

LARIMER COUNTY DOCUMENT REVIEW

SUBMISSION DEADLINE: 12:00 noon on the Thursday preceding the requested meeting date

Document(s) for signature REQUIRE the following:

- Required # of copies needed for your records
- Complete signature block with title only – see example at larimer.org/bboard/bcc
- Flag ALL pages to be initialed and/or signed
- County Attorney’s review and approval stamp on the signature page(s), [per Policy 100.2N](#),
~ OR ~
- Standard Service Agreement, no changes to template
- Previously approved by County Attorney, no changes to template
- Amendments to existing expenditure/revenue commitments which modify only the term (i.e., duration), scope of work, and/or adjustments to the contract price not exceeding 15% of the original contract price

Please Mark One

Will approval of this document lead to additional, increased, or new commitments/programs/FTE’s for the County?	Yes	X	No	N/A
Is the document of a sufficiently technical or otherwise complex nature that a briefing for the Commissioners is recommended? If yes, schedule Work session or Discussion item instead.	Yes	X	No	N/A

PLEASE FILL IN ALL FIELDS COMPLETELY - replace <Enter Text Here> with your text and delete brackets < >. If not applicable, enter N/A

Document Type: Miscellaneous

DOCUMENT TITLE: 2024 Transportation Capital Expansion Fees Increase

Submitted By: Traci Shambo, Engineering Department

DESCRIPTION: The Engineering Department presented the annual reporting on Construction Costs affecting the Transportation Capital Expansion Fees at a regularly scheduled work session on May 20, 2024, to the Board of County Commissioners.

Based on the Commissioner’s input at the work session, Engineering staff is now seeking approval for a 10% fee increase to be effective on July 1, 2024, for all Transportation Capital Expansion Fees. The resultant TCEF Schedule based on a 10% increase is attached.

REQUESTED DATE OF MEETING: June 4, 2024

SPECIAL INSTRUCTIONS FOR BCC STAFF: <Enter Text Here (will not be published)>



LARIMER COUNTY | ENGINEERING DEPARTMENT

P.O. Box 1190, Fort Collins, Colorado 80522-1190, 970.498.5700, Larimer.org

Transportation Capital Expansion Fee ScheduleEffective July 1st, 2024

Land Use Type	County Road TCEF	Regional Road TCEF	Total Per Unit
Residential (per Dwelling) by Square Feet of Finished Living Space			
900 or less (Square Feet)	\$3,094	\$256	\$3,350
901-1300 (Square Feet)	\$4,340	\$360	\$4,700
1301-1800 (Square Feet)	\$5,225	\$437	\$5,662
1801-2400 (Square Feet)	\$6,117	\$511	\$6,628
2401-3000 (Square Feet)	\$6,864	\$572	\$7,436
3001-3600 (Square Feet)	\$7,473	\$621	\$8,094
3601 or more (square Feet)	\$7,987	\$666	\$8,653
Nonresidential (per 1,000 Square Feet of Floor Area)			
Industrial	\$1,901	\$158	\$2,059
Commercial	\$8,011	\$672	\$8,683
Office and other Services	\$4,714	\$396	\$5,110

- The fee is based on the current Larimer County Transportation Capital Expansion Fee (TCEF) Study. The TCEF Study and TCEF Sections of the Larimer County Land Use Code are at www.larimer.org/engineering/development-review.
- The “Residential” tiered fee schedule based on square footage applies to building permits for new residential structures with an application date after June 30, 2018. For new residences constructed after this date, the TCEF will be applied to any new or additional finished living space square footage, including permits for additions, basement finishes & detached buildings. In such cases, the total fee due is based on the incremental difference between the existing & proposed finished living square footage. Finished living square footage excludes unfinished basements, attics, and garage floor area. The “Residential” tiered fee structure will not be applied to additions or finishes of existing living space **IF** the original residential building permit was initiated before July 1, 2018.
- The “Nonresidential” fee schedule is based on building use and total square feet. The TCEF applies to new square footage and to changes of use of existing square footage of three general nonresidential categories that are further defined below:
 - “**Industrial**” includes the processing or production of goods, along warehousing, transportation, communications, and utilities.
 - “**Commercial**” includes retail development and eating/drinking places, along with entertainment uses often located in a shopping center (e.g. movie theater).
 - “**Office & Other Services**” includes offices, health care and personal services, business services (e.g. banks) and lodging. Public and quasi-public buildings that provide educational, social assistance, or religious services are also included in this category.



