

AGENDA ITEM SUMMARY

March 21, 2017

City Council

STAFF

Tiana Smith, Revenue and Project Manager

SUBJECT

First Reading of Ordinance No. 049, 2017, Amending Chapter 7.5 and 8 of the Code of the City of Fort Collins for Phased Increases of the Capital Expansion Fees.

EXECUTIVE SUMMARY

The purpose of this item is to adopt fee recommendations for increased capital expansion fees on a phased timeline determined by City Council. In early 2016, staff initiated comprehensive reviews of the Capital Improvement Expansion Fees, Transportation Capital Expansion (Street Oversizing) Fees and Electric Capacity Fees. In late 2016, staff conducted a thorough inventory of all fees across the City in order to better coordinate presentation of the holistic impact of fee recommendations to the community. Staff worked to integrate the messaging of these efforts to the community and to Council to illustrate the entire fee impact, as well as how Fort Collins compares to neighboring cities' impact fees.

Phased increases in the Capital Expansion Fees, which include the Fire Protection, Police, General Government, Community Parkland and Neighborhood Parkland Capital Expansion Fees, are being presented to Council for adoption on First Reading. Due to additional time needed to address the phasing of the Electric Capacity Fees and Transportation Capital Expansion Fees, the issue of their phasing will be presented to Council at the April 25, 2017 Work Session.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

Capital Expansion Fees

Capital Expansion Fees are used to require new developments to pay a proportionate share of the City's infrastructure costs. The method of calculating the fees that the City has used since 1996 is referred to as incremental expansion. This method works in the following manner:

- New development pays a fee based on current infrastructure costs - they essentially "buy in" to the current system.
- The revenues from the fees are then used to build new infrastructure to serve the new development and/or the increase in population that follows the development.

For reference, Capital Expansion Fees are paid for only new development on residential properties and for redevelopment only in the case where additional dwelling units are added, i.e., a carriage house on the same parcel. Capital Expansion Fees for new development are paid only on square footage above grade so square footage for basements is not included in calculating fees. Capital Expansion Fees are not paid for additions to existing dwelling units, unless the structure is completely scrapped, in which case it is considered a new development and applicable Capital Expansion Fees are charged.

Capital Expansion Fees are also paid for new development and redevelopment on commercial and industrial properties, except such development is not charged the Community and Neighborhood Parkland Capital Expansion Fees.

The City's Capital Expansion Fees were originally prepared and adopted in 1996 and updated in 2013. Direction was given to staff to update the fees every 3-5 years.

The fees included in the study are:

- Neighborhood Parkland
- Community Parkland
- Fire Protection
- Police
- General Government

In 2013, the fees for police, fire protection and general government for commercial and industrial land use types were phased in over a 3-year period and updated annually for inflation according to the Denver-Boulder-Greeley Consumer Price Index and Denver Region Construction Cost Index. For residential land use types, the fees were updated in 2013 and have been updated annually for inflation according to the Denver-Boulder-Greeley Consumer Price Index and Denver Region Construction Cost Index.

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 and updates input from 2013 to reflect current asset information. The fees have been updated based on today's current level of service and cost, which factors in current capital assets for all fees.

After a thorough analysis updating the asset values and land values, the fee recommendations for the Capital Expansion Fees are as follows:

As of January 1, 2017

Land Use Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	CEF Totals
Updated Fees							
Resid., up to 700 sf	Dwelling	\$1,893	\$2,542	\$502	\$236	\$574	\$5,747
Resid., 701-1,200 sf	Dwelling	2,533	3,403	679	319	774	7,708
Resid., 1,201-1,700 sf	Dwelling	2,766	3,715	739	347	845	8,412
Resid., 1,701-2,200 sf	Dwelling	2,796	3,755	751	352	858	8,512
Resid., over 2,200 sf	Dwelling	3,116	4,185	836	392	955	9,484
Commercial	1,000 sf	0	0	633	297	1,451	2,381
Office and Other Services	1,000 sf	0	0	633	297	1,451	2,381
Industrial/Warehouse	1,000 sf	0	0	148	69	342	559
Current Fees							
Resid., up to 700 sf	Dwelling	1,300	1,102	281	141	330	3,154
Resid., 701-1,200 sf	Dwelling	1,667	1,414	357	178	423	4,039
Resid., 1,201-1,700 sf	Dwelling	1,842	1,562	395	198	465	4,462
Resid., 1,701-2,200 sf	Dwelling	1,919	1,628	410	206	487	4,650
Resid., over 2,200 sf	Dwelling	2,056	1,743	440	220	523	4,982
Commercial	1,000 sf	0	0	339	169	803	1,311
Office and Other Services	1,000 sf	0	0	339	169	803	1,311
Industrial	1,000 sf	0	0	80	41	188	309
Change							
Resid., up to 700 sf	Dwelling	593	1,440	221	95	244	2,593
Resid., 701-1,200 sf	Dwelling	866	1,989	322	141	351	3,669
Resid., 1,201-1,700 sf	Dwelling	924	2,153	344	149	380	3,950
Resid., 1,701-2,200 sf	Dwelling	877	2,127	341	146	371	3,862
Resid., over 2,200 sf	Dwelling	1,060	2,442	396	172	432	4,502
Commercial	1,000 sf	0	0	294	128	648	1,070
Industrial/Warehouse	1,000 sf	0	0	68	28	154	250
Percent Change							
Resid., up to 700 sf	Dwelling	46%	131%	79%	67%	74%	82%
Resid., 701-1,200 sf	Dwelling	52%	141%	90%	79%	83%	91%
Resid., 1,201-1,700 sf	Dwelling	50%	138%	87%	75%	82%	89%
Resid., 1,701-2,200 sf	Dwelling	46%	131%	83%	71%	76%	83%
Resid., over 2,200 sf	Dwelling	52%	140%	90%	78%	83%	90%
Commercial	1,000 sf			87%	76%	81%	82%
Industrial/Warehouse	1,000 sf			85%	68%	82%	81%

