5.48%	7.55%	1.60%

At year-end of 2012, staff estimates that the total available balance in the Capital Improvement Expansion Fund will be approximately \$15.9 million, the Neighborhood Parkland Fund about \$5.6 million, and the Street Oversizing Fund nearly \$7.9 million.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

ORDINANCE NO. 121, 2012
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING THE CODE OF THE CITY OF FORT COLLINS TO INCREASE THE
AMOUNTS OF THE CAPITAL IMPROVEMENT EXPANSION FEES
CONTAINED IN CHAPTER 7.5 OF THE CITY CODE SO AS TO REFLECT
INFLATION IN ASSOCIATED COSTS OF SERVICES

WHEREAS, the City is a home rule municipality having the full right of self-government in local and municipal matters under the provisions of Article XX, Section 6 of the Colorado Constitution; and

WHEREAS, among the home rule powers of the City is the power to regulate, as a matter of purely local concern, the development of real property within the City; and

WHEREAS, the City's Comprehensive Plan shows that the rate of future growth and development in Fort Collins will require a substantial expansion in community park, police, fire, and general government facilities, and related capital equipment, if its level of service standards for such facilities are to be maintained; and

WHEREAS, the City Council has determined that new development should contribute its proportionate share of providing such capital improvements; and

WHEREAS, the City Council has broad legislative discretion in determining the appropriate funding mechanisms for financing the construction of public facilities in the City; and

WHEREAS, based on the foregoing, the City Council adopted Ordinance No. 051, 1996, establishing certain capital improvement expansion fees; and

WHEREAS, City Code Section 7.5-18 provides for annual fee increases in the capital improvement expansion fees corresponding to the increases in the Denver-Boulder-Greeley Consumer Price Index for all urban consumers; and

WHEREAS, in September 1968, City Council adopted Ordinance No. 038, 1968, which established the original Neighborhood Parkland Fee to fund the acquisition and development of parkland, which ordinance has since been amended on several occasions to adjust the fee and to refine related procedures and requirements; and

WHEREAS, with the adoption in August 1993, of Ordinance No. 082, 1993, the City Council directed the City Manager to annually review the Neighborhood Parkland Fee and submit to the Council proposed inflation-related increases based on the Denver-Boulder-Greeley Consumer Price Index; and

WHEREAS, the City Code calls for the annual adjustment of all Capital Improvement Expansion Fees, including the Neighborhood Parkland Fee, for inflation; and

WHEREAS, based on the Bureau of Labor Statistics most recent Denver-Boulder-Greeley Consumer Price index for all urban consumers, staff anticipates that the Index will reflect an inflation increase of 1.8 percent since the last annual adjustment of the fees in 2012, effective January 1, 2013.

WHEREAS, the City has historically used the Engineering News Record as a reference to determine whether the street oversizing capital improvement expansion fee should be increased to account for rising construction costs; and

WHEREAS, based on the Engineering News record, the cost of constructing street improvements has increased 1.6 percent since the last adjustment of the Street Oversizing Capital Improvement expansion fee; and

WHEREAS, for the foregoing reasons, the City Council has determined that it is necessary in the interests of the protection of the public health, safety and welfare, that the Capital Improvement Expansion Fees, including the neighborhood Parkland Fee and the Street Oversizing Fee, be increased as set forth below.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS AS FOLLOWS:

Section 1. That the fee schedule in Section 7.5-28(a) of the Code of the City of Fort Collins, establishing the Community Parkland Capital Improvement Expansion Fee, is hereby amended to read as follows:

700 sq. ft. and under	\$ 1,023.00 1,041.00
701 to 1,200 sq. ft.	1,451.00 1,477.00
1,201 to 1,700 sq. ft.	1,704.00 1,735.00
1,701 to 2,200 sq. ft.	1,961.00 1,996.00
2,201 sq. ft. and over	2,385.00 2,428.00

Section 2. That the fee schedule in Section 7.5-29(a) of the Code of the City of Fort Collins, establishing the Police Capital Improvement Expansion Fee, is hereby amended to read as follows:

700 sq. ft. and under	\$ -74.00 75.00
701 to 1,200 sq. ft.	107.00 109.00
1,201 to 1,700 sq. ft.	127.00 129.00
1,701 to 2,200 sq. ft.	145.00 148.00
2,201 sq. ft. and over	177.00 180.00
Commercial buildings (per 1,000 square feet.)	157.00 160.00

Industrial buildings (per 1,000 square. feet.)	43.00 44.00
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Section 3. That the fee schedule in Section 7.5-30(a) of the Code of the City of Fort Collins, establishing the Fire Protection Capital Improvement Expansion Fee, is hereby amended to read as follows:

700 sq. ft. and under	\$ 110.00 112.00
701 to 1,200 sq. ft.	157.00 160.00
1,201 to 1,700 sq. ft.	183.00 186.00
1,701 to 2,200 sq. ft.	211.00 215.00
2,201 sq. ft. and over	257.00 262.00

Commercial buildings (per 1,000 square. feet)	225.00 229.00
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Industrial buildings (per 1,000 square. feet.)	62.00 63.00
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Section 4. That the fee schedule in Section 7.5-31(a) of the Code of the City of Fort Collins, establishing the General Government Capital Improvement Expansion Fee, is hereby amended to read as follows:

700 sq. ft. and under	\$ 139.00 142.00
701 to 1,200 sq. ft.	197.00 201.00
1,201 to 1,700 sq. ft.	231.00 235.00
1,701 to 2,200 sq. ft.	267.00 272.00
2,201 sq. ft. and over	324.00 330.00

Commercial buildings (per 1,000 square. feet.)	252.00 257.00
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Industrial buildings (per 1,000 square. feet.)	70.00 71.00
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Section 5. That Section 7.5-71(b) of the Code of the City of Fort Collins, regarding the Neighborhood Parkland Fee is hereby amended to read as follows:

Sec. 7.51-71. Collection of neighborhood parkland fee.

