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AGENDA
Council Finance & Audit Committee Zoom Meeting
December 14, 2023
4:00 - 6:30 pm

Zoom Meeting https://zoom.us/j/8140111859

Approval of Minutes from the October 5, 2023, Council Finance Committee meeting.

1.	Utility Rate / Debt Forecasts		L. Smith
	Presentation:	15 mins.	
	Discussion:	20 mins.	
2.	TCEF Reimbursement		M. Virata
	Presentation:	5 mins.	M. Martinez
	Discussion:	10 mins.	
3.	Impact Fees Continued Discuss & Options		D. Lenz
	Presentation:	20 mins.	
	Discussion:	25 mins.	
4.	Low-income Sales Tax Rebate		J. Poznanovic N. Bodenhamer
	Presentation:	10 mins.	
	Discussion:	10 mins.	
5.	Change Management Resources		T. Marr
	Presentation:	10 mins.	
	Discussion:	10 mins.	

Council Finance Committee

2023 Agenda Planning Calendar

Revised 12/6/23 ck

Dec. 14th	2023		
	Utility Rate / Debt Forecasts	35 min	L. Smith
	TCEF Reimbursement	15 min	M. Virata M. Martinez
	Impact Fees Continued Discussion & Options	45 min	D. Lenz
	Low-income Sales Tax Rebate	20 min	J. Poznanovic N. Bodenhamer
	Change Management Resources	20 min	T. Marr

Council Finance Committee

2024 Agenda Planning Calendar

NOTE: There will not be a Council Finance Committee Meeting in January 2024

Feb. 1st	2024		
	Utility Rate / Debt Forecasts	45 min	L. Smith
	Laporte Multimodal Grant Match	30 min	T. Sellers M. Martinez

March 7th	2024		

April 4th	2024		

2024 Topics

Municipal Court Renovaton

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Council Finance Committee Zoom Meeting
October 5, 2023
4:00 - 6:00 pm

Council Attendees:	Julie Pignataro, Shirley Peel, Emily Francis
Members Absent:	Kelly Ohlson
Staff:	Kelly DiMartino, Tyler Marr, Travis Storin, John Duval, Dave Lenz, Randy Reuscher, Marc Virata, Dean Klingner, Sheena Freve, Brad Buckman, Monica Martinez, Jill Wuertz Blaine Dunn, Randy Bailey, Renee Reeves, Meaghan Overton, Jo Cech, Jen Poznanovic, Kendall Minor, Lance Smith, Victoria Shaw, Jill Wuertz Zack Mozer, Carolyn Koontz
Others:	Kevin Jones, Chamber Brian Duffany and Christian Carroll from Economic & Planning Systems; Colin McAweeney from TischlerBise

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Meeting called to order at 4:00 pm

Approval of minutes from September 7. 2023, Council Finance Committee Meeting.
Emily Francis moved for approval of the minutes as presented. Shirley Peel seconded the motion.
The minutes were approved unanimously via roll call by; Julie Pignataro, Shirley Peel and Emily Francis.

A. Impact Fee Study Updates; Utility Development Fees & Capital Expansion Fee Studies

Dave Lenz, Director, FP&A
Randy Reuscher, Utilities
Marc Virata, Transportation Capital Expansion Fee (TCEF)

REVISION (October 3, 2023):
Subsequent to submission of materials for the October 5, 2023, Council Finance Committee meeting, a calculation error in one of the modules of the Capital Expansion Fee model was identified. This error impacted the calculations for residential rates for police, fire and general government fees and is related to the residential service demand factor. This change increases the rates for these three fees by 6% each (from $99 for smallest size to $206 for largest size residence) versus the rates included in the original materials. There is no impact on either of the park fees or non-residential fees.

The balance of this memorandum and the included attachments reflect the updates for this error. Attachment 4 also provides a reconciliation of the revised fee schedule.

EXECUTIVE SUMMARY:
Staff have been working to update the Utility Development Fees, Transportation Capital Expansion Fees (TCEFs) and Capital Expansion Fees (CEFs). Independent consultants have been engaged to update the prior CEF and TCEF studies completed in 2017. Utilities Finance has updated their fees through in-house efforts. The output of these updates is the basis for establishing the updated fee schedules that will be brought forward to the City Council for adoption consideration. This update focuses on an overview of these fee updates.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED:
What questions does the committee have related to the study updates or draft fee schedules?

Does the committee prefer:

Option A) Bringing the fee updates forward to City Council for adoption for a 1/1/2024 implementation?
OR

Option B) Deferring the fee updates until mid-2024, upon such time that:

- Clarity is reached on policy timing of Water Supply Requirement, and/or
- The Committee or full City Council desire more agenda time on any or all impact fees?

BACKGROUND/DISCUSSION:
Development-related impact fees that are approved by the City Council are CEFs, TCEFs, and Utility plant investment fees (Utility PIFs), Electric Capacity Fees and Water Supply Requirements.

Previously, fee updates were presented to the City Council on an individual basis. However, it was determined that updates should occur on a regular two and four-year cadence and fee updates should occur together each year to provide a more holistic view of the impact of any fee increases.

Fee coordination includes a detailed fee study analysis for CEFs and the TCEF every four years. This has been achieved through contracting with an outside consultant with data provided by City staff. Findings by the consultants are also verified by City staff. These studies were last updated in 2017, with the new fees implemented over a two-year period for TCEF and three-year period for CEF.

For Utility fees, model updates are planned every two years. These are internal updates by City staff with periodic consultant verification. Fee study analysis is targeted in the odd year before Budgeting for Outcomes (BFO). In years without an update, an inflation adjustment occurs.

Additionally, a comprehensive Development Review and Building Permit Fee Study update was also completed during 2019 and 2020. The implementation of the new fee schedules was effective January 2022. These fees are evaluated annually but are not required to be adjusted automatically on a pre-determined cadence or index.

In April 2022, after some delays related to COVID-19 and competing workstreams, the Council Finance Committee endorsed the fee update schedule below, with fees being updated for inflation in 2022 and study updates to be completed during 2023.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Capital Expansion Fees (CEF)	Update	Step II	Step III	Inflation	Inflation	Inflation	Update	Inflation	Inflation	Inflation	Update
Transportation Expansion Fee (TCEF)	Update	Step II		Inflation	Inflation	Inflation	Update	Inflation	Inflation	Inflation	Update
Electric Capacity Fee	Update		Update	Inflation	Update	Inflation	Update	Inflation	Update	Inflation	Update
Water Supply Requirement	Update		Update	Inflation	Update	Inflation	Update	Inflation	Update	Inflation	Update
Water, Wastewater, Stormwater PIFs		Update	Update	Inflation	Update	Inflation	Update	Inflation	Update	Inflation	Update

Utilities Development Fees Update:
Development fees are the mechanism for Utilities to recover the impact of adding new demand to the services Utilities provides, including electric, water, wastewater, and stormwater. Plant Investment Fees (PIFs) and Electric Capacity Fees (ECFs) are one-time charges for new development or re-development. These fees recover costs for excess capacity of infrastructure already in place to serve new customers based on the "buy-in" approach, where customers pay according to new demands they will put on the system and considers incremental costs of future infrastructure to serve them.

