

ORDINANCE NO. 172, 2024
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 7.5 OF THE CODE OF THE CITY OF
FORT COLLINS TO REVISE THE CAPITAL EXPANSION FEES
AND TRANSPORTATION EXPANSION FEE

A. 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.

B. 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.

C. 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.

D. The City Council has broad legislative discretion in determining the appropriate funding mechanisms for financing the construction of public facilities in the City.

E. In 2023, 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, transportation, general government and transportation capital improvement expansion fees (collectively, "Capital Expansion Fees").

F. As a result of that review, the City commissioned an impact fee study for the community parkland, neighborhood parkland, police, fire protection and general government capital improvement expansion fees that has resulted in the "Capital Expansion Fee Study" dated November 21, 2023, which has identified the need to increase such Capital Expansion Fees by various amounts.

G. The City also commissioned an impact fee study for the transportation expansion fees dated October 20, 2023, that has resulted in the "Transportation Capital Expansion Fee Study," which also identified the need to increase and decrease the transportation expansion fees by various amounts depending on the type of development proposed.

H. Adjustments to the fee schedules to levels below those identified in the fee studies ~~will ultimately~~ **may** result in lower levels of service, as well as delays in building new infrastructure and service capacity. The City Council directs the City Manager to explore alternative sources of funding to cover the shortfalls, including backfill from the general fund.

I. The City Council decided to adjust the Capital Expansion Fees for inflation only, similar to adjustments made for 2024. This decision does not adopt the fee adjustments identified in the 2023 fee studies. Although City Code contemplates a reevaluation and revision of the Capital Expansion Fees at five-year intervals, Council is delaying the overall update of the Fees pending further discussion. Council has requested further exploration of alternative ways to approach future study of the Fees as well as the City's policies and programs regarding Impact Fees and housing affordability.

J. The name of the applicable consumer price index changed from the "Denver-Boulder Consumer Price Index for Urban Consumers" to the "Denver-Aurora-Lakewood Consumer Price Index for Urban Consumers."

K. The fee studies and related staff work brought to light the need to add a category for "office and other services" to the definition of commercial development.

L. City staff recommends adding the phrase "per 1,000 square feet" to the applicable sections of the fee charts.

M. For the foregoing reasons, the City Council has determined that it is in the best interest of the City and its citizens and necessary for the protection of the public's health, safety and welfare, that the Capital Expansion Fees be adjusted for inflation as hereafter provided.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. Section 7.5-17 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-17. Definitions.

When used in this Article, the following words and terms shall have the following meanings:

...

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 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) years, 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.

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Commercial development shall mean any development approved by the City, except development approved for residential, office and other services, industrial and/or light industrial use.

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Section 2. 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 expansion fees.

For each category of capital improvements for which a capital expansion fee is established under the provisions of this Article, the amount of each such capital 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 for non-residential development (in the case of commercial, office and other services, or industrial development). The amount of the transportation expansion fee shall be determined on the basis of square footage for residential development and based on the square footage and type of use for other developments. The amount of each capital expansion fee, except for the transportation expansion fee, will be increased or decreased annually according to the Denver-Aurora-Lakewood-CO Consumer Price Index for Urban Consumers, as published by the Bureau of Labor Statistics. The amount of the transportation 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.

Section 3. 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 expansion fee.

- (a) There is hereby established a community parkland capital 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:

	As of March 1, 2024	As of January 1, 2025
Resid., up to 700 sq. ft.	\$3,144.00	\$3,329.00 \$3,229.00
Resid., 701 to 1,200 sq. ft.	4,208.00	4,322.00
Resid., 1,201 to 1,700 sq. ft.	4,595.00	4,719.00
Resid., 1,701 to 2,200 sq. ft.	4,642.00	4,767.00
Resid., over 2,201 sq. ft.	5,175.00	5,315.00

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Section 4. 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 expansion fee.

(a) There is hereby established a police capital 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, office and other services, or industrial structure. The amount of such fee shall be determined as follows:

	As of March 1, 2024	As of January 1, 2025
Resid., up to 700 sq. ft.	\$305.00	\$313.00
Resid., 701 to 1,200 sq. ft.	413.00	424.00
Resid., 1,201 to 1,700 sq. ft.	449.00	461.00
Resid., 1,701 to 2,200 sq. ft.	455.00	467.00
Resid., over 2,200 sq. ft.	507.00	521.00
Commercial buildings (per 1,000 sq. ft.)	384.00	394.00
Office and Other Services (per 1,000 sq. ft.)	384.00	384.00 394.00
Industrial buildings (per 1,000 sq. ft.)	90.00	92.00

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Section 5. 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 expansion fee.

