

AGENDA ITEM SUMMARY

City Council



STAFF

Marc Virata, Civil Engineer
Dana Hornkohl, Capital Projects Manager

SUBJECT

First Reading of Ordinance No. 025, 2024, Adopting the 2024 Larimer County Regional Transportation Capital Expansion Fee Schedule.

EXECUTIVE SUMMARY

The purpose of this item is to adopt the 2024 Larimer County Regional Transportation Capital Expansion Fee Schedule.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

In 2000, the City and Larimer County ("County") entered into an intergovernmental agreement ("IGA") authorizing the City to collect Larimer County Regional Transportation Capital Expansion Fees ("Regional TCEFs") on behalf of the County. The Regional TCEFs generate revenue for capacity-related improvements to regionally significant roadways that are necessitated by new development. The regional TCEFs are used only for improvements that mutually benefit both the City and the County. Regional TCEFs are collected at the time of issuance of a building permit.

Per the IGA, the County serves as the Regional TCEF administrator and is responsible for developing project recommendations for fee utilization. The County's recommendations typically are based on the County's Transportation Master Plan, a document that identifies regionally significant roadways. Once a project has been identified, City and County staff work together to determine Regional TCEF funding allocations. Regional TCEFs frequently are leveraged with other funds to support larger scale capital projects and can fully support small scale capacity related improvements.

The City and County previously have partnered to design and construct several projects along regionally significant roadways using Regional TCEFs, including improvements to Taft Hill Road, Shields Street, and the Shields Street/Vine Drive intersection. City and County staff continue to collaborate on efficient and effective uses for the Regional TCEF funds; most recently agreeing to use these funds to improve a section of Taft Hill Road between Horsetooth Road and Harmony Road.

The Larimer County Land Use Code specifies that its Regional TCEF must be updated annually to reflect changes in road construction costs during the previous year. In July 2023, the County adopted a revised

fee schedule which increased the Regional TCEF by 22.4%. A copy of the June 6, 2023, "Transportation Capital Expansion Fee Adjustments for 2023" memorandum to the Larimer County Board of County Commissioners outlining the revised fees is attached as Exhibit A to the Ordinance.

The Regional TCEF increase of 22.4% is based on the Colorado Construction Cost Index reported by the Colorado Department of Transportation (eight-quarter moving average) and was previously adjusted in 2023 to 3.9%. In comparison, the City TCEF inflation increase of 7.4% also presented to Council on February 6 for consideration on first reading is based on the Construction Cost Index (Denver) reported by the Engineering News Record (twelve-month average ending in August). As has been the case with previous yearly inflation updates, the City and County agreed to move forward with recommending this inflation adjustment concurrent with the inflation increase for TCEF.

The revised (2024) Regional TCEFs, along with a comparison to the 2023 Regional TCEFs, are as follows:

Development Type	2023 Regional Road TCEF	2024 Regional Road TCEF	Increase or Decrease
Residential (per Dwelling) by Square Feet of Finished Living Space			
900 or less	\$191	\$233	\$42
901 to 1300	\$268	\$327	\$59
1301 to 1800	\$324	\$396	\$72
1801 to 2400	\$380	\$464	\$84
2401 to 3000	\$426	\$520	\$94
3001 to 3600	\$462	\$564	\$102
3601 or more	\$495	\$605	\$110
Nonresidential (per 1,000 Square Feet of Floor Area)			
Commercial	\$498	\$610	\$112
Office & Other Services	\$294	\$360	\$66
Industrial	\$118	\$144	\$26

The revised fees became effective within the County on July 1, 2023. Under the IGA, revisions to the Regional TCEFs do not take effect in the City until Council approves a new fee schedule.

CITY FINANCIAL IMPACTS

The fees are collected on behalf of Larimer County and the Regional TCEF program. Revenues from the fees will pass through City accounts and will not affect City revenue limits under Article X, Section 20 of the Constitution of the State of Colorado. The City retains a 2% administrative fee. Adoption of the Regional TCEF Schedule will result in an increase to development fee payers.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration
2. Exhibit A to Ordinance