During public outreach on the fee recommendations, it became clear that the development community desires at least 6 months after adoption of the new fees, before the fees become implemented. In addition, due to the increases for all land use types across all the fees, staff recommends phasing these fees in 3-steps over a 27-month period. The dollar change difference between the old fees and the new fees would be split into thirds and implemented over the 27-month period. Therefore, the proposed Ordinance calls for the first increase to occur on October 1, 2017, the second increase on January 1, 2019, and the third increase on January 1, 2020. Along with this phasing, fees will additionally be subject to annual updates for the Denver-Boulder-Greeley Consumer Price index.

CITY FINANCIAL IMPACTS

Revenue from Capital Expansion Fees, Transportation Capital Expansion Fees and Electric Capacity Fees is driven entirely by the amount of growth/development/re-development that occurs in the City of Fort Collins. For Transportation Capital Expansion Fees and Capital Expansion Fees, revenue is used to support

infrastructure needs that result from growth within the community. For Electric Capacity Fees, revenue goes to the Utilities Light and Power Enterprise fund to be used for the future planning needs of the electric utility.

If Capital Expansion Fees are not appropriately collected, resulting in a lack of revenue, financial impacts may be:

- Delay of projects
- Facilities and assets may be designed and built at a lower level of service
- Revenue to fund services and projects may come from a different source, most likely the General Fund.

There are financial impacts to the City with the phasing of impact fees as well. The table below shows the revenue impact comparison to implementing the fees all at once, 6 months after adoption versus phasing the fees in 3-steps over a 27-month period:

(\$ in M)

	Prior 10 year Avg Permits				Prior 3 year Avg Permits			
	2018	2019	2020	3 yr Total	2018	2019	2020	3 yr Total
Change All At Once	\$8.4	\$8.4	\$8.4	\$25.1	\$11.9	\$11.9	\$11.9	\$36
2 Year Phase	5.7	7.	8.4	\$21.1	\$8.1	\$10.	\$11.9	\$30
Gap	-2.7	-1.3	-	-\$4.	-\$3.8	-\$1.9	-	-\$6

The information provided above are estimates based on both 10-year and 3-year historical permit data. It should be noted that the 3-year permit data reflects much recent development and redevelopment that Fort Collins has experienced with Woodward, Avago and Foothills Mall, so these estimates may be higher than what the City may expect to see in the coming 3 years.

A final potential financial impact could occur if eligible projects through the Housing Authority apply for a waiver of Capital Expansion Fees and the fee revenue from the waiver is then backfilled by the General Fund. This occurred in 2013 with Redtail Ponds, which resulted in a fee waiver and backfill from the General Fund of \$274K. For the 2013-2014 Budgeting for Outcomes cycle, examples of one-time General Fund offers that were not funded for roughly that same amount of money are:

Environmental Health

- Propane and Natural Gas Vehicle Conversions - \$85K
- Sustainable Theatrical Lighting at Lincoln Center - \$197K

Culture and Recreation

- Shelter at Inspiration Playground - \$86K

Economic Health

- Downtown Plan Update- \$105K

High Performing Government

- Sustainability Service Area Office Space- \$300K

BOARD / COMMISSION RECOMMENDATION

The Economic Advisory Commission recommends supporting the fee recommendations. (**Attachments 2, 3**)

The Affordable Housing Board was not in support of the higher fee recommendations. The Board requested at least 6 months lead time, preferably longer, before fees are implemented. **(Attachment 4)**

The Building Review Board did not feel they had sufficient time or information to submit a recommendation. **(Attachment 5)**

The Parks and Recreation Board is in support of fees that reflect the true cost of park replacement. **(Attachment 6)**

The Human Relations Commission is not in support of the ways the fees are being calculated and feel that the shift in the fee burden from commercial to residential is going to have huge impacts to housing affordability. Additionally it felt that the fees place undue pressure on marginalized populations in the community by assessing fees based on regional numbers for transportation and not taking into account that people with lower income travel less.