(b) The amount of the fee established in this Section shall be determined for each dwelling unit as follows:

700 sq. ft. and under	\$ 920.00 937.00
701 to 1,200 sq. ft.	1,302.00 1,325.00

1,201 to 1,700 sq. ft.	1,531.00 1,559.00
1,701 to 2,200 sq. ft.	1,759.00 1,791.00
2,201 sq. ft. and over	2,142.00 2,181.00

Section 6. That Section 7.5-32 of the Code of the City of Fort Collins, regarding the Street Oversizing Capital Improvement Fee is hereby amended to read as follows:

**STREET OVERSIZING CAPITAL
EXPANSION FEE SCHEDULE**

<u>Residential</u>	<u>Average Weekday Vehicle Trips (per housing unit)</u>	<u>Transportation Impact Fee Rate</u>	
SF Detached	9.55 9.57	3,056	per D.U.
MF and Other Housing	6.59	2,109 2,143	per D.U.
Hotel/Motel	8.70 9.02	2,784	per room
Apartment	6.12 6.65	1,959	per D.U.
Retirement Community	3.30 2.81	1,056	per D.U.
Assisted Living	4.52	1,447	per D.U.
Congregate Care Facility	2.15 2.02	688	per D.U.
Residential Condominium	5.86 5.81	1,875	per D.U.
Duplex	7.18	2,298	per D.U.
Townhome	5.86	1,875	per D.U.
Mobile Home	4.92 4.99	1,575	per D.U.
<u>Non Residential</u>	<u>(per 1,000 sq. ft.)</u>		
Community/Shopping Center			
1000K GLA	32.09	5.98 6.08	/sq. ft.
500K GLA	38.65	7.20 7.32	/sq. ft.
200K GLA	54.50	10.16 10.32	/sq. ft.
50K GLA	91.65	11.74 11.93	/sq. ft.
Movie theater	77.79 78.06	14.50	/sq. ft.
Fitness/racquet club	17.14 14.03	3.44	/sq. ft.
Day care	79.26	6.21 6.30	/sq. ft.
Government office	68.93	13.81 14.04	/sq. ft.
Post office	86.78	17.39	/sq. ft.
Building materials/lumber	39.71 45.16	7.40	/sq. ft.
Specialty retail	40.68 44.32	7.58	/sq. ft.
Discount club/superstore	41.80 53.15	7.79	/sq. ft.
Nursery (garden center)	36.08	7.23 7.35	/sq. ft.
Sit-down restaurant	130.34 127.15	16.70	/sq. ft.
Fast food with drive-up	496.12	38.84 39.46	/sq. ft.
Car sales	37.50 33.34	7.52	/sq. ft.
Service station	168.56/pump	13,196.03 13,407.17	/pump
Wholesale tire store	20.36	4.08 4.15	/sq. ft.

Self-service car wash	5.79/stall	453.28 460.53	/stall
Supermarket	111.51 102.24	14.29 13.31	/sq. ft.
<i>Convenience market with gas</i>	737.99 542.60	57.77 43.16	/sq. ft.
Pharmacy/drugstore	88.16	7.01	/sq. ft.
Furniture store	5.06	1.58 1.61	/sq. ft.
Bank	189.95 80.87	13.83 5.98	/sq. ft.
<i>Drive-in bank</i>	265.21 148.15	20.76 11.78	/sq. ft.
Insurance building	11.45	2.29 2.33	/sq. ft.
Manufacturing	3.85 3.82	1.21 1.22	/sq. ft.
Warehousing	4.96 3.56	1.55 1.13	/sq. ft.
Light industrial	6.97	2.18 2.22	/sq. ft.
Mini-warehouse	2.50	0.78 0.80	/sq. ft.
Business park	14.37 12.76	4.50 4.06	/sq. ft.
General Office			
200K GLA	11.54	3.61 3.67	/sq. ft.
50K GLA	16.31	5.11 5.19	/sq. ft.
10K GLA	24.39	7.64 7.76	/sq. ft.
Recreational	3.64/ac	1,139.386 1,158.09	/acre
City park	3.66/ac	1,146.121 1,164.46	/acre
Golf course	5.04/ac	1,578.261 1,603.52	/acre
Elementary school	1.02 1.29/student	319.41 410.42	/student
Private school (K-8)	2.48/student	789.03	/student
Church/synagogue	9.11	2.85 2.90	/sq. ft.
Library	54.00 56.24	16.91 4.47	/sq. ft.
Hospital	16.78 16.50	5.25	/sq. ft.
Nursing home	2.60 2.37/bed	813.24 754.03	/bed
Medical clinic	31.45	9.85 10.01	/sq. ft.\

*Notes:

1. Rate calculation for each item based on the product of Number of Weekday Trips, Trip Adjustment Factor, and Cost Per Unit of Trip.
2. Italicized building types indicate that high pass-by trip adjustment factor is used when calculating SOS rate.

Introduced, considered favorably on first reading, and ordered published this 6th day of November, A.D. 2012, and to be presented for final passage on the 20th day of November, A.D. 2012.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 20th day of November, A.D. 2012.

Mayor Pro Tem

ATTEST:

City Clerk