Staff updates development fee models every two years. In alternating years, when models are not updated, an inflationary adjustment is applied to utility development fees. Staff use the Engineering News Record (ENR) construction cost index to apply inflationary adjustments. In 2022, for 2023, staff increased development fees, including the Electric Capacity Fees, Water Plant Investment Fees, Wastewater Plant Investment Fees, and Stormwater Plant Investment Fees, by 9% as an inflationary adjustment.

Each model was updated this year to capture current inputs, including current escalation factors and each of the various drivers such costs, consumption, and future system needs. Utilities have experienced extreme cost pressures, especially on the electric side. Some items such as electric transformers have increased dramatically in price due to supply chain issues and higher material costs. The table below shows the proposed increase for 2024 for each of the development fees by fund.

Utility Fee	Unit of Measure	2024 Proposed Increase
Electric Capacity Fee (ECF)	$ / kW	14.8%
Water Plant Investment Fee (PIF)	$ / GPD	5.7%
Wastewater Plant Investment Fee (PIF)	$ / GPD	4.1%
Stormwater Plant Investment Fee (PIF)	$ / acre of development	7.0%

There are many variables in calculating the impact of a development, particularly between residential and commercial. Shown in the table below is an example of a single-family residential house receiving all four services from Fort Collins Utilities. The 2023 amount is expected to increase by approximately $790 in 2024, from $11,120 to $11,911. This equates to an overall increase of 7.1% for these one-time fees.

Residential Development Fee Example				
	2023 Fee	2024 Fee	$ Change	% Change
200-amp Electric Service	$ 2,286	$ 2,625	$ 339	14.8%
3/4" inch Water PIF (6,000 sq ft lot)	$ 3,611	$ 3,817	$ 206	5.7%
4" Wastewater PIF	$ 4,168	$ 4,339	$ 171	4.1%
Stormwater PIF (6,000 sq ft lot, 0.7 runoff coeff)	$ 1,055	$ 1,130	$ 74	7.0%
Total	$ 11,120	$ 11,911	$ 790	7.1%

The Water Supply Requirements and Excess Water Use, which was discussed with City Council at the August 8, 2023, work session, is not part of the proposed utility development fee updates for 2024. Staff recently established a project team to focus on messaging and clarifying the purpose of these fees, hold various internal and external stakeholder meetings, and gather input through the end of 2023 and into early 2024. The timeline for continuing discussions with Council is currently unknown.

TCEF Study Update

The Transportation Capital Expansion Fee (TCEF) is a one-time fee collected from development and redevelopment to mitigate impacts to the transportation network. It is used to support growth share related infrastructure improvements which add capacity to the system from both a roadway and multi-modal perspective. Fees cannot be used for improvements which solely benefit adjacent development, existing deficiencies, and/or for maintenance.

TCEF is used for reimbursements to developers for constructing improvements beyond the "local street", such as Northfield's reimbursement for Suniga Road. TCEF is also used as a contribution for growth related share of Capital Projects. This includes roadway/intersection projects as well as bicycle/pedestrian projects as part of Active Modes and our Active Modes Plan.

TCEF's last program update was in 2017 by TischlerBise. The methodology TischlerBise utilized is an incremental expansion approach for roadways and ActiveModes, and analyzed data from the following:

- 2012 Transportation CIP (10 year)
- Multimodal Projects (2014 Bicycle Master Plan)
- Intersections (2010/2016 Arterial Intersection Prioritization Study)
- The 2017 anticipated 10-year buildout of additional lane miles through development
- The 2017 City's Arterial Cost per Lane Mile ($1.4M), along with baseline data and projections from the North Front Range MPO

The City again contracted with TischlerBise for the current study update. The 2023 TCEF study uses a combination of incremental expansion for roadways and plan-based methodologies to provide improvements for Active Modes. The methodology also utilized data from more updated sources:

- 2023 Transportation Capital Projects Prioritization Study

- 2022 Active Modes Plan
- 2022 Fort Collins Travel Diary Report
- The current anticipated 10-year buildout of additional lane miles through development
- The current City's Arterial Cost per Lane Mile ($2.0M), along with baseline data and projections from the North Front Range MPO

For residential development, updated amounts are based on square feet of finished living space. Garages, porches, and patios are excluded from the TCEF assessment. For nonresidential development, TCEFs are stated per thousand square feet of floor area, using three categories. The TCEF schedule for nonresidential development is designed to provide a reasonable fee amount for general types of development. There has been further emphasis on active modes and to provide further clarity the maximum supportable fee schedule is broken down by roadway capacity and active modes.

Summary fees are highlighted below and the TCEF Draft Report with full detail is included as attachment 2.

Residential	Unit	Roadway Fee	% of Total	Active Modes	% of Total	Update Total	Current Total	Change	% Change
up to 700 sq. ft.	Dwelling	$2,863	91%	$272	9%	$3,135	$2,703	$432	16%
701-1,200 sq. ft.	Dwelling	$4,988	91%	$487	9%	$5,475	$5,020	$455	9%
1,201-1,700 sq. ft.	Dwelling	$6,363	91%	$625	9%	$6,988	$6,518	$470	7%
1,701-2,200 sq. ft.	Dwelling	$7,380	91%	$726	9%	$8,106	$7,621	$485	6%
over 2,200 sq. ft.	Dwelling	$8,191	91%	$809	9%	$9,000	$8,169	$831	10%
Development Type	**Unit**	**Roadway Fee**	**% of Total**	**Active Modes**	**% of Total**	**Update Total**	**Current Total**	**Change**	**% Change**
Commercial	1,000 sq. ft.	$11,045	95%	$585	5%	$11,630	$9,946	$1,684	17%
Office & Other Services	1,000 sq. ft.	$6,450	88%	$896	12%	$7,346	$7,327	$19	0%
Industrial	1,000 sq. ft.	$2,897	79%	$786	21%	$3,683	$2,365	$1,318	56%

CEF Study Update:
The City has five separate Capital Expansion Fees (CEFs), related to neighborhood and community parks, and fire, police, and general government services. These capital expansion fees are assessed by the city on new development to recoup the proportionate share of the costs of bringing on new capital equipment and facilities to provide a similar level of service as existing developments receive. Repair and maintenance costs are not included in these fees.