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MEMORANDUM

TO: Board of County Commissioners**FROM:** Mark Peterson, County Engineer**DATE:** May 20, 2024**RE:** Transportation Capital Expansion Fee Adjustments for 2024

Since 1998, under the terms of the Land Use Code, Larimer County has been collecting Transportation Capital Expansion Fees (TCEF) from new traffic generating development. The TCEF can only be used for capacity related improvements to Larimer County's roadway system. Fees are based on maintaining an adequate Level of Service (LOS) on the mainline County Road system.

TCEF's were last studied in 2018 and annual adjustments based on construction cost inflation factors have been applied since that time. Specifically, the Land Use Code stipulates that "*The fees in the road fee schedule shall be updated annually by the Fee Administrator to reflect changes in road construction costs during the previous year.*" The fee update methodology used to calculate the annual TCEF adjustment is specified in the Land Use Code and is intended to reflect changes in road construction costs. The current method uses is an 8-quarter moving average of the quarterly Construction Cost Index (CCI) data compiled and reported by the Colorado Department of Transportation (CDOT).

Engineering Staff reviews the TCEF schedule annually and notifies the Board of County Commissioners (BCC) of the results. For 2024, the TCEF change was calculated as an **increase of 17.2%** from the 2023 values. As an example of what a 17.2% increase would mean, the TCEF on a new single-family home (between 1,801 SF – 2,400 sf) would increase by \$1,036, from \$6,026 to \$7,062.

The procedure spelled out in the Land Use Code states that, "*if the change in fees is less than or equal to 5%, the new fees become effective without further action by the BCC. If the change in fees is greater than 5%, the BCC shall determine the percentage to be used to update the fees.*" Since the calculated percentage change of 17.2% is greater than 5%, we are seeking input from the BCC on the percentage to be used for the TCEF schedule for the upcoming year. We have provided fee adjustment options for the BCC to consider below.

Additional factors influencing our recommendation for the magnitude of a fee adjustment for 2024 are:

- Last year's CCI adjustment was 22.4%.





- The TCEF fee structure is being re-analyzed using updated traffic predictions and cost data as part of the Larimer County Transportation Master Plan update. Staff will bring the updated Transportation Master Plan and TCEF Fee Study to the BCC for consideration in 2025.

Fee Adjustment Options for consideration:

OPTION 1: (17.2%)

Option 1 is to set the 2024 TCEF Scheduled based on the calculated percentage change (17.2%). Table 1 (Attached) provides the existing 2023 Fee Schedule, the 2024 Schedule that would be effective based on a 17.2% increase, and the net change in Fee amounts between the 2023 and 2024 Schedules.

OPTION 2: (5.0%)

Option 2 is to adjust the 2024 Fee Schedule based on the maximum adjustment amount allowed without BCC approval (5.0%). This fee adjustment recognizes that some level of fee increase is warranted, however it defers further action until the updated TCEF study results become available. Table 2 (Attached) below provides the existing 2023 Fee Schedule, the 2024 Schedule that would be effective based on a 5.0% increase, and the net change in Fee amounts between the 2023 and 2024 Schedules.

OPTION 3: (TBD)

Option 3 is to adjust the 2024 Fee Schedule based on another amount recommended by the Board. Staff can provide a Fee Schedule if an amount other than those presented in Option 1 or Option 2 is recommended by the Board.

