

AGENDA ITEM SUMMARY

December 2, 2014

City Council

STAFF

Jessica Ping-Small, Revenue and Project Manager

SUBJECT

First Reading of Ordinance No. 172, 2014, 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 Code so as to Reflect Inflation in Associated Costs of Services.

EXECUTIVE SUMMARY

The purpose of this item is to update the City Code, which requires an annual adjustment to certain building permit related fees. Capital Improvement Expansion fees and Neighborhood Parkland fees are to reflect 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 2.9% since its last adjustment and the ENR has not changed significantly enough to warrant an adjustment.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

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 for the fees is to have new development pay a proportionate share of the capital improvements and equipment costs that will be necessary to provide services to the development. The Code provisions approved by Ordinance No. 051, 1996, 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 Neighborhood 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 have been adjusted for inflation in 1997 through 2014, along with the Capital Improvement Expansion fees.

In 2013, Council adopted Ordinance No. 120, 2013, which updated the residential and commercial fees to the current level of service. The residential fees were implemented at 100% effective October 3, 2013 and the commercial fees were implemented in a phased approach at 60% in October, 2013, 80% in 2015 and 100% in 2016.

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 2.9% for 2015. This Ordinance adjusts the fee schedules described in Chapters 7.5 and 23 of the City Code to account for inflation and adjusts the commercial fees to 80% of the 2013 study plus inflation. In the Ordinance, all amounts for the capital improvement expansion fees have been rounded to the nearest dollar.

In addition to the inflation update, this Ordinance reflects a correction to the Fire Protection Capital Improvement Expansion Fee for the 701 to 1200 sq. ft. residence. In the course of preparing this Ordinance, it was discovered that this fee was set too high in last year's ordinance that adopted the 2014 fee schedule. It was set at \$415 instead of \$333. However, the fee was nevertheless collected at the appropriate rate of \$333 by staff for this past year.

FINANCIAL / ECONOMIC IMPACT

Revenue Summary

Fee Type	2012 Actual	2013 Actual	2014 Forecast	2015 Budget
Capital Expansion Fees	\$2,523,937	\$3,178,383	\$3,590,816	\$2,782,000
Neighborhood Parkland Fees	\$1,655,835	\$2,011,034	\$1,962,551	\$1,950,000
Street Oversizing Fees	\$ 3,294,063	\$ 4,154,740	\$5,259,585	\$4,000,000

Fund Balance Overview

1. Neighborhood Parkland Fees: Expenditures shall be made for approved purposes for the acquisition, development and administration of neighborhood parks, including purchases of new or replacement park site equipment and plantings.
 - Estimated Fund Balance as of 12/31/2014: \$1,600,000
 - Offers Funded in 2015 Budget: \$1,716,317
 - Offers Funded in 2016 Budget: \$1,698,270

2. Community Parkland Fees: Expenditures shall be made for the acquisition, construction and development of capital improvements related to the provision of community parklands.
 - Estimated Fund Balance as of 12/31/2014: \$10,600,000
 - Offers Funded in the 2015 Budget: \$8,450,000
 - Offers Funded in the 2016 Budget: \$1,650,000

3. Fire Protection Capital Improvement Expansion Fees: Expenditures shall be made for the acquisition, construction and development of capital improvements related to the provision of fire protection services to City residents, as described in the capital improvements plan for fire protection.
 - Estimated Fund Balance as of 12/31/2014: \$800,000. The balance is being used by PFA to pay debt service on Station #4.
 - Offers Funded in the 2015 Budget: \$234,354
 - Offers Funded in the 2016 Budget: \$234,354

4. Police Capital Expansion Fees: Expenditures shall be made for the acquisition, construction and development of capital improvements related to the provision of police services as described in the capital improvements plan for police services.
 - Estimated Fund Balance as of 12/31/2014: \$900,000. The balance is being used to pay debt service on new Police Facility.
 - Offers Funded in the 2015 Budget: \$371,058
 - Offers Funded in the 2016 Budget: \$365,474

5. General Government Capital Expansion Fees: Expenditures shall be made for the purpose of funding capital improvements related to the provision of general governmental services.
 - Estimated Fund Balance as of 12/31/2014: \$7,400,000 of which \$2,651,970 has been loaned to the URA for RMII, leaving \$4,716,283 in liquid investments, it was not anticipated this money would be needed before the loan will be repaid.

ORDINANCE NO. 172, 2014
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 has adopted Ordinance No. 051, 1996, establishing certain capital improvement expansion fees; and

WHEREAS, City Code Section 7.5-18 provides for annual adjustment in all capital improvement expansion fees for inflation, corresponding to the increases reflected in the Denver-Boulder Consumer Price Index for Urban Consumers, now known as the Denver-Boulder-Greeley Consumer Price Index for Urban Consumers (the "CPI"); and

WHEREAS, in September 1968, the 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 CPI; and

WHEREAS, based on the Bureau of Labor Statistics' most recent CPI, staff anticipates the Index will reflect an inflation increase of 2.9 percent since the last annual adjustment, effective January 1, 2015; and

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 not changed significantly 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, be increased to reflect inflation as determined by the CPI.

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	\$1,029.00 1,059.00
701 to 1,200 sq. ft.	1,321.00 1,359.00
1,201 to 1,700 sq. ft.	1,459.00 1,501.00
1,701 to 2,200 sq. ft.	1,520.00 1,565.00
2,201 sq. ft. and over	1,628.00 1,676.00

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	\$ 132.00 135.00
701 to 1,200 sq. ft.	167.00 171.00
1,201 to 1,700 sq. ft.	185.00 190.00
1,701 to 2,200 sq. ft.	192.00 198.00
2,201 sq. ft. and over	206.00 212.00
Commercial buildings (per 1,000 sq ft.)	158.00 163.00
Industrial buildings (per 1,000 sq. ft.)	38.00 39.00

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	\$262.00 270.00
701 to 1,200 sq. ft.	415.00 343.00
1,201 to 1,700 sq. ft.	369.00 380.00
1,701 to 2,200 sq. ft.	383.00 395.00
2,201 sq. ft. and over	411.00 423.00
Commercial buildings (per 1,000 sq. ft.)	317.00 326.00
Industrial buildings (per 1,000 sq. ft.)	75.00 77.00

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	\$308.00 317.00
701 to 1,200 sq. ft.	395.00 406.00
1,201 to 1,700 sq. ft.	435.00 447.00
1,701 to 2,200 sq. ft.	455.00 469.00
2,201 sq. ft. and over	488.00 502.00
Commercial buildings (per 1,000 sq. ft.)	750.00 772.00
Industrial buildings (per 1,000 sq. ft.)	176.00 181.00

Section 5. That the fee schedule in Section 7.5-71(b) of the Code of the City of Fort Collins, establishing the Neighborhood Parkland Fee, is hereby amended to read as follows:

700 sq. ft. and under	\$1,214.00 1,249.00
701 to 1,200 sq. ft.	1,557.00 1,603.00
1,201 to 1,700 sq. ft.	1,721.00 1,771.00
1,701 to 2,200 sq. ft.	1,793.00 1,845.00
2,201 sq. ft. and over	1,920.00 1,976.00

Introduced, considered favorably on first reading, and ordered published this 2nd day of December, A.D. 2015, and to be presented for final passage on the 16th day of December, A.D. 2014.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 16th day of December, A.D. 2014.

Mayor

ATTEST:

City Clerk