These fees were initially adopted in 1996 based on an internal study by City staff. External study updates were completed in 2013 and 2017 by Duncan Associates. The studies relied on the standards-based (or incremental expansion) methodology, which bases the fees on the existing levels of service. The new fees were adopted in 2017 and implemented over a three-year

In the spring of 2023, the City solicited bids and contracted with Economic & Planning Systems, Inc. (EPS) to update the Capital Expansion Fee Study. The EPS Study Update adheres to the existing standard-based approach to fee calculation, continuing to use construction cost replacement valuations.
Key data input updates include:
- Updated 2023 asset inventories for City of Fort Collins and Poudre Fire Authority,
- Neighborhood and Community Park development costs and current land valuation estimates,
- Current market cost of construction estimates and Larimer County valuations,
- Updated residential household size and non-residential occupancy factors,

- Alignment of existing conditions with the concurrent TCEF Study Update.

Highlighted below are the updated draft fee calculations for residential and non-residential properties compared to the current fee rates. More detailed information is included in the CEF Summary Draft in Attachment 3.

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total	Current Total	Change	% Change
up to 700 sq. ft.	Dwelling	$2,813	$2,140	$604	$382	$745	$6,684	$6,593	$91	1%
701-1,200 sq. ft.	Dwelling	$4,260	$3,241	$914	$578	$1,129	$10,122	$8,844	$1,278	14%
1,201-1,700 sq. ft.	Dwelling	$4,783	$3,638	$1,026	$649	$1,267	$11,363	$9,652	$1,711	18%
1,701-2,200 sq. ft.	Dwelling	$5,145	$3,913	$1,104	$698	$1,363	$12,223	$9,764	$2,459	25%
over 2,200 sq. ft.	Dwelling	$5,848	$4,448	$1,254	$794	$1,549	$13,894	$10,880	$3,014	28%
Development Type	**Unit**	**N'hood Park**	**Comm. Park**	**Fire**	**Police**	**Gen. Gov't**	**Update Total**	**Current Total**	**Change**	**% Change**
Commercial	1,000 sq. ft.			$1,281	$811	$1,582	$3,674	$2,791	$883	32%
Office and Other Services	1,000 sq. ft.			$701	$444	$866	$2,010	$2,791	($781)	-28%
Industrial	1,000 sq. ft.			$332	$210	$410	$953	$656	$297	45%

Almost all fee categories have increased from current 2023 fee levels. The biggest overall impact contributing to higher rates is the significantly higher asset valuations for police and fire services (and to a lesser extent, general governmental) outpacing the service population growth rates. These inflationary impacts have been realized locally in the higher cost of the City's purchases of goods and services, especially in the post-COVID environment.

The study update had differing results for the neighborhood and community parks. The most recent neighborhood park builds (Bucking Horse, Cresent, Traverse) were all significantly more expensive to buildout on $/acre basis than prior facilities, leading to much higher fee calculations than for the community parks. A new maintenance facility also contributed to higher overall costs.

Overall, the residential fee amounts increase by 1% to 28% (approximately $100 - $3,000) based on size of property. This variable difference is attributed primarily to the relative changes in occupancy factors based on updated U.S. Census Bureau housing survey data. On the non-residential developments, increases to commercial and industrial types are driven by the underlying employees per square foot calculations based on Institute of Transportation Engineers (ITE) trip generation rates. The Office and Other Services type has been broken out from Commercial and is aligned with TCEF categories based on differing demand impacts.

Summary:
In March of 2022, staff provided the City Council with an analysis of the total costs of development activity as part of the total cost of building new housing stock. The table below updates the total fees component of that analysis, with current 2023 fees and the proposed 2024 study updates included for an 1,890 square foot residential property.

City Charged Fees: Impact on One or Two-Family Residence - 1890 sq. ft							
Fee Type	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Capital Expansion Fees	$ 6,038	$ 7,630	$ 8,591	$ 8,824	$ 8,992	$ 9,764	$ 12,223
Transportation Capital Expansion Fees	$ 5,150	$ 6,543	$ 6,586	$ 6,623	$ 7,115	$ 7,621	$ 8,106
Development Review, Permits, Infrastructure Fees	$ 2,532	$ 2,532	$ 2,532	$ 3,314	$ 2,792	$ 2,792	$ 2,792
Utility Fees	$ 21,907	$ 22,321	$ 25,517	$ 26,353	$ 35,992	$ 37,142	$ 37,838
Combined Fees	**$ 35,627**	**$ 39,026**	**$ 43,226**	**$ 45,114**	**$ 54,891**	**$ 57,319**	**$ 60,958**
Percentage Change	***Baseline***	***9.5%***	***10.8%***	***4.4%***	***21.7%***	***4.4%***	***6.3%***

The total overall increase would be approximately $3,600 or 6.3%. As noted in the utility section above, no increase in the water supply requirement is included.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

What questions does the committee have related to the study updates or draft fee schedules?

Does the committee prefer:

Option A) Bringing the fee updates forward to City Council for adoption for a 1/1/2024 implementation?

OR

Option B) Deferring the fee updates until mid-2024, upon such time that:

- Clarity is reached on policy timing of Water Supply Requirement, and/or
- The Committee or full City Council desire more agenda time on any or all impact fees?

DISCUSSION / NEXT STEPS

Julie Pignataro; can you provide more explanation on Option B regarding what the benefit or detriment might be?

Dave Lenz; due to water issue, that particular fee will have more work done on it- the other two fees – the other two fees; the Utility fee and the Capital Expansion Fees – according to code updates are to be brought forward every 2 years with an inflationary index. On the capital expansion fees, we are to bring those forward at least every 5 years. We have tried to settle on this 4-year cadence with inflationary updates in between. There is precedent for making a fee effective at the beginning of the year as well as mid-year.

Julie Pignataro; so, either this little part now or add it to the bigger part later.

Dave Lenz; I can't speak much to the water requirement, but it is 10 fees now that all have varying degrees of rate impact to help us recover our costs that we are seeing or to defer them all until there is clarity reached. At this point in time, we don't know when that will be or what that answer will be.

Emily Francis; we keep adopting these things that increase the cost of housing and we lose track of what we do over time. I think it is helpful to look at it more holistically with water conversation.

Shirley Peel; was it a Council adopted ordinance to update every 2-years with the inflationary index or is that a departmental policy? Are we locked into doing it every 2 years?

Randy Reuscher; from a Utilities perspective, we present it to Council and what Council does with it is their prerogative. January 1st is a pretty strong preference from a Utilities perspective as we have a year end process for updating permits, etc.

Shirley Peel; when you do an increase like this, do you engage with stakeholders? Is there messaging as part of the rollout?

Randy Reuscher; we review it with our Boards and Commissions as well as the Chamber so there is. outreach involved.