Staff Recommendation and Request for Direction:

Since the TCEF program is being reevaluated in conjunction with the Transportation master plan update, staff recommends that the Commissioners consider Option 2 for the 2024 TCEF adjustment. Any new TCEF's established by the updated TCEF Study that is underway will be presented to the Board of County Commissioners for consideration in 2025.

Based on the input given, staff will provide a 2024 TCEF Schedule for adoption at an upcoming Administrative Matters Meeting. The adopted fee schedule is to be made effective on July 1, 2024. This is consistent with the specified annual effective date listed in the Land Use Code and with the annual cost-of-living adjustments for other Community Development services and/or impact fees.



Table 1: Option 1 - 17.2% Adjustment

Residential TCEF			
Finished Living Space per Dwelling (Square Feet)	2023 TCEF (Current) (\$)	2024 TCEF (with 17.2% Increase) (\$)	Increase (\$)
900 or less	\$3,047	\$3,571	\$524
901-1300	\$4,273	\$5,008	\$735
1301-1800	\$5,147	\$6,032	\$885
1801-2400	\$6,026	\$7,062	\$1,036
2401-3000	\$6,761	\$7,924	\$1,163
3001-3600	\$7,359	\$8,625	\$1,266
3601 or more	\$7,867	\$9,220	\$1,353
Non-Residential TCEF			
Non-Residential Use (per 1,000 SF of Floor Area)	2023 TCEF (Current) (\$)	2024 TCEF (with 17.2% Increase) (\$)	Increase (\$)
Industrial	\$1,874	\$2,194	\$322
Commercial	\$7,895	\$9,252	\$1,358
Office & Other Services	\$4,646	\$5,444	\$799



Table 2: Option 2 - 5.0% Adjustment

Residential TCEF			
Finished Living Space per Dwelling (Square Feet)	2023 TCEF (Current) (\$)	2024 TCEF (with 5.0% Increase) (\$)	Increase (\$)
900 or less	\$3,047	\$3,200	\$153
901-1300	\$4,273	\$4,486	\$213
1301-1800	\$5,147	\$5,405	\$258
1801-2400	\$6,026	\$6,327	\$301
2401-3000	\$6,761	\$7,099	\$338
3001-3600	\$7,359	\$7,727	\$368
3601 or more	\$7,867	\$8,260	\$393
Non-Residential TCEF			
Non-Residential Use (per 1,000 SF of Floor Area)	2023 TCEF (Current) (\$)	2024 TCEF (with 5.0% Increase) (\$)	Increase (\$)
Industrial	\$1,874	\$1,965	\$93
Commercial	\$7,895	\$8,289	\$395
Office & Other Services	\$4,646	\$4,877	\$232



Table 3: Comparison of 2024 Adjustment Options (Current, Option 1, and Option 2)

Residential TCEF			
Finished Living Space per Dwelling (Square Feet)	2023 TCEF (Current) (\$)	Option 2: 2024 TCEF (with 5.0% Increase) (\$)	Option 1: 2024 TCEF (with 17.2% Increase) (\$)
900 or less	\$3,047	\$3,200	\$3,571
901-1300	\$4,273	\$4,486	\$5,008
1301-1800	\$5,147	\$5,405	\$6,032
1801-2400	\$6,026	\$6,327	\$7,062
2401-3000	\$6,761	\$7,099	\$7,924
3001-3600	\$7,359	\$7,727	\$8,625
3601 or more	\$7,867	\$8,260	\$9,220
Non-Residential TCEF			
Non-Residential Use (per 1,000 SF of Floor Area)	2023 TCEF (Current) (\$)	Option 2: 2024 TCEF (with 5.0% Increase) (\$)	Option 1: 2024 TCEF (with 17.2% Increase) (\$)
Industrial	\$1,874	\$1,965	\$2,194
Commercial	\$7,895	\$8,289	\$9,252
Office & Other Services	\$4,646	\$4,877	\$5,444