

AGENDA ITEM SUMMARY

City Council



STAFF

Marc Virata, Civil Engineer
Dana Hornkohl, Capital Projects Manager

SUBJECT

First Reading of Ordinance No. 182, 2025, Adopting the 2026 Larimer County Regional Transportation Capital Expansion Fee Schedule.

EXECUTIVE SUMMARY

The purpose of this item is to adopt the 2026 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 (the “County”) entered into an intergovernmental agreement (the “IGA”) authorizing the City to adopt the Larimer County Regional Transportation Capital Expansion Fees (“Regional TCEFs”). 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 2025, the County adopted a revised

fee schedule which increased the Regional TCEF by 4.4%. A copy of the May 12, 2025, “2025 Transportation Capital Expansion Fee (TCEF) Adjustments” memorandum to the Larimer County Board of County Commissioners (the “BOCC”) is attached as Exhibit A to the Ordinance.

For 2026, and based on the May 12, 2025, memo, the Regional TCEF would decrease -2.77%, based on the Colorado Construction Cost Index (the “CCCI”) reported by the Colorado Department of Transportation (eight-quarter moving average). However, in the previous year the eight-quarter moving average CCCI was calculated at 17.2% and the BOCC instead supported a 10% increase for 2025, rather than the higher percentage, when adopting the scheduled for the County in May of 2024. Recognizing that the full 17.2% increase was not adopted last year, Larimer County Engineering staff at the BOCC Work Session on May 12, 2025, proposed a 4.44% increase to align with the rate that would have been achieved had the full 17.2% increase been adopted last year. In response the BOCC provided feedback in support of the increase. Adoption of the 4.44% increase was then approved on consent by the BOCC at its May 27, 2025, Administrative Matters Meeting, taking effect within the County on July 1, 2025 (See Attachment 1 “Transportation Capital Expansion Fee Schedule”).

The updated City implementation schedule of (2026) Regional TCEFs, along with a comparison to the City implementation schedule of the 2025 Regional TCEFs, are provided below and attached as Exhibit B to the Ordinance:

Development Type	2025 Regional Road TCEF	2026 Regional Road TCEF	Increase or Decrease
Residential (per Dwelling) by Square Feet of Finished Living Space			
900 or less	\$256	\$268	\$12
901 to 1300	\$360	\$376	\$16
1301 to 1800	\$437	\$457	\$20
1801 to 2400	\$511	\$535	\$24
2401 to 3000	\$572	\$600	\$28
3001 to 3600	\$621	\$653	\$32
3601 or more	\$666	\$698	\$32
Nonresidential (per 1,000 Square Feet of Floor Area)			
Commercial	\$672	\$702	\$30
Office & Other Services	\$396	\$414	\$18
Industrial	\$158	\$165	\$7

The 2026 Regional Road TCEF fee increase became effective within the County on July 1, 2025. Under the IGA, revisions to the Regional TCEFs do not take effect in the City until Council approves a new fee schedule. Since the City is on the calendar fiscal year, the approval by Council of the annual update by ordinance generally aligns with a January 1st effective date.

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

City staff did not present this item to any Boards and Commissions as the fees are being adjusted based on inflation.

PUBLIC OUTREACH

As these fees are managed and administered by Larimer County, City staff did not participate in scheduled public outreach.

ATTACHMENTS

1. Larimer County Transportation Capital Expansion Fee Schedule
2. Ordinance No. 182, 2025