PUBLIC OUTREACH

An outreach plan was developed in June 2016 for Capital Expansion Fees and Street Oversizing Fees that focused on stakeholders directly impacted by the fee recommendations. These stakeholders included: Chamber of Commerce Local Legislative Affairs Committee, Board of Realtors, Building Review Board, NoCo Homebuilder's Association, Housing Catalyst, Economic Advisory Commission, Downtown Development Authority, Parks and Recreation Board and the Affordable Housing Board.

Based on the Public Engagement Spectrum to determine the level of appropriate engagement, no public surveys were conducted since these fees apply to new development and future growth and don't directly impact the average citizen. A website containing the recommendations and a link to the studies can be found at: www.fcgov.com/finance/capitalexpansion.php

Feedback on the fees to the impacted stakeholders for Capital Expansion Fees and Street Oversizing Fees is as follow:

Chamber Local Legislative Affairs Committee

- Concerned about affordability of housing
- Concerned that multifamily is getting hit harder than single family detached which will impact the type of housing being built by developers
- Concerned about cost of doing business in Fort Collins
- If fees are passed, Chamber wants them to be phased in over time

Additional Outreach to was completed March 10, 2017.

Northern Colorado Homebuilder's Association

- Developers need at least 6 months' notice to implement fee changes
- General fund should pay for Gen Gov't facilities
- Disagree with how land value was assessed
- This is affecting housing affordability
- Increased housing costs will drive development to neighboring communities
- Staff should present to the broader community as this will impact housing affordability which impacts all citizens.

Affordable Housing Board

- Would like more lead time before implementation (6+ months), more for Affordable Housing

- City should look at fee structures that incentive smart growth (higher density)
- These big increases will “chill” the development of affordable housing
- Prefer using insured values for assets for calculations
- Want waivers or rebates for affordable housing

Board of Realtors

- Feel, there is additional outreach needed to the broader community as housing affordability affects all citizens
- Concerned about housing affordability and the City’s fees driving total cost of building so high that pushes development to neighboring cities
- Not in support of shift in methodology for Street Oversizing, concerned about shifting burden from commercial to residential.
- Concerned about impacts to development of smaller housing and multifamily. Feel unit/fee as a percentage of the cost to build a unit is too high
- Need to look at Transit-Oriented Development (TOD) and ensure our fee structures match their plan and don’t incentivize further urban sprawl instead of TOD.

Economic Advisory Commission

- In support of the use of replacement values to determine asset values
- Concerned about funding gap if we don’t collect appropriate amount of fees

Downtown Development Authority

- Concerns about the impact of these fees to small businesses
- Desire a waiver process for affordable housing
- Anecdotally, feeling from developers that City fees are high already, this makes them even higher
- Want the fees to be phased in over time

Building Review Board

- Abstained from submitting a position as it did not feel it had enough time to understand the fees and decide on a position.

Parks and Recreation Board

- In support of working with Ditesco to determine current costs for Park Assets
- Want to ensure the City collects the appropriate amount of fees for building future parks but also acknowledged that the level of service for parks has increased dramatically over the years and that the same level of service may not continue to be achievable.
- Concerned about housing affordability and the impact of these increases

Housing Catalyst

- Major concerns on impact to affordable housing
- Want plenty of lead time for implementation of fees
- Want fees phased in over time

Human Relations Commission

- Very concerned with housing affordability
- Did not support the fee burden shift from commercial to residential

Agenda Item 10

- Felt that the fees are in direct conflict with other plans in place, such as Road to 2020, Affordable Housing Plan, etc.

ATTACHMENTS

1. Work Session Summary February 14, 2017 (PDF)
2. Economic Advisory Commission Recommendation, February 7, 2017(PDF)
3. Economic Advisory Commission Minutes September 21, 2016 (PDF)
4. Affordable Housing Board Minutes October 13, 2016 (PDF)
5. Building Review Board Minutes January 26, 2017 (PDF)
6. Parks and Recreation Board minutes, February 22, 2017 (draft) (PDF)

ORDINANCE NO. 049, 2017
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 7.5 AND 8 OF THE CODE OF THE CITY OF FORT
COLLINS FOR PHASED INCREASES OF THE CAPITAL EXPANSION FEES

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 establish impact fees for such development; and

WHEREAS, the City Council has determined that new development should contribute its proportionate share of providing the capital improvements that are typically funded with impact fees; 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, in early 2016, City staff initiated a comprehensive review of its various impact fees now charged to new development, including its community parkland, neighborhood parkland, police, fire protection, and general government capital improvement expansion fees (collectively, "Capital Expansion Fees"); and

WHEREAS, as a result of that review, the City commissioned an impact fee study that has resulted in the "Capital Expansion Fee Study" dated August 2016, which has identified the need to increase the Capital Expansion Fees by various amounts; and

WHEREAS, City Council has decided to phase these fee increases over a twenty-seven month period beginning on October 1, 2017; 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 Expansion Fees be increased.

