

**DATE:** June 18, 2013  
**STAFF:** Ginny Sawyer

**AGENDA ITEM SUMMARY**  
FORT COLLINS CITY COUNCIL

**10**

**SUBJECT**

Second Reading of Ordinance No. 080, 2013, Authorizing Amendments to the Intergovernmental Agreement Between the City and Poudre School District Pertaining to the Land Dedication and In-Lieu Fee Requirements Contained in Such Agreement.

**EXECUTIVE SUMMARY**

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Since 1998, the City of Fort Collins has collected a fee-in-lieu of land dedication for both Poudre School District and Thompson School District. These fees allow a residential developer to pay a school site fee to the School Districts rather than dedicate a parcel of land to the District for development of future schools. The ability of the school districts to require land dedication is authorized under Colorado Law.

Fees are reviewed every two years and, in 2011, the Poudre School District reduced fee amounts by 11 percent. This Ordinance, unanimously adopted on First Reading on June 4, 2013, will increase the amount of the fees the District receives by 6.9 percent. The School District is requesting an increase in the fees collected because of an increase in land values and cost per acreage. This fee amount was reviewed and approved by the Poudre School Board in February 2013. Thompson School District will not be adjusting fees in 2013.

**STAFF RECOMMENDATION**

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Staff recommends adoption of the Ordinance on Second Reading.

**ATTACHMENTS**

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1. Copy of First Reading Agenda Item Summary - June 4, 2013 (w/o attachments)

**DATE:** June 4, 2013  
**STAFF:** Ginny Sawyer  
 Ed Holder, Poudre School District

**AGENDA ITEM SUMMARY**  
 FORT COLLINS CITY COUNCIL

17

**SUBJECT**

Public Hearing and First Reading of Ordinance No. 080, 2013, Authorizing Amendments to the Intergovernmental Agreement Between the City and Poudre School District Pertaining to the Land Dedication and In-Lieu Fee Requirements Contained in Such Agreement.

**EXECUTIVE SUMMARY**

Since 1998, the City of Fort Collins has collected a fee-in-lieu of land dedication for both Poudre School District and Thompson School District. These fees allow a residential developer to pay a school site fee to the School Districts rather than dedicate a parcel of land to the District for development of future schools. The ability of the school districts to require land dedication is authorized under Colorado Law.

Fees are reviewed every two years and in 2011 the Poudre School District reduced fee amounts by 11 percent. This ordinance will increase the amount of the fees the district receives by 6.9 percent. The school district is requesting an increase in the fees collected because of an increase in land values and cost per acreage. This fee amount was reviewed and approved by the Poudre School Board in February 2013. Thompson School District will not be adjusting fees in 2013.

**BACKGROUND / DISCUSSION**

In April 1998, the City of Fort Collins and Thompson and Poudre School Districts entered into Intergovernmental Agreements regarding land dedication for new developments, including a provision for fees-in-lieu of land dedication. Poudre School District has asked that the amount of the fees be increased to reflect the current cost of acquiring school sites. Thompson School District has not requested a change.

The City's Intergovernmental Agreement (IGA) with Poudre School District allows for periodic updates to the fees and land dedication requirements. Since adoption of the IGA, fees have been adjusted in 2001, 2006, and 2011.

Fees are based on a number of factors including school site size, student population projections, enrollment capacities of each type of school (elementary, junior high and high schools), and the cost of developed land within the school district. Site sizes and enrollment capacities are set by School District policy.

School Districts in Colorado are allowed by State law to either require school site dedications from residential developers or collect a fee-in-lieu of such land dedication. The calculation of this fee must be closely tied to the cost of land to be dedicated, as well as the factors listed above.

This fee increase is at the request of PSD and is based on a land value analysis performed for the District in late 2012 (**Attachment 2**).

The effect of the proposed change in per dwelling unit costs would be as follows:

**Poudre School District**

<b>Fee per dwelling unit:</b>	<b>Current Fee</b>	<b>Revised Fee</b>
1-4 attached dwelling units	\$1,600	\$1,710
5 or more attached dwelling units	\$ 800	\$ 855

The Intergovernmental Agreement requires that the City conduct a public hearing prior to any changes in the fee or land requirement. The Poudre School District Board has reviewed its methodology for this program and requested that the City Council approve this revision. The detailed methodology for calculating the fees are provided in Exhibits A and B of the Ordinance.

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### **FINANCIAL / ECONOMIC IMPACTS**

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The proposed Ordinance will not have a financial impact on the City of Fort Collins because the fees are collected on behalf of Poudre School District. Revenues from the fees will pass through City accounts and will not affect City revenue limits under Article X, Section 20.

This Ordinance implements a fee increase requested by Poudre School District. The increased fee will raise the cost of residential development in the community collected at the time of building permit by \$110 per single family unit Multi-family unit fees (over 5 units) are increased by \$55 per dwelling unit. This is a 6.9% increase.

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### **STAFF RECOMMENDATION**

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Staff recommends adoption of the Ordinance on First Reading.

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### **PUBLIC OUTREACH**

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This action was reviewed and approved at the February 26, 2013 Poudre School District Board Meeting.