Dave Lenz; we publish rates and actions taken are in the public record and on our website. We will

publish our studies for backup information for folks to get a more fulsome understanding. The timing will depend on the direction we get here. Both studies are still in draft form but are out there for public consumption.

Shirley Peel; is there a comparison to other peer communities? I am assuming everyone is in the same boat.

Travis Storin; I don't know that we have a benchmarking display at our fingertips. It is easy for me to imagine that those other municipalities have encountered many of the same inflationary forces particularly for construction costs. EPS is probably more reflective of our own cost structure and our own levels of service.

Dave Lenz; we do have some comparatives. The transportation study has some comparative information in the appendices. For Capital Expansion Fees, that section is still under development. One challenge for comparative data is that you don't necessarily know – for example we have big fees for parks, and some have minimal to none - tough due to levels of service, we also won't have anyone's contemplative updates yet, but we have information we can pull together and share as a follow-up to this committee to provide additional context. It is not a nice cut and dried apples to apples comparison. On the utilities side, it is even more complex.

Randy Reuscher; there are a lot of levers to pull there. Thresholds to apply to get closer to an apples-to-apples comparison.

Dave Lenz; we do have big fees for our parks and that is one of our stellar assets in this community.
We know we need money in that area. This is for the build of future things.

Emily Francis; correct me if I am wrong but we need more funding because we don't have money to maintain what we have. So, these capital expansion fees don't exactly help us in that area.

Dave Lenz; we need money to build new things to accommodate growth and we also need money to fund what we have, which Sustainable funding is trying to attend to.

Emily Francis; the CEF fees we are seeking is taking into account what we have left to build and what our estimated costs are for that.

Dave Lenz; we have different things in the hopper, in the plans. The dollars aren't dependent on specific plans because some aren't developed yet. It is taking our existing needs with the understanding that our population is expected to increase by 50-60K people, so there will be more assets needed. The existing cost structure to serve the existing base.

Emily Francis; then why for the key data inputs, don't we include our Master Parks & Recreation Plan and some of the other plans like we do for the funding of the TCEFs?

Dave Lenz; you can do a plan-based approach – the prior Council and staff have adhered to an incremental expansion approach where we are taking a look at current levels of service and what it takes to provide that. We do take plans into account for things like what land might cost but if it not as specific as just dropping the plans on top of the new build. Some of those facilities are going to benefit existing residents and the population.

Emily Francis; current level of service that we built our parks to or that we say everyone should be within a 10-minute walk or ride to a park.

Dave Lenz; the metrics, in terms of what should be done to serve those folks. We are not charging folks for additional benefits on those in the existing level of park assets across the city.

Emily Francis; the current cost of building parks has escalated partly because of the types of parks we are building. Are we calculating the fees based on the current level of service we are building in those parks or just a baseline park. Part of the problem I see in representing a district that is mainly built out if that the parks in this part of town do not have funds to maintain them, but we are seeing a bunch of new parks built elsewhere (on the south side) that are much nicer and fancier. The disparity between north and south is growing. What is the dollar amount that it took to build Roland Moore versus Fossil Creek on the southside?

Dave Lenz; so, if something was built in 2010 and now is to apply some type of inflation factor to it.
It is an academic exercise in a way but that is the approach we try to do. If we are using a park that was built in 2013 or 2015, we bring that park forward to today's dollars. This in combination with other parks we are building is what it costs to do it now. The inflation on the construction costs and the land cost has gone up.

Emily Francis; what do we consider our level of service now and how that is impacting our fees.
How we are calculating – methodology – what was the theory that Council was using to design those methodologies?

Shirley Peel; if we raise these in January, I think there is some appetite on Council to revisit the parks we are building. The kind of parks we are building right now versus what we want to build – that might be a different total.

Emily Francis; curious about the philosophy that Council was using when these formulas were made.
Does it reflect how Council is trying to direct policy now? If Council values building smaller homes, are fees set up to facility that or are we still calculating fees based on an old methodology?
And for TCEF – active modes – is that based on how many people are currently using active modes or what our goal is for active modes?

Marc Virata; active modes part of TCEF is plan (goal) based. We thought it would be more direct to address it from a plan base methodology since Council just adopted the plan. If you try to use incremental for active modes – what we are trying to calculate is when is there friction in terms of too many people on a bike lane - feels a bit like a squishy exercise for active modes.

Emily Francis; that is super helpful to hear, and I am in agreement with where we are trying to go – in terms of the Capital expansion fee, it is similar?

Dave Lenz; I wasn't here back when Council adopted the approach – perhaps Brian can add some perspective.

Brian Duffany from Economic & Planning Systems (EPS);
So, looking at a plan-based approach versus the incremental - For a plan-based approach, you would take the parks master plan and other facility master plans which could be 10 or 20-year plans. You divide the cost of implementing those plans by growth.

Communities it usually includes their plans and CIPs – a lot of communities aren't able to consider that long range of cost planning because they don't have the money to fully implement the plans, so they tend not to fully consider those costs in their CIPs. In reality, it can be hard to do a plan-based methodology in all of these asset classes – it is easier to do for transportation.

Dave Lenz; based on my background in capital planning, both in the private and public sector, we don't do long term capital planning that well. We are bumping up against that constraint and as we see the BFO process layered against the needs we see the limited funds that we have -
That is how things get kicked down the road a bit.
We need to build to a standard that our community expects.
On a unit basis, sometimes building smaller is more expensive on a unitized basis (per acre or per resident served). The math is tough sometimes to achieve that goal. Capital Plans many times are unfunded plans, so that might not be the best methodology to rely on those, it might make more sense to rely on incremental – what does it costs to do the things we have then we use a suite of assets that lean toward the most recent things because those are more reflective of current costs.

Brian Duffany from Economic & Planning Systems (EPS);
Responding to Emily's concern regarding disparity of parks on the north and south sides of town - impact fees do help. The city's CIP includes both capital expansion projects and capital maintenance projects and you need money to do both. You are not subsidizing growth as much with other funding sources – potentially have more resources available to address the deferred maintenance.

Emily Francis; when we have infill in those areas – they already have designated parks, so they are not going to get a new park.

Dave Lenz; if we do add incremental capabilities, additional capacity for an infill park, that is available to use these dollars. (for example, 3 swing sets to 4 would be incremental). We can use part of that money for that piece of expansion in capacity.

Emily Francis; smaller units, percent wise, bear more when the city is trying to move in that direction – it doesn't reflect our values.

Brian Duffany from Economic & Planning Systems (EPS); in our capital expansion fees, the smaller units pay less.

Dave Lenz; if we go back and look at the fee schedules, the smallest units are taking the least burden percentage.

Julie Pignataro; Except in utilities, right?. Utilities are where it doesn't line up.