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

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the title of Section 7.5, Article II is hereby amended to read as follows:

ARTICLE II. - CAPITAL IMPROVEMENT EXPANSION FEES

Section 3. That Section 7.5-16 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-16. - Intent.

The provisions of this Article are intended to impose certain fees to be collected at the time of building permit issuance in an amount calculated as shown herein for the purpose of funding the provisions of additional capital improvements as the City's population increases. The imposition of said fees is intended to regulate the use and development of land by ensuring that new growth and development in the City bear a proportionate share of the costs of capital expenditures necessary to provide community parkland, police, fire protection and, general government, neighborhood parkland and transportation capital improvements. Said fees shall not be used to collect more than is necessary to fund such capital improvements. The fees provided for in this Article are based on the City's *Capital Improvement-Expansion Cost Fee Study*, dated May 21, 1996 August 2016, as amended; the *City's Street Oversizing Impact Fee Study*, dated July 15, 1997, and *Street Oversizing Impact Fee Study Update*, dated November 28, 2000, as amended; and *The ITE Trip Generation Manual*, 6th Edition, 1997, published by the Institute of Traffic Engineers, as amended, which establish a fair and equitable allocation of costs and recognize past and future payments for new development, as well as credits for construction, dedication of land or cash contributions. Funds collected from said fees shall not be used to remedy existing deficiencies, but only to provide new capital improvements which are necessitated by new development. The amount of revenue generated by said fees shall not exceed the cost of providing the capital improvements for which they are imposed, and the same shall be expended solely to provide the specified capital improvements.

Section 4. That Section 7.5-17 of the Code of the City of Fort Collins is hereby amended by the addition of a new definition "*Capital expansion fees*" which reads in its entirety as follows:

Capital expansion fees shall mean the fees established in Code Sections 7.5-28, 7.5-29, 7.5-30, 7.5-31, 7.5-32 and 7.5-71.

Section 5. That the definition of "*Capital improvements*" contained in Section 7.5-17 is hereby amended to read as follows:

Capital improvements shall mean the purchase or long-term lease or lease-purchase of real property, the construction of public facilities or the purchase or long-term lease or lease-purchase of equipment or materials needed to facilitate the operation of such facilities or the delivery of services therefrom, to the extent that such property, improvements, equipment or materials are identified in the City's capital improvements plan as being totally or partially financed by the imposition of capital improvement expansion fees. For the purposes of this provision, *long-term lease* or *lease-purchase* shall mean a lease or lease-purchase of not less than five (5), subject to annual appropriation. Amounts expended for capital improvements shall include amounts that are treated as capitalized expenses according to generally accepted accounting principles

and shall not include costs associated with the operation, administration, maintenance or replacement of capital improvements.

Section 6. That Section 7.5-18 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-18. - Calculation of capital ~~improvement~~ expansion fees.

For each category of capital improvements for which a capital ~~improvement~~ expansion fee is established under the provisions of this Article, the amount of each such capital ~~improvement~~ expansion fee shall be determined on a per dwelling unit basis according to the gross floor area of each such dwelling unit (in the case of residential development) or on the basis of each square foot of new construction (in the case of commercial or industrial development). The amount of each fee, except for the street oversizing capital improvement expansion fee established in ~~code section~~ § 7.5-32, will be increased or decreased annually according to the Denver-Boulder Consumer Price Index for Urban Consumers, as published by the Bureau of Labor Statistics. The amount of the street oversizing capital improvement expansion fee will be increased or decreased annually according to the Engineering News Record Denver Regional Construction Cost Index. In addition, the methodologies used to set each fee shall be reviewed and compared to the City's actual infrastructure costs at least once every five (5) years, and adjustments made in accordance with such review and with the provisions of § 7.5-16 of this Code.

Section 7. That Section 7.5-19 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-19. - Imposition, computation and collection of fees.

- (a) Payment of the fees imposed under the provisions of this Article shall be required as a condition of approval of all development in the City for which a building permit is required. The amount of such fees has been calculated using current levels of service and the data and methodologies described in the City's *Capital ~~Improvement~~ Expansion ~~Fee~~ Cost Study*, dated ~~May 21, 1996~~ August 2016, as amended; the City's *Street Oversizing Impact Fee Study*, dated July 15, 1997, and *Street Oversizing Impact Fee Study Update*, dated November 28, 2000, as amended; and *The ITE Trip Generation Manual*, 6th Edition, 1997, published by the Institute of Traffic Engineers, as amended. The fees due for such development shall be payable by the feepayer to the Building Official prior to or at the time of issuance of the first building permit for the property to be developed, except to the extent that an agreement deferring all or any portion of such payment has been executed by the City providing for a different time of payment approved by the City Council by resolution. If, during the period of any such deferral, the amount of the deferred fee is increased by ordinance of the City Council, the fee rate in effect at the time of payment shall apply. If the building permit for which a fee has been paid has expired, and an application for a new building permit is thereafter filed, any amount previously paid for a capital ~~improvement~~ expansion fee and not refunded by the City shall be credited against any additional amount due under the provisions of this Article at the time of application for the new building permit.

