

AGENDA ITEM SUMMARY

City Council



STAFF

Marc Virata, Civil Engineer
Dana Hornkohl, Capital Projects Manager

SUBJECT

First Reading of Ordinance No. 185, 2024, Adopting the 2025 Larimer County Regional Transportation Capital Expansion Fee Schedule.

EXECUTIVE SUMMARY

The purpose of this item is to adopt the 2025 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 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 to develop 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 have previously 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 calculated increase to the 2025 Regional TCEF, considered by the Larimer County Board of County Commissioners (the “BCC”), was 17.2%. This increase was calculated based on the Colorado Construction

Cost Index reported by the Colorado Department of Transportation (eight-quarter moving average). A copy of the May 20, 2024, "Transportation Capital Expansion Fee Adjustments for 2024" memorandum to the BCC and the final BCC approval memo for administrative matters from their May 20, 2024, work session is attached as Exhibit A to the Ordinance.

The Larimer County Land Use Code directs that the Regional TCEF must be updated annually to reflect changes in road construction costs during the previous year. However, the County's Land Use Code further directs that an annual change in the Regional TCEF of less than 5% shall become effective without further action by the BCC, while an annual change more than 5% shall be determined by the BCC. Based on the Commissioner's input at the BCC May 20, 2024, work session, a 10% increase to the 2025 Regional TCEF was proposed. On June 4, 2024, the BCC adopted a 10% increase on consent.

The revised (2025) Regional TCEFs, along with a comparison to the 2024 Regional TCEFs, are as follows:

Development Type	2024 Regional Road TCEF	2025 Regional Road TCEF	Increase or Decrease
Residential (per Dwelling) by Square Feet of Finished Living Space			
900 or less	\$233	\$256	\$23
901 to 1300	\$327	\$360	\$33
1301 to 1800	\$396	\$437	\$41
1801 to 2400	\$464	\$511	\$47
2401 to 3000	\$520	\$572	\$52
3001 to 3600	\$564	\$621	\$57
3601 or more	\$605	\$666	\$61
Nonresidential (per 1,000 Square Feet of Floor Area)			
Commercial	\$610	\$672	\$62
Office & Other Services	\$360	\$396	\$36
Industrial	\$144	\$158	\$14

The 2025 Regional Road TCEF fee increase became effective within the County on July 1, 2024. 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

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. Ordinance for Consideration
2. Exhibit A to Ordinance