

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 15

DATE: October 16, 2007

STAFF: Chuck Seest

SUBJECT

First Reading of Ordinance No. 114, 2007, Amending the City Code to Increase the Capital Improvement Expansion Fee, Street Oversizing Fee and Neighborhood Parkland Fee to Reflect Inflation in Associated Costs of Services.

RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

In 2006 (the last full audited year), the City collected \$2.0 million of Capital Improvement Expansion fees, \$900,000 of Neighborhood Parkland fees, and \$3.3 million of Street Oversizing fees. For 2008, with the increases for inflation and construction costs, the City estimates that it will collect \$1.8 million of Capital Improvement Expansion fees, \$800,000 of Neighborhood Parkland fees, and \$4.6 million of Street Oversizing fees. The fees are collected when building permits are issued for projects. The decreases in Capital Improvement Expansion and Neighborhood Parkland fees are due to the expectation that residential building permits, on which these fees are based, will be lower in 2008 than they were in 2006 and the estimates for 2007. At year-end of 2007, staff estimates that the total available balance in the Capital Improvement Expansion Fund will be approximately \$17.5 million. The Neighborhood Parkland Fund will have about \$7.7 million. The Street Oversizing Fund is estimated to have nearly \$4.4 million at the end of the year.

EXECUTIVE SUMMARY

This Ordinance increases the fee schedules for the Capital Improvement Expansion Fees and Neighborhood Parkland Fee by the estimated 2007 changes in the Denver-Boulder-Greeley Consumer Price Index ("CPI").

Costs in the Capital Improvement Expansion Fees ("CIEF") Study and the fee schedule for the Neighborhood Parkland Fees were calculated using costs from 1995. The fees were last adjusted in 2006. This Ordinance increases the CIEF and the neighborhood parkland fees by the estimated 2007 increase in the CPI of 2.50%, and the Street Oversizing fees by 4.85%, which reflects the projected increase reported in the Engineering News Record.

BACKGROUND

In May 1996, Council adopted Ordinance No. 051, 1996, which established capital improvement expansion fees for Library, 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 approved by the Ordinance 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 conformed 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 1997-2002, 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 2.50% for 2007. This Ordinance adjusts the fee schedules in Chapter 7.5 and Chapter 23 of the Code to account for inflation. In the Ordinance, all amounts for the capital improvement expansion fees have been rounded to the nearest dollar.

ORDINANCE NO. 114, 2007
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING THE CODE OF THE CITY OF FORT COLLINS
TO INCREASE THE CAPITAL IMPROVEMENT EXPANSION FEE,
STREET OVERSIZING FEE AND NEIGHBORHOOD PARKLAND FEE
TO REFLECT INFLATION IN ASSOCIATED COSTS OF SERVICES

WHEREAS, the City of Fort Collins 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 of Fort Collins Comprehensive Plan shows that the rate of future growth and development in Fort Collins will require a substantial expansion in library, 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, 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 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 Code and ordinances of the City authorize 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 2.50 percent since the last annual adjustment of the fees in 2006, effective January 1, 2007; and

WHEREAS, based on the Engineering News Record, the cost of constructing street improvements has increased 4.85 percent since the last adjustment of the street Oversizing Capital Improvement Expansion fee; and

WHEREAS, additional funds are necessary to recover costs for outparcel right-of-way needed for roadway widenings; and

WHEREAS, for the foregoing reasons, the 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.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the fee schedule in Section 7.5-27(a) of the Code of the City of Fort Collins, establishing the Library Capital Improvement Expansion Fee, is hereby amended to read as follows:

| | |
|------------------------|------------------------------------|
| 700 sq. ft and under | \$ 275.00 282.00 |
| 701 to 12,00 sq. ft. | 390.00 400.00 |
| 1,201 to 1,700 sq. ft. | 459.00 470.00 |
| 1,701 to 2,200 sq. ft. | 527.00 540.00 |
| 2,201 sq. ft. and over | 642.00 658.00 |

Section 2. 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 | \$ 917.00 940.00 |
| 701 to 1,200 sq. ft. | 1,300.00 1,333.00 |
| 1,201 to 1,700 sq. ft. | 1,528.00 1,566.00 |
| 1,701 to 2,200 sq. ft. | 1,758.00 1,802.00 |
| 2,201 sq. ft. and over | 2,139.00 2,192.00 |

Section 3. 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 | \$ 67.00 69.00 |
| 701 to 1,200 sq. ft. | 96.00 98.00 |
| 1,201 to 1,700 sq. ft. | 113.00 116.00 |
| 1,701 to 2,200 sq. ft. | 131.00 134.00 |
| 2,201 sq. ft. and over | 159.00 163.00 |
| Commercial buildings (per 1,000 square feet) | 140.00 144.00 |
| Industrial buildings (per 1,000 square feet) | 38.00 39.00 |

Section 4. 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 | \$ 99.00 101.00 |
| 701 to 1,200 sq. ft. | 140.00 144.00 |
| 1,201 to 1,700 sq. ft. | 164.00 168.00 |
| 1,701 to 2,200 sq. ft. | 189.00 194.00 |
| 2,201 sq. ft. and over | 230.00 236.00 |
| Commercial buildings (per 1,000 square feet) | 202.00 207.00 |
| Industrial buildings (per 1,000 square feet) | 56.00 57.00 |

Section 5. 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 | \$ 125.00 128.00 |
| 701 to 1,200 sq. ft. | 177.00 181.00 |
| 1,201 to 1,700 sq. ft. | 208.00 213.00 |
| 1,701 to 2,200 sq. ft. | 239.00 245.00 |
| 2,201 sq. ft. and over | 291.00 298.00 |
| Commercial buildings (per 1,000 square feet) | 225.00 231.00 |
| Industrial buildings (per 1,000 square feet) | 62.00 64.00 |