(a) There is hereby established a fire protection capital 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, office and other services, or industrial structure. The amount of such fee shall be determined as follows:

	<i>As of March 1, 2024</i>	<i>As of January 1, 2025</i>
Resid., up to 700 sq. ft.	\$545.00	\$560.00
Resid., 701 to 1,200 sq. ft.	737.00	757.00
Resid., 1,201 to 1,700 sq. ft.	802.00	824.00
Resid., 1,701 to 2,200 sq. ft.	815.00	837.00
Resid., over 2,200 sq. ft.	907.00	931.00
Commercial buildings (per 1,000 sq. ft.)	686.00	705.00
Office and Other Services (per 1,000 sq. ft.)	686.00	705.00
Industrial buildings (per 1,000 sq. ft.)	161.00	165.00

Section 6. 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 expansion fee.

(a) There is hereby established a general governmental capital 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, office and other services, or industrial structure. The amount of such fee shall be determined as follows:

	As of March 1, 2024	As of January 1, 2025
Resid., up to 700 sq. ft.	\$742.00	\$762.00
Resid., 701 to 1,200 sq. ft.	1,001.00	1,028.00
Resid., 1,201 to 1,700 sq. ft.	1,093.00	1,123.00
Resid., 1,701 to 2,200 sq. ft.	1,110.00	1,140.00
Resid., over 2,200 sq. ft.	1,236.00	1,269.00
Commercial buildings (per 1,000 sq. ft.)	1,877.00	1,928.00
Office and Other Services (per 1,000 sq. ft.)	1,877.00	1,928.00
Industrial buildings (per 1,000 sq. ft.)	442.00	454.00

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Section 7. Section 7.5-32 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-32. Transportation expansion fee.

There is hereby established a transportation expansion fee which shall be imposed pursuant to the provisions of this Article for the purpose of funding transportation improvements related to the provision of transportation services. Such fees shall be payable prior to the issuance of any building permit for a residential, commercial, office and other services, or industrial structure. These fees shall be deposited in the "transportation improvements fund" established in § 8-87. The amount of such fee shall be determined as follows:

TRANSPORTATION EXPANSION FEE SCHEDULE

	As of March 1, 2024	As of January 1, 2025
Resid., up to 700 sq. ft.	2,903.00	\$2,958.00
Resid., 701 to 1,200 sq. ft.	5,391.00	5,493.00
Resid., 1,201 to 1,700 sq. ft.	7,000.00	7,133.00
Resid., 1,701 to 2,200 sq. ft.	8,185.00	8,341.00
Resid., over 2,200 sq. ft.	8,774.00	8,941.00
Commercial (per 1,000 sq. ft.)	10,682.00	10,885.00
Office and Other Services (per 1,000 sq. ft.)	7,869.00	8,091.00 8,019
Industrial/Warehouse (per 1,000 sq. ft.)	2,540.00	2,588.00

Section 8. Section 7.5-71 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 7.5-71. Neighborhood parkland capital expansion fee.

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(b) The amount of the fee established in this Section shall be determined for each dwelling unit as follows:

	<i>As of March 1, 2024</i>	<i>As of January 1, 2025</i>
Resid., up to 700 sq. ft.	\$2,226.00	\$2,286.00
Resid., 701 to 1,200 sq. ft.	2,980.00	3,060.00
Resid., 1,201 to 1,700 sq. ft.	3,255.00	3,343.00
Resid., 1,701 to 2,200 sq. ft.	3,288.00	3,377.00
Resid., over 2,200 sq. ft.	3,664.00	3,763.00

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Section 9. The Council by this Ordinance is temporarily suspending the timeframe for adjustment of the Capital Expansion Fees analysis set out in City Code Section 7.5-18.

Introduced, considered favorably on first reading on November 19, 2024, and approved on second reading for final passage on December 3, 2024.

Mayor

ATTEST:

City Clerk

Effective Date: December 13, 2024
Approving Attorney: Jenny Lopez Filkins