...

Section 8. That Section 7.5-22 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-22. - Use of fee proceeds.

(a) The fees collected for each category of capital improvement specified in Division 2 of this Article shall be used to finance or to recoup the costs of any capital improvements identified in the applicable capital improvements plan, except that fees collected for street oversizing improvements shall be used only to finance or recoup the costs of such improvements. Eligible costs which may be paid from revenues derived from such fees may include, without limitation, design, surveying and engineering fees; the cost of purchasing or leasing real property; construction costs; other capital improvement costs; and the costs of administering the capital ~~improvement~~-expansion fee program. The proceeds of such fees may also be used to pay the principal sum and interest and other finance costs on bonds, notes or other obligations issued by or on behalf of the City to finance such capital improvements. The City shall be entitled to retain four (4) percent of the fees collected under this Article to cover the costs associated with the collection of the same, and the administration, investment, accounting, expenditure and auditing of the funds collected.

(b) Fees collected under the provisions of this Article shall not be used to pay for any of the following expenses:

(1) Costs incurred for the construction, acquisition or expansion of capital improvements or assets other than those identified in the applicable capital improvements plan or in the case of the street oversizing capital improvement expansion fee, any capital improvement other than a street oversizing improvement;

(2) Costs incurred for the repair or maintenance of existing or new capital improvements or facilities expansions; or

(3) Costs incurred for the ongoing administration or operation of the funded capital improvements.

(c) Annually, the City Manager shall present to the City Council a proposed capital improvement program for each capital improvement for which a capital ~~improvement~~ expansion fee is charged. Such program shall assign funds, including any accrued interest, from the several capital ~~improvement~~-expansion fee accounts to specific capital improvement projects and related expenses.

Section 9. That Section 7.5-23 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-23. - Appeals.

(a) Any property owner or developer may appeal the following decisions to the City Manager, pursuant to the appeals procedure set forth in Article VI of Chapter 2 of this Code, and the specific requirements of Subsection (b), below:

(1) The applicability of any fee to the development;

(2) The amount of any such fee;

- (3) The availability, amount or application of any offset or credit; or
 - (4) The amount of any refund, as determined by the Financial Officer, under the provision of § 7.5-25 below.
- (b) The burden of proof in any such hearing shall be on the applicant to demonstrate that the amount of fee or offset or credit was not properly calculated by the City. In the event of an appeal of the amount of a fee, the feepayer shall, at his or her expense, prepare and submit to the City Manager an independent fee calculation study for the fee in question. The independent fee calculation study shall follow the methodologies used in the **City's Capital Improvement Expansion Cost-Fee Study**, dated ~~May 21, 1996~~ **August 2016**, as amended, or the City's *Street Oversizing Impact Fee Study*, dated July 15, 1997, as amended, whichever is applicable. The independent fee calculation study shall be conducted by a professional in impact **fee** analysis. The burden shall be on the feepayer to provide the City Manager all relevant data, analysis and reports which would assist the City Manager in determining whether the capital ~~improvement~~ expansion fee should be adjusted. The City Manager shall modify said amount only if there is substantial competent evidence in the record that the City erred, based upon the methodologies contained in the **City's Capital Improvement Expansion Cost-Fee Study**, dated ~~May 21, 1996~~ **August 2016**, as amended, or the City's *Street Oversizing Impact Fee Study*, dated July 15, 1997, as amended, whichever is applicable.

Section 10. That Section 7.5-24 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-24. - Entitlement to refunds for nonappropriation/nonexpenditure.

...

- (b) In determining whether fee revenues have been appropriated or expended within the requisite periods of time specified in Subsection (a), monies in the applicable capital ~~improvement~~ expansion fee accounts shall be considered to be appropriated and expended on a first in, first out basis; that is, the first fees paid shall be considered the first fees appropriated and expended.

...

Section 11. That Section 7.5-28 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-28. - Community parkland capital ~~improvement~~ expansion fee.

- (a) There is hereby established a community parkland capital ~~improvement~~ expansion fee which shall be imposed pursuant to the provisions of this Article for the purpose of funding capital improvements related to the provision of community parks, as such improvements may be identified in the capital improvements plan for community parkland. Such fee shall be payable prior to the issuance of any building permit for a residential structure. The amount of such fee shall be determined per dwelling unit as follows:

	Current	As of October 1, 2017	As of January 1, 2019	As of January 1, 2020
700 sq. ft. and under	\$1,102.00	\$1,582.00	\$2,062.00	\$2,542.00
701 to 1,200 sq. ft.	1,414.00	2,077.00	2,740.00	3,403.00
1,201 to 1,700 sq. ft.	1,562.00	2,280.00	2,997.00	3,715.00
1,701 to 2,200 sq. ft.	1,628.00	2,337.00	3,046.00	3,755.00
2,201 sq. ft. and over	1,743.00	2,557.00	3,371.00	4,185.00

In the case of duplexes and multi-family structures, the amount of the fee for each dwelling unit shall be based upon the average size of the dwelling units contained within each such structure.