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### **ATTACHMENTS**

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1. PSD Board of Education Agenda Item Summary, February 26, 2013
2. Real Estate Analysis, November 16, 2012
3. PSD Board of Education Exhibit A and B
4. Intergovernmental Agreement between the City and PSD

COPY

ORDINANCE NO. 080, 2013  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AUTHORIZING AMENDMENTS TO THE INTERGOVERNMENTAL  
AGREEMENT BETWEEN THE CITY AND POUFRE SCHOOL DISTRICT  
PERTAINING TO THE LAND DEDICATION AND IN-LIEU FEE  
REQUIREMENTS CONTAINED IN SUCH AGREEMENT

WHEREAS, on April 21, 1998, the City entered into an intergovernmental agreement with the Poudre School District, which agreement provides for the dedication of land by developers in the City to said school district for the construction of new schools needed to offset the impacts of their development, or, in the alternative, for the payment of a fee in-lieu of such dedication (the "School Agreement"); and

WHEREAS, the requirements imposed upon developers pursuant to the School Agreement have been embodied in the Chapter 7.5 of the City Code; and

WHEREAS, Section 7.5-48(d) of the City Code states, in essence, that the amount of the in-lieu fee to be paid by developers is to be established by the School Agreement and is to be equal to the fair market value of the property that could otherwise be required to be reserved for future dedication to the school district; and

WHEREAS, Section 7.5-51(b) of the City Code calls for review by the City Council, at least every two years, of the land dedication and in-lieu fee schedule requirements attached to the School Agreement as Exhibit "A" (pertaining to school district planning standards) and Exhibit "B" (methodology for calculating the in-lieu fee); and

WHEREAS, Section 1 of the School Agreement states that the school planning standards (Exhibit "A") should be reviewed annually by the school district and the City and adjusted by mutual agreement as needed, and paragraph 5(a) of such agreement states that both the standards and methodology are to be updated annually; and

WHEREAS, the School Agreement, as well as Section 7.5-51(b) of the City Code, require that a public hearing be held by the City before any changes in the amount of the in-lieu fee; and

WHEREAS, the Poudre School District has adopted proposed revisions to Exhibits "A" and "B" to the agreement with the City and have requested that the City Council approve the same; and

WHEREAS, after a public hearing regarding the proposed changes, the City Council believes that the proposed revisions to said Exhibits "A" and "B" are in the best interests of the City.

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

Section 1. That the amended Exhibits "A" and "B" of the Poudre School District Agreement, which Exhibits are attached hereto and incorporated herein by this reference, are hereby approved by the City Council.

Section 2. That the Mayor is hereby authorized to execute, on behalf of the City, addenda to the School Agreements reflecting the amendments authorized by this Ordinance.

Introduced, considered favorably on first reading, and ordered published this 4th day of June, A.D. 2013, and to be presented for final passage on the 18th day of June, A.D. 2013.

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Mayor

ATTEST:

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City Clerk

Passed and adopted on final reading on the 18th day of June, A.D. 2013.

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Mayor

ATTEST:

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City Clerk

**Exhibit A**

**Poudre School District**

**2013/14 School District Planning Standards**

**i. Student Yield Per Dwelling Unit<sup>1</sup>**

	<b>Category A 1 to 4 attached dwelling units</b>	<b>Category B 5 or more attached dwelling units</b>
Elementary School	0.35	½ Category A
Middle School	0.10	½ Category A
High School	0.09	½ Category A
<b>Total</b>	<b>0.54 students</b>	

**ii. School Facility Enrollment Capacities<sup>2</sup>**

Elementary School	525	students
Middle School	750	students
High School	1,800	students

**iii. School Site Acreage Requirements<sup>2</sup>**

Elementary School	15	acres
Middle School	30	acres
High School	80	acres

**iv. Developed Land Value for 2012<sup>3</sup>**

**\$95,000**

<sup>1</sup>Average student yields for elementary, middle school, and high school based on information collected by Western Demographics, Inc. includes all residential dwelling types within the School District.

<sup>2</sup>Based on Poudre School District's current educational specifications

<sup>3</sup>Average land value based on report prepared by Shannon and Associates dated March 14, 2006 and updated August 13, 2008, December 29, 2010, and November 16, 2012. **Adjustments to occur every 2 years in the even year based on changes to the Larimer County Assessor's "Residential Lot Classification".**

**Exhibit B**

**Poudre School District**

**2012/13 School District Methodology**

Based on the School District Planning Standards contained in Exhibit A, calculation of land dedication or in-lieu payments uses the following procedures:

1. The student yield is determined by the number of attached dwelling units.  
 (e.g. *Category A, Elementary School = 0.35*).
2. The amount of land required per student is calculated by dividing the acreage by the capacity.  
 (e.g. *Elementary School = 15 acres / 525 students = 0.029*).
3. The acreage per dwelling unit is determined by multiplying the student yield by the per student land requirement.  
 (e.g. *0.35 yield x 0.029 acres = 0.010*)
4. To convert the land dedication requirement into in-lieu payments, the acreage per dwelling unit is multiplied by the developed land value.  
 (e.g. *0.010 acres x \$95,000 = \$950.00*)

**Summary**

The total land dedication or in-lieu payment per dwelling unit is:

	<b>Category A</b> <i>1 to 4 attached units</i>		<b>Category B</b> <i>5 or more attached units</i>	
	<u>Land</u>	<u>PILO</u> <sup>1</sup>	<u>Land</u>	<u>PILO</u> <sup>1</sup>
<b>Elementary School</b>	0.0100 acres	\$ 950	0.005 acres	\$475
<b>Middle School</b>	0.0040 acres	\$ 380	0.002 acres	\$190
<b>High School</b>	0.0040 acres	\$ 380	0.002 acres	\$190
<b>Total</b>	<b>0.0180 acres</b>	<b>\$1,710</b>	<b>0.009 acres</b>	<b>\$855</b>

To determine the land or in lieu payments for a proposed residential development, the per dwelling unit totals above would be multiplied by the total number of dwelling units in the development.

(e.g. *300 single family units = 0.0180 x 300 = 5.4 acre dedication or \$1,710 x 300 = \$513,000 PILO*)

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<sup>1</sup> PILO means "payment-in-lieu-of" land dedication