



Economic Advisory Commission  
300 LaPorte Avenue  
PO Box 580  
Fort Collins, CO 80522  
970.221.6324  
970.224.6107 - fax  
fcgov.com

## MEMORANDUM

**DATE:** February 22, 2013  
**TO:** Mayor and Councilmembers  
**FROM:** Economic Advisory Commission  
**THROUGH:** Josh Birks, Economic Health Director  
Darin Atteberry, City Manager  
**RE:** Capital Expansion Fees Update

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Jessica Ping-Small, Sales Tax Manager, provided an update regarding the Capital Expansion Fees project (last update was in 1996). Information discussed included background, definitions, methodology, fees, updated fee schedule, neighborhood and community park fees, fire capital improvement fees, police capital improvement fees, general government fees, single family building permit data, annual revenue impact analysis, residential and commercial/industrial comparisons, fund balance analysis, and public outreach efforts. The current update will retain the overall methodology of the 1996 study; however, trail infrastructure is a new element that will be considered.

The EAC asked for clarification regarding the higher increase in fees for smaller homes. Jessica replied that the fee change is based on occupancy rates and that occupancy rates in larger homes have significantly declined over the past 10 years. The legal framework requires that there is a demonstration of a needs and benefits and determines how you can structure your fees based on occupancy rates. It was also clarified that the fees only cover a portion of the future development expenses. After thorough discussion, the EAC made the following recommendation to Council:

Glen Colton moved and Mike Kulisheck seconded:

**The Economic Advisory Commission (EAC) supports the staff recommendation for the updated Capital Expansion Fee Structure and recommends Council approve it on first reading.**

Motion passed 6 – 0