Emily Francis; would be helpful to look at the range of square feet. What is the dollar amount increase per square foot in those ranges. It may just be going up a little but what if it was higher before. For example, it would be helpful to see - in the range of 0-701, what is the price per square foot for each of those categories?

Dave Lenz; we can build this out to show some different categories.

Emily Francis; do we have homes that are being built that are under 700 square feet? Would be helpful to clarify if these are apartment units or single-family homes.

Travis Storin; whether we bring the request on a per square foot basis at the First Reading or whether we are deferring this into 2024, the output of the $ per square foot is going to reflect the fee study, itself.

In the case of parks, the service impact is based on the number of humans who will be living there and thereby utilizing the park rather than the larger the house, the larger the fee. All of the fee studies are based on the actual cost of service provision. If we just take the community parks fee and assume a 700 square foot unit and a 1,200 square foot unit, the larger unit will pay approximately $2.70 per square foot for their community park, and the smaller unit will pay about $3.00 per square foot. Based more on the number of people we assume will be living there and utilizing that park asset.

Emily Francis; how do we calculate our anticipated number of people?

Brian Duffany from Economic & Planning Systems (EPS); It is based on the average household size by size ranges. The data comes from the American Housing Survey, Western Region prepared by the Census Bureau.

Dave Lenz; when we look at how the data changed from the last time, the number of people assumed in those smaller units has changed which is why they are seeing less of an impact.

Emily Francis; I disagree with the ideology of how many people live in a house -

Brian Duffany from Economic & Planning Systems (EPS); It is all based on averages.

Emily Francis; not reflecting where the city wants to head. We have such limited housing choices here in Fort Collins, it is not like these people are living in a house that works for them - but now it is directing how our fees are working. Making it more and more difficult to build smaller and multi-unit homes through things such as fees. How do these apply to Accessory Dwelling Units (ADUs)?

Brian Duffany from Economic & Planning Systems (EPS); if an ADU falls into one of the categories, they would pay the applicable fee. The reason the fees are backed into square footage is to help the smaller units pay a lower impact fee and to encourage a better housing mix.

Dave Lenz; they would pay that applicable fee. The reason they are Lower impact fee.
Intent - adjustment for household size – to encourage ADUs and multi-family.

Emily Francis; it is so expensive to build smaller homes – how do we switch that – I would say it is the same with Re development – we have people who do not redevelop their properties because of these fees so we have things that are not being updated because of this. The fees prevent people from updating and coming up to code. We are seeing a degrade in the services that are provided.

Marc Virata; We do provide credit against existing for the redevelopment. For example, if you scrape and do a rebuild, you have credit with the structure that was there.

Emily Francis; an example is the businesses on Laporte that are getting run down and are no longer up to city code, but the owners don't want to redevelop because it is too expensive. People don't want to redevelop over 25% of their structure because of these fees. So, now we are seeing the impacts of things not being updated since the 60's.

Julie Pignataro; when I think about fees. I think things cost what they cost.
Is this an opportunity to encourage the things we are looking for?
What would a mixed-use development fall under (both commercial and housing)?

Dave Lenz; it gets broken apart into the components - square footage for the residential and square footage for the non-residential. They are treated differently.

Julie Pignataro; if we wanted to incentivize certain types of building, would those incentives costs need to come out of a separate fund, or would it rebalance these fees?

Travis Storin; the way we handled that in the past was with fee credits out of the General Fund.
Each of these fees reside in different funds outside of the General Fund. As far as other ways to incentivize - fee credits which are targeted toward affordable units and there could certainly be programmatic expansions of the types of development we offer credits toward.

Brian Duffany from Economic & Planning Systems (EPS); You could look at the definition the city uses for affordable units. Some communities, depending on their needs have raised the income limit to capture a broader range of housing types and then if there is permanent affordability, you could get some fee credit offset.

Julie Pignataro; I am struggling with the same thing I hear others are struggling with as well - we are still rewarding the kind of single-family development that has got us in to the crisis we are in. I don't know what the answer is.

Emily Francis; I had heard that Boulder is charging an additional fee on houses over a certain square footage - If the three of us are concerned about this, what are the other options?

Travis Storin; I am not familiar with the Boulder program -
This is an instance where price doesn't equal cost. This is an instance where we are trying to make price equal costs and make it as close to net neutral to impacts to our systems.

I am hearing a desire to think about ways to incentives certain types of development.

What is right now a cost of service-based model – we are starting to reach some of our limits as a staff on what we are justified in breaking out. For instance, two cycles ago, the Parks fee went from a per unit fee to a graduated square footage schedule that it is on right now. We have utilized some of those techniques, and still have to constantly test for legal defensibility - is it based on cost of service still?

I am anticipating a written response will be needed here. I would suggest we do a follow-up memo to address a call to action – What other options do we have? What can we learn from Boulder or other community-based models?

Shirley Peel; I think it is more that we are trying to switch direction and is our process still applicable?

Emily Francis; do our fees match our values?

Dave Lenz; also, within the constraints of what statue allows us to do.

Julie Pignataro; what we need a fee to do - we can't just give away the farm.

Emily Francis; we still want development to pay for the impacts. How do we reflect better where we are trying to go with the fees? The redevelopment issue is significant within my district – a real hindrance.

Randy Reuscher; I understand the concern. Square footage is not strongly correlated with our utility fees. Water is based on the outside area not square footage of the house. Electric capacity fees are based on your panel and your amp usage. You could have a situation where it is a small house – two bedrooms and have two electric vehicles and the air conditioning is driving a higher demand.

Julie Pignataro; where do we go from here? You had asked about bringing this forward January 1st? Do you just want to bring it forward?

Dave Lenz; It was to bring it forward for a January 1, 2024, implementation which would mean adoption in December.

Travis Storin; I think we have heard the Council's intent which is summarized by; Do our fees align with our values? As a staff we are going to have some research and legal review and need to come back to you at the December meeting at the earliest.

I think this may drive us (your direction) toward fees coming later in 2024 for a TBD implementation date to allow for the work and for the Council Finance Committee to ensure we are advancing the community objectives in the right ways through our fees. Also, questions around whether or not this merits a work session.

Julie Pignataro; I am sorry you have to do more work but then you Emily for that question, do our fees align with our values? I think that is what we are going round and round with and struggling with.

Emily Francis; if we are changing the way we approach this, it probably does need to go a work session.

Meeting adjourned at 5:18 pm

WORK SESSION
AGENDA ITEM SUMMARY TEMPLATE

Staff: Lance Smith, Utilities Senior Director of Finance

SUBJECT FOR DISCUSSION – 2023 Strategic Financial Plan for the Light & Power Utility

EXECUTIVE SUMMARY

The purpose of this agenda item is to provide the Council Finance Committee with an overview of the planning processes underway within Fort Collins Utilities. This agenda item will focus on the electric utility within the Light & Power and Telecommunications Enterprise Fund. The Water, Wastewater and Stormwater Enterprise Funds will be presented for discussion in February 2024. The resulting investment projections set the basis for beginning the 2025-26 Budgeting For Outcomes (BFO) cycle. The 2023 Capital Improvement Plan (CIP) and the 2023 Strategic Financial Plan is outlined here along with the overall 10-year rate projection for Light & Power and associated debt issuances. Through active management of O&M expenses, gradual, moderate rate adjustments and the issuance of some debt, the Light & Power Enterprise Fund is expected to be able to meet its operational objectives through targeted capital investments over the coming decade.

The electric utility portion of the Light & Power and Telecommunications Enterprise Fund has an increased level of capital investment primarily driven by the beneficial electrification which may require distribution asset renewals before the end of those asset's useful life as well as anticipated new growth and annexations which will require a new substation and associated equipment. Tightly managing the operating expenses will be necessary going forward to ensure adequate operating income is being generated to meet system renewal needs through moderate rate adjustments. The climate action goals set by both the City and Platte River Power Authority will require rate increases as well during this same period. Two additional significant debt issuances are anticipated as being necessary between now and 2030 to support.

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Rate Increase	5.0%	6.0%	5.0%	5-8%	7-8%	7-8%	7-8%	3-5%	3-5%	3-5%
Debt Issued ($M)			$61.0			$76.0				

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does the Council Finance Committee support the Utilities Strategic Financial Plan assumptions ahead of the 2025-26 BFO cycle? In particular, the projected rate increases necessary to meet anticipated revenue requirements?

BACKGROUND / DISCUSSION

The financial health of each utility Enterprise Fund depends on active management of ongoing operating and maintenance expenses as well as planning for large capital expenditures. The capital investment required to maintain the current levels of service provided by each of the four utility services to the community requires a long planning horizon and consistent reevaluation and prioritization. Ahead of the biennial budget process beginning both the 10-year Strategic Financial Plan and the associated 10-year Capital Improvement Plan are updated and presented to the Council Finance Committee for discussion to ensure that adequate operating revenues are expected to support the City Manager's Recommended Budget.

Strategic Financial Planning Process

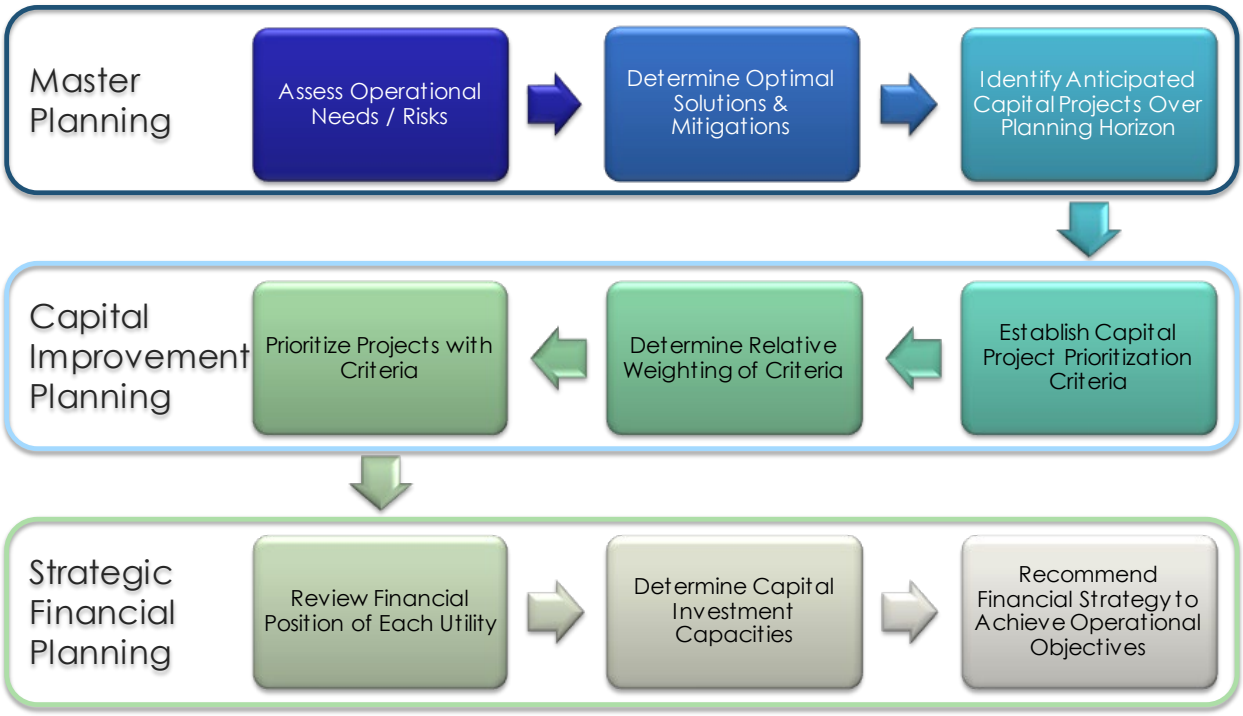
The strategic financial planning process is intended to provide a long-term plan for the efficient and effective financial management of each utility in a manner that is consistent with the City's values and

mission and aligned with the City's biennial Budget Process and Strategic Planning Process. Much of the long-term strategic direction for each utility requires significant capital investment spanning more than one budget cycle making a long-term capital improvement plan necessary to support the strategic plan.

Whereas strategic planning sets the operational direction of where the utilities are going in the future, strategic financial planning provides a financial context for this movement. The strategic financial plans ensure the long-term operational and fiscal objectives and level of service targets for each of the utilities are met in a financially sustainable and resilient manner. The three main financial metrics from a long-term financial planning perspective are:

1. Operating Margin > 3.0%
2. Debt Coverage Ratio > 2.0
3. Annual Rate Adjustments < 5.0%

Strategic planning consists of Master Planning and Capital Improvement Planning. These plans assess current infrastructure for future needs and risks and review expected growth in customers and services delivered along with any new regulatory requirements. The Master Plans generate a list of recommended capital projects over the planning horizon which are then included in the Capital Improvement Plans (CIP). The respective engineering groups for each utility are developing a standardized process to prioritize the necessary capital investments. This prioritized list provides the associated annual capital investment which becomes an input into the long term Strategic Financial Plan. This list is updated ahead of the two-year BFO process and is prioritized using metrics intended to measure the levels of service that each utility is targeting to provide to the community. The financial position of each utility is also reviewed in this step with the output being a recommended path forward which involve rate adjustments and future debt issuances to achieve the operational objectives and needs of each utility.



2023 Strategic Financial Planning

The 2023 strategic financial planning process began with an assessment of what has changed since the previous plan. On a macro-economic scale these changes include:

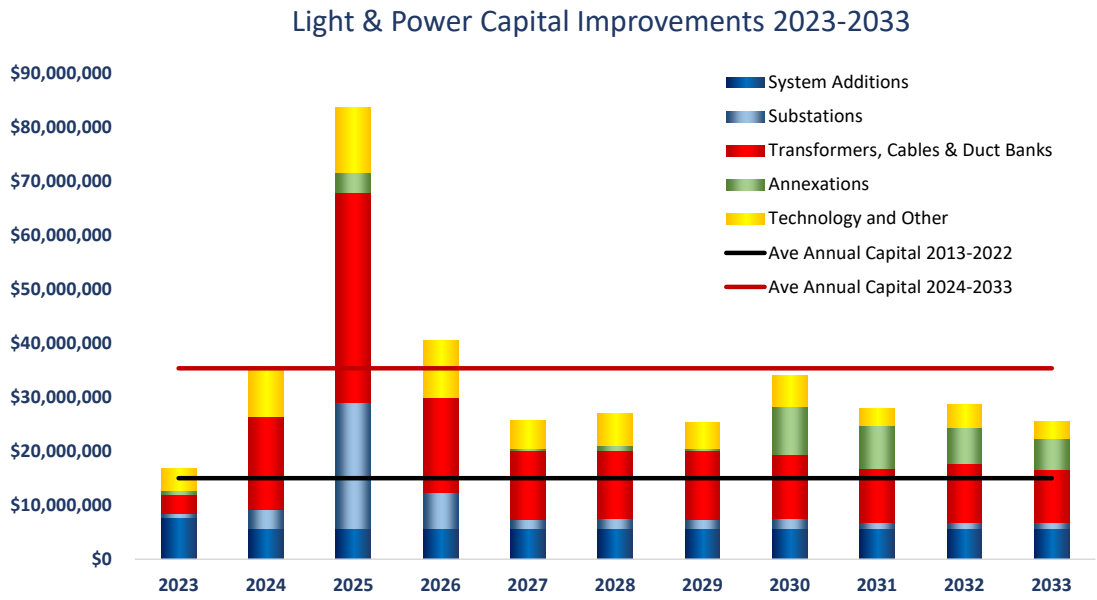
- In 2022 inflation returned to levels not seen in 40 years which has adversely affected operating costs as well as the costs of materials and labor for capital projects.
- After the COVID-19 pandemic supply chain constraints created scarcity in some electric equipment, particularly transformers which has caused a 150-300% cost increase.
- The Federal Reserve has responded to the growth in inflation by raising interest rates in a short time, which in turn is increasing the cost of capital.

More specific to the Light & Power and Telecommunications Enterprise Fund changes that have an impact on the financial modeling for this plan are:

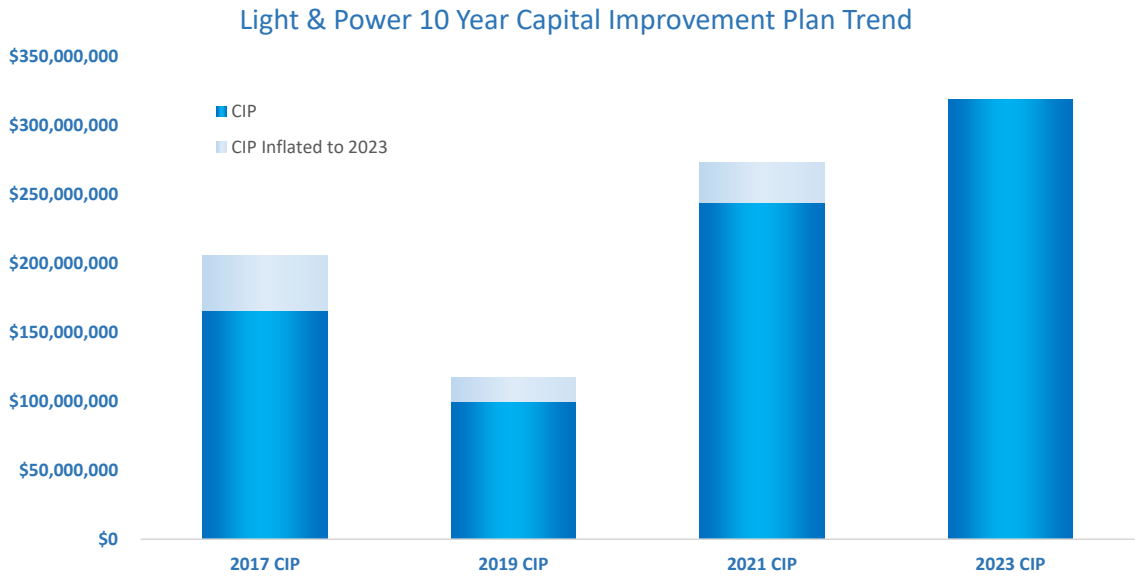
- Platte River Power Authority (PRPA) is finalizing a new Integrated Resource Plan which is expected to be filed with the State of Colorado sometime in 2024 leading to some uncertainty in the wholesale rate projections utilized in this effort.
- Development has slowed considerably in 2023 resulting in significantly less Electric Capacity Fees (ECF) being received in 2023 than 2022 creating more uncertainty of future ECF revenue projections utilized in this effort.
- Consistent with the 2021 Strategic Financial Plan, in October of 2023 a new debt issuance at a coupon rate of 5.000% for $59,400,000 providing the electric utility with $40,818,986 of new capital.

2023 Capital Improvement Planning

Operational goals for the Light & Power utility are focused on maintaining the current level of reliability while moving forward with achieving the carbon-reduction objectives of the City's Our Climate Future (OCF) plan through energy efficiencies and renewable generation through both utility-scale and distributed generation resources. Investment in distribution infrastructure is necessary to maintain the current level of reliability expected by our customers and to enable beneficial electrification throughout our community. The capital investments necessary to achieve the OCF objectives include supporting distributed energy generation and energy storage as well as beneficial electrification efforts such as electric vehicles and electric heating. In addition to supporting distributed energy generation and energy storage the 10-year Capital Improvement Plan (CIP) for the Light & Power Fund consists of projects needed to provide adequate substation and distribution capacity to developing areas of the City, anticipated annexations, operational technology improvements and system renewal of existing substations and underground distribution assets. The chart below shows the 2023 10-year Capital Improvement Plan (CIP) for Light & Power.

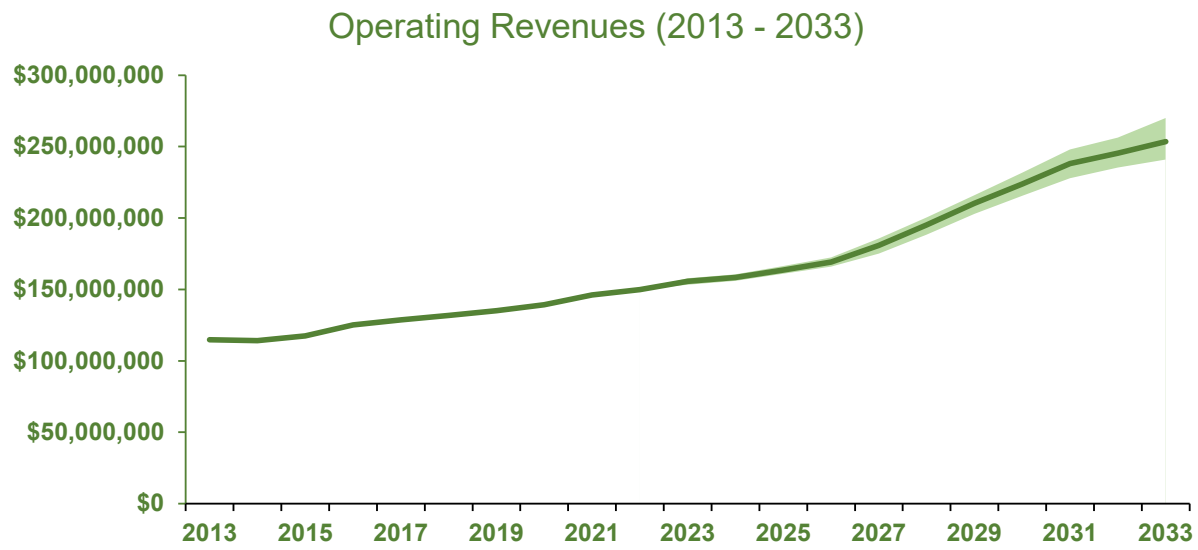


The graph below shows the evolution of the Light & Power CIP over the last 3 budget cycles compared to the 2023 CIP reflecting the impacts of some of the macro-economic challenges outlined above as well as updated planning and analysis. The growth of the number of projects in the CIP will require further consideration around how to fully resource these projects which could result in a more even distribution of capital required than what is shown in the chart above.



Light & Power Operations

The financial modeling involved in updating the strategic financial plan analyzes operating revenues and expenses to determine the amount of operating income that can fund capital investment before issuing any new debt. Operating revenues have grown significantly over the past decade through rate increases while total energy sales have remained flat. The need for continued rate increases between now and 2030 is being driven primarily by expected increases in the wholesale purchased power costs and the need to issue a significant amount of new debt to support the CIP. Based on the projected revenue requirements for operations and maintenance (O&M) and capital investment, operating revenues are projected to grow at close to an annual rate of 5.0% over the next decade.



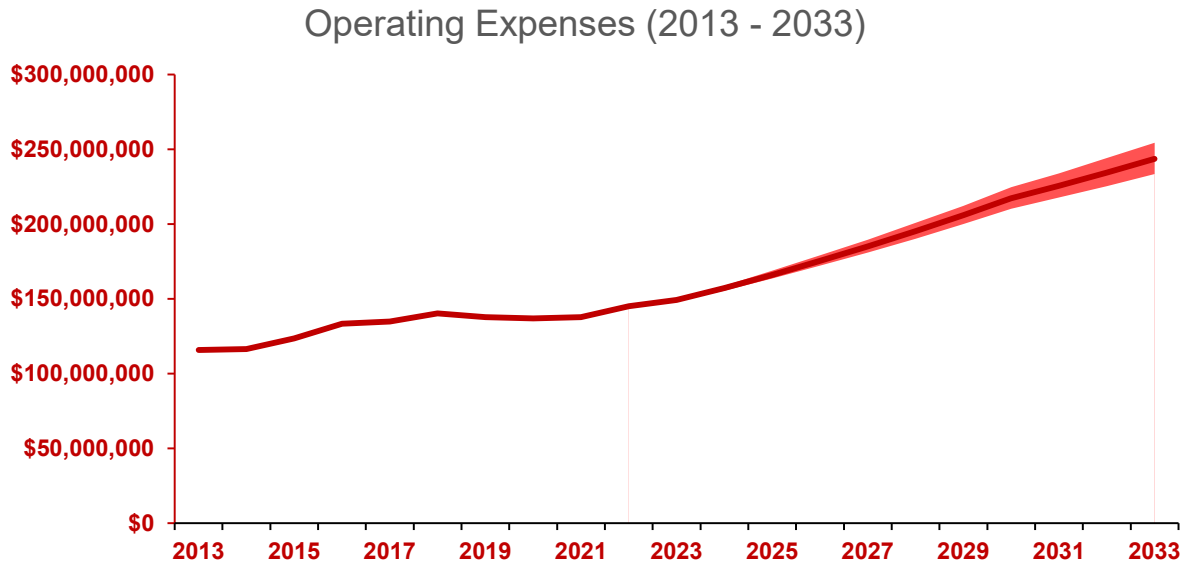
The colored area represents the 95% confidence band around the expected operating expense.

Strong revenue growth in residential sales has increased operating revenues and thereby operating income over the past decade. This revenue growth has been driven entirely by rate increases as increased customer growth has been offset by increased efficiency.

FUND:
501 - Light & Power Enterprise Fund

Year	Budget 2023	10 Yr Annualized Trend	5 Yr Annualized Trend	3 Yr Annualized Trend	1 Yr Annualized Trend
Customers	79,994	1.56%	1.58%	1.22%	0.99%
Annual Rate Adjustment	5.00%	3.17%	3.36%	3.33%	2.00%
Residential Elec Services	$ 61,510,000	3.75%	5.01%	6.03%	1.59%
Commercial Elec Services	$ 46,920,000	2.87%	2.66%	2.87%	4.52%
Industrial Charges for Services	$ 35,920,000	3.15%	0.70%	0.45%	1.69%
Green Energy Program	$ 150,000	-9.94%	-16.03%	-22.90%	10.34%
PILOTs	$ 8,390,000	3.27%	3.08%	3.50%	2.47%
Operating Revenue	$ 152,890,000	3.27%	3.09%	3.52%	2.57%
Total Revenues	$ 158,040,390	3.11%	3.25%	4.42%	3.68%

Light & Power O&M expenses have increased at a rate exceeding inflation over the past decade. This has begun to be addressed through active management (a flattening of the curve can be seen in 2018-20). Unfortunately, inflation and delays in capital work since the COVID-19 pandemic due to resource constraints has resulted in some growth since 2020. The rate and debt issuance forecasts in the plan are based on a statistical analysis which shows that O&M will increase at a rate close to the 5.0% rate of revenue growth.