Section 6. 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. 7.5-71. 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 | \$ 824.00 845.00 |
| 701 to 1,200 sq. ft. | 1,167.00 1,196.00 |
| 1,201 to 1,700 sq. ft. | 1,373.00 1,407.00 |
| 1,701 to 2,200 sq. ft. | 1,578.00 1,617.00 |
| 2,201 sq. ft. and over | 1,921.00 1,969.00 |

Section 7. That Section 7.5-32 of the Code of the City of Fort Collins, regarding the Street Oversizing Capital Improvement Expansion 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 | 2,417 2,534 | Per D.U |
| MF and Other Housing | 6.59 | 1,668 1,749 | per D.U |
| Hotel/Motel | 8.70 | 2,202 2,309 | per room |
| Apartment | 6.12 | 1,549 1,624 | per D.U |
| Retirement Community | 3.30 | 835 875 | per D.U |
| Assisted Living | 4.52 | 1,144 1,199 | per D.U |
| Congregate Care Facility | 2.15 | 544 570 | per D.U |
| Residential Condominium | 5.86 | 1,483 1,555 | per D.U |
| Duplex | 7.18 | 1,817 1,905 | per D.U |
| Townhome | 5.86 | 1,483 1,555 | per D.U |
| Mobile Home | 4.92 | 1,245 1,305 | per D.U |
| <u>Non Residential</u> | <u>(per 1,000 sq. ft.)</u> | | |
| Comm/Shopping Center | | | |
| 1000K GLA | 32.09 | 4.73 4.96 | /sq. ft. |
| 500K GLA | 38.65 | 5.70 5.98 | /sq. ft. |
| 200K GLA | 54.50 | 8.03 8.42 | /sq. ft. |
| 50K GLA | 91.65 | 9.29 9.74 | /sq. ft. |
| Movie Theater | 77.79 | 11.47 12.03 | /sq. ft. |
| Fitness/Racquet Club | 17.14 | 2.72 2.85 | /sq. ft. |
| Day Care | 79.26 | 4.91 5.15 | /sq. ft. |
| Government Office | 68.93 | 10.93 11.46 | /sq. ft. |
| Post Office | 86.78 | 13.76 14.43 | /sq. ft. |

| | | | |
|-----------------------------|---------------|--------------------------------|----------|
| Building Materials/Lumber | 39.71 | 5.85 6.13 | /sq. ft. |
| Specialty Retail | 40.68 | 6.00 6.29 | /sq. ft. |
| Discount Club | 41.80 | 6.16 6.46 | /sq. ft. |
| Nursery(Garden Center) | 36.08 | 5.72 6.00 | /sq. ft. |
| <i>Sit Down Restaurant</i> | 130.34 | 13.21 13.85 | /sq. ft. |
| <i>Fast Food w/ Driveup</i> | 496.12 | 30.72 32.21 | /sq. ft. |
| Car Sales | 37.50 | 5.94 6.23 | /sq. ft. |
| <i>Service Station</i> | 168.56 /pump | 10,436.65 10,942.83 | /pump |
| Wholesale Tire Store | 20.36 | 3.23 3.39 | /sq. ft. |
| Self Service Car Wash | 5.79 /stall | 358.50 375.89 | /stall |
| Supermarket | 111.51 | 11.30 11.85 | /sq. ft. |
| <i>Convenience Market</i> | 737.99 | 45.69 47.91 | /sq. ft. |
| Furniture Store | 5.06 | 1.25 1.31 | /sq. ft. |
| Bank | 189.95 | 10.94 11.47 | /sq. ft. |
| <i>Drive-In Bank</i> | 265.21 | 16.42 17.22 | /sq. ft. |
| Insurance Building | 11.45 | 1.81 1.90 | /sq. ft. |
| Manufacturing | 3.85 | 0.95 1.00 | /sq. ft. |
| Warehousing | 4.96 | 1.231.29 | /sq. ft. |
| Light Industrial | 6.97 | 1.73 1.81 | /sq. ft. |
| Mini-Warehouse | 2.50 | 0.62 0.65 | /sq. ft. |
| Business Park | 14.37 | 3.56 3.73 | /sq. ft. |
| General Office | | | |
| 200K GFA | 11.54 | 2.86 3.00 | /sq. ft. |
| 50K GFA | 16.31 | 4.04 4.24 | /sq. ft. |
| 10K GFA | 24.39 | 6.04 6.33 | /sq. ft. |
| Recreational | 3.64 /ac | 901.50 945.22 | /acre |
| City Park | 3.66 /ac | 906.46 950.42 | /acre |
| Golf Course | 5.04 /ac | 1,248.24 1,308.78 | /acre |
| Elementary School | 1.02 /student | 252.62 264.87 | /student |
| Church/Synagogue | 9.11 | 2.26 2.37 | /sq. ft. |
| Library | 54.00 | 13.37 14.02 | /sq. ft. |
| Hospital | 16.78 | 4.16 4.36 | /sq. ft. |
| Nursing Home | 2.60 /bed | 643.19 674.38 | /bed |
| Medical Clinic | 31.45 | 7.79 8.17 | /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.

Section 8. That the fee adjustments imposed under this Ordinance shall be applicable to all building permits issued on or after January 1, 2008.

Introduced, considered favorably on first reading, and ordered published this 16th day of October, A.D. 2007, and to be presented for final passage on the 20th day of November, A.D. 2007.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 20th day of November, A.D. 2007.

Mayor

ATTEST:

City Clerk