- (b) All fees collected under this Section shall be deposited into ~~a separate account within the capital improvement expansion fund to be known as the "community parkland capital improvement expansion fee account."~~ established in Code § 8-95. This account shall be an interest bearing account, and any interest income earned on the fees shall be credited to the account. Funds withdrawn from the community parkland ~~facilities~~ capital expansion fee account shall be used only for the purposes specified in Subsection (a) of this Section and said expenditures shall be subject to the provisions of this Article.

Section 12. That Section 7.5-29 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-29. - Police capital ~~improvement~~ expansion fee.

- (a) There is hereby established a police capital ~~improvement~~ expansion fee which shall be imposed pursuant to the provisions of this Article for the purpose of funding capital improvements related to the provision of police services, as such improvements may be identified in the capital improvements plan for police services. Such fee shall be payable prior to the issuance of any building permit for a residential, commercial or industrial structure. The amount of such fee shall be determined as follows:

	Current	As of October 1, 2017	As of January 1, 2019	As of January 1, 2020
700 sq. ft. and under	\$141.00	\$173.00	\$204.00	\$236.00
701 to 1,200 sq. ft.	178.00	255.00	272.00	319.00
1,201 to 1,700 sq. ft.	198.00	248.00	297.00	347.00
1,701 to 2,200 sq. ft.	206.00	255.00	303.00	352.00
2,201 sq. ft. and over	220.00	277.00	335.00	392.00
Commercial buildings (per 1,000 sq. ft.)	169.00	212.00	254.00	297.00
Industrial buildings (per 1,000 sq. ft.)	41.00	50.00	60.00	69.00

In the case of duplexes and multi-family structures, the amount of the fee for each dwelling unit shall be based upon the average size of the dwelling units contained within each such structure.

- (b) All fees collected under this Section shall be deposited into ~~a separate account within the capital improvement expansion fund to be known as the "police capital improvement expansion fee account."~~ **established in Code § 8-96.** This account shall be an interest bearing account, and any interest income earned on the fees shall be credited to the account. Funds withdrawn from the police capital ~~improvement~~ expansion **fee** account shall be used only for the purposes specified in Subparagraph (a) of this Section and said expenditures shall be subject to the provisions of this Article.
- (c) ~~The fees collected under this Section for commercial and industrial buildings between October 3, 2013, and December 31, 2014, shall be sixty (60) percent of the amount shown in Subsection (a) above; those collected between January 1, 2015, and December 31, 2015, shall be eighty (80) percent of the amount shown in Subsection (a); thereafter, the full amount shown in Subsection (a) shall be collected.~~

Section 13. That Section 7.5-30 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-30. - Fire protection capital ~~improvement~~ expansion fee.

- (a) There is hereby established a fire protection capital ~~improvement~~ expansion fee which shall be imposed pursuant to the provisions of this Article for the purpose of funding capital improvements related to the provision of fire services, as such improvements may be identified in the capital improvements plan for fire protection services. Such fee shall be payable prior to the issuance of any building permit for a residential, commercial or industrial structure. The amount of such fee shall be determined as follows:

	Current	As of October 1, 2017	As of January 1, 2019	As of January 1, 2020
700 sq. ft. and under	\$281.00	\$355.00	\$428.00	\$502.00
701 to 1,200 sq. ft.	357.00	464.00	572.00	679.00
1,201 to 1,700 sq. ft.	395.00	510.00	624.00	739.00
1,701 to 2,200 sq. ft.	410.00	524.00	637.00	751.00
2,201 sq. ft. and over	440.00	572.00	704.00	836.00
Commercial buildings (per 1,000 sq. ft.)	339.00	437.00	535.00	633.00
Industrial buildings (per 1,000 sq. ft.)	80.00	103.00	125.00	148.00

In the case of duplexes and multi-family structures, the amount of the fee for each dwelling unit shall be based upon the average size of the dwelling units contained within each such structure.

- (b) All fees collected under this Section shall be deposited into ~~a separate account within the capital improvement expansion fund to be known as the "fire protection capital improvement expansion fee account;"~~ **established in Code § 8-97.** This account shall be an interest bearing account, and any interest income earned on the fees shall be credited to the account. Funds withdrawn from the fire protection capital ~~improvement expansion fee~~ account shall be used only for the purposes specified in Subparagraph (a) of this Section and said expenditures shall be subject to the provisions of this Article.
- (c) ~~The fees collected under this Section for commercial and industrial buildings between October 3, 2013, and December 31, 2014, shall be sixty (60) percent of the amount shown in Subsection (a) above; those collected between January 1, 2015, and December 31, 2015, shall be eighty (80) percent of the amount shown in Subsection (a); thereafter, the full amount shown in Subsection (a) shall be collected.~~

Section 14. That Section 7.5-31 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-31. - General governmental capital ~~improvement expansion~~ fee.

- (a) There is hereby established a general governmental capital ~~improvement~~ expansion fee which shall be imposed pursuant to the provisions of this Article for the purpose of funding capital improvements related to the provision of general governmental services, as such improvements may be identified in the capital improvements plan for general governmental services. Such fee shall be payable prior to the issuance of any building permit for a residential, commercial or industrial structure. The amount of such fee shall be determined as follows:

	Current	As of October 1, 2017	As of January 1, 2019	As of January 1, 2020
700 sq. ft. and under	\$330.00	\$441.00	\$493.00	\$574.00
701 to 1,200 sq. ft.	423.00	540.00	657.00	774.00
1,201 to 1,700 sq. ft.	465.00	592.00	718.00	845.00
1,701 to 2,200 sq. ft.	487.00	611.00	734.00	858.00
2,201 sq. ft. and over	523.00	667.00	811.00	955.00
Commercial buildings (per 1,000 sq. ft.)	803.00	1,019.00	1,235.00	1,451.00
Industrial buildings (per 1,000 sq. ft.)	188.00	239.00	291.00	342.00

In the case of duplexes and multi-family structures, the amount of the fee for each dwelling unit shall be based upon the average size of the dwelling units contained within each such structure.

- (b) All fees collected under this Section shall be deposited into ~~a separate account within the capital improvement expansion fund to be known as the "general governmental capital improvement expansion fee account;"~~ **established in Code § 8-93.** This account shall be an interest bearing account, and any interest income earned on the fees shall be credited to the account. Funds withdrawn from the general governmental capital ~~improvement expansion~~

fee account shall be used only for the purposes specified in subparagraph (a) of this Section and said expenditures shall be subject to the provisions of this Article.

- (c) ~~The fees collected under this Section for commercial and industrial buildings between October 3, 2013, and December 31, 2014, shall be sixty (60) percent of the amount shown in Subsection (a) above those collected between January 1, 2015, and December 31, 2015, shall be eighty (80) percent of the amount shown in Subsection (a); thereafter, the full amount shown in Subsection (a) shall be collected.~~

Section 15. That Section 7.5-71 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-71. - Collection of a Neighborhood parkland capital expansion fee.

- (a) ~~Hereafter, p~~Payment of a neighborhood parkland capital expansion fee in accordance with this Section shall be required as a condition of approval of all residential development for which a building permit is required, as those terms are defined in § 7.5-17 of this Code. The fees due for such development shall be payable by the feepayer to the Building Official prior to or at the time of issuance of the first building permit for the property to be developed, unless an agreement has been executed by the City which provides for a different time of payment. All such payments shall be deposited in the “neighborhood parkland capital expansion fee fund” ~~by the Financial Officer in the fund created~~ established in § 8-80. Only one (1) fee shall be charged for any dwelling unit. No additional fee for acquisition and development of neighborhood parks shall be charged for the same dwelling unit. If the building permit for which a fee has been paid has expired, and an application for a new building permit is thereafter filed, any amount previously paid for a neighborhood parkland capital expansion fee and not refunded by the City shall be credited against any additional amount due under the provisions of this Article at the time of application for the new building permit.
- (b) The amount of the fee established in this Section shall be determined for each dwelling unit as follows:

	Current	As of October 1, 2017	As of January 1, 2019	As of January 1, 2020
700 sq. ft. and under	\$1,300.00	\$1,498.00	\$1,695.00	\$1,893.00
701 to 1,200 sq. ft.	\$1,667.00	1,956.00	2,244.00	2,533.00
1,201 to 1,700 sq. ft.	\$1,842.00	2,150.00	2,458.00	2,766.00
1,701 to 2,200 sq. ft.	\$1,919.00	2,211.00	2,504.00	2,796.00
2,201 sq. ft. and over	\$2,056.00	2,409.00	2,763.00	3,116.00

- (c) Notwithstanding the foregoing, the City Council may, by ordinance, waive the imposition of any fee imposed by the provisions of this Chapter for a housing project wholly or partially

owned by a housing authority formed pursuant to the provisions of Section 29-4-101 et seq., C.R.S., if the City Council, in its sole discretion, determines that:

- (1) the affordable housing project is intended to house homeless or disabled persons, as such terms are defined by the Department of Housing and Urban Development, or households with an annual income that does not exceed thirty (30) percent of the area median income for the applicable household size in the Fort Collins-Loveland metropolitan statistical area, as published by the Department of Housing and Urban Development; and
 - (2) the proposed waiver will not jeopardize the financial interests of the City or the timely construction of the capital improvements to be funded by the fees for which a waiver is sought.
- (d) If any such dwelling unit is contained within or constitutes an *affordable housing project* as defined in Chapter 26, Article IX of the Code, the fee established in this Section, if not waived by the City Council under the provisions of Subsection 7.5-71(c), shall, upon the request of the applicant, be deferred until the date of issuance of a certificate of occupancy (whether temporary or permanent) for such unit(s) or until the first day of December of the year in which the deferral was obtained, whichever first occurs. Any person requesting such deferral shall, as a condition precedent to obtaining the deferral, secure the future payment of the deferred fee(s) by providing the City with a letter of credit or certificate of deposit in a form and amount acceptable to the City. At the time of application for any such deferral, the applicant shall pay to the City a fee in the amount of fifty dollars (\$50.) to partially defray the cost of administration. No person shall knowingly make any false or misleading statement of fact in order to obtain any deferral of fees under this Section.
- (e) The methodologies used to set the **neighborhood parkland capital expansion** fees ~~applicable to parklands~~ shall be reviewed and compared to the City's actual infrastructure costs at least once every five (5) years, and adjustments made in accordance with such review and with the provisions of § 7.5-16 ~~of this Code~~.

Section 16. That Section 7.5-72 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-72. - Dedication of land in lieu of fee.

In lieu of the payment of **the neighborhood parkland capital expansion fee under § 7.5-71** ~~any fees required in this Article~~, an owner of lands may negotiate with the City for the dedication of lands to be used for neighborhood park purposes. If a satisfactory agreement is reached for the dedication of such lands, the price established for such lands may be credited ~~on the fees to be charged against the neighborhood parkland capital expansion fee owed under this Article~~ **§ 7.5-71** and the agreement reached between the parties shall be set forth in writing and kept on file in the office of the City Clerk. Similarly, a credit ~~on against the neighborhood parkland capital expansion fee under § 7.5-71 the fees to be charged under this Article~~ **§ 7.5-71** may be given on account of the development of lands dedicated for neighborhood park purposes in such amount as may be negotiated for and agreed upon between the City and any developer. Nothing contained in this Section shall be construed to cancel or annul any agreement heretofore entered into by the City

concerning the dedication of parkland and credits on fees of the type established by this Article, and all such agreements shall continue in full force and effect, and any credits remaining under such agreement shall apply toward the fee assessed by this Article.

Section 17. That Section 8-80 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 8-80. - Neighborhood parkland capital expansion fee fund.

There is hereby created a fund to account for the acquisition, development and administration of neighborhood parks known as the neighborhood parkland capital expansion fee fund. Revenues deposited into the fund shall include the neighborhood parkland capital expansion fees collected pursuant to § 7.5-71. Expenditures from this fund shall be made for approved purposes for the acquisition, development and administration of neighborhood parks as provided in § 7.5-71, including purchases of new or replacement park site equipment and plantings.

Section 18. That Section 8-92 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 8-92. - Capital improvement expansion fee fund.

There is hereby created a fund to account for the acquisition, construction and development of capital improvements as defined in § 7.5-17. Revenues shall include all capital expansion fees collected pursuant to Chapter 7.5, but shall not include the neighborhood parkland capital expansion fee collected and deposited pursuant to § 7.5-71 and § 8-80 or the street oversizing capital improvement expansion fee collected and deposited pursuant to § 7.5-32 and § 8-87. ~~and~~ Expenditures from this fund shall be made solely for the applicable purposes described in Chapter 7.5 therein.

Section 19. That Section 8-93 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 8-93. - General governmental capital improvement expansion fee account.

There is hereby created an account within the capital improvement expansion fee fund to account for the acquisition, construction and development of capital improvements related to the provision of general governmental services, as described in the capital improvements plan for general governmental services. Revenues shall include all fees collected pursuant to ~~Subsection~~ § 7.5-31(a). Expenditures from this account shall be made solely for the purposes described in Subsection 7.5-31(b) and according to all other applicable provisions of Chapter 7.5.

Section 20. That Section 8-95 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 8-95. - Community parkland capital improvement expansion fee account.

There is hereby created an account within the capital improvement expansion fee fund to account for the acquisition, construction and development of capital improvements related to the

provision of community parklands, as described in the capital improvements plan for community parkland. Revenues shall include all fees collected pursuant to ~~Subsection~~ § 7.5-28(a). Expenditures **from this account** shall be made solely for the purposes described in Subsection 7.5-28(b) and according to all other applicable provisions of Chapter 7.5.

Section 21. That Section 8-96 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 8-96. - Police capital ~~improvement~~ expansion **fee account.**

There is hereby created an account within the capital ~~improvement~~ expansion **fee** fund to account 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. Revenues shall include all fees collected pursuant to ~~Subsection~~ § 7.5-29(a). Expenditures **from this account** shall be made solely for the purposes described in Subsection 7.5-29(b) and according to all other applicable provisions of Chapter 7.5.

Section 22. That Section 8-97 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 8-97. - Fire protection capital ~~improvement~~ expansion **fee account.**

There is hereby created an account within the capital ~~improvement~~ expansion **fee** fund to account 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. Revenues shall include all fees collected pursuant to ~~Subsection~~ § 7.5-30(a). Expenditures **from this account** shall be made solely for the purposes described in Subsection 7.5-30(b) and according to all other applicable provisions of Chapter 7.5.

Introduced, considered favorably on first reading, and ordered published this 21st day of March, A.D. 2017, and to be presented for final passage on the 18th day of April, A.D. 2017.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on this 18th day of April, A.D. 2017.

Mayor

ATTEST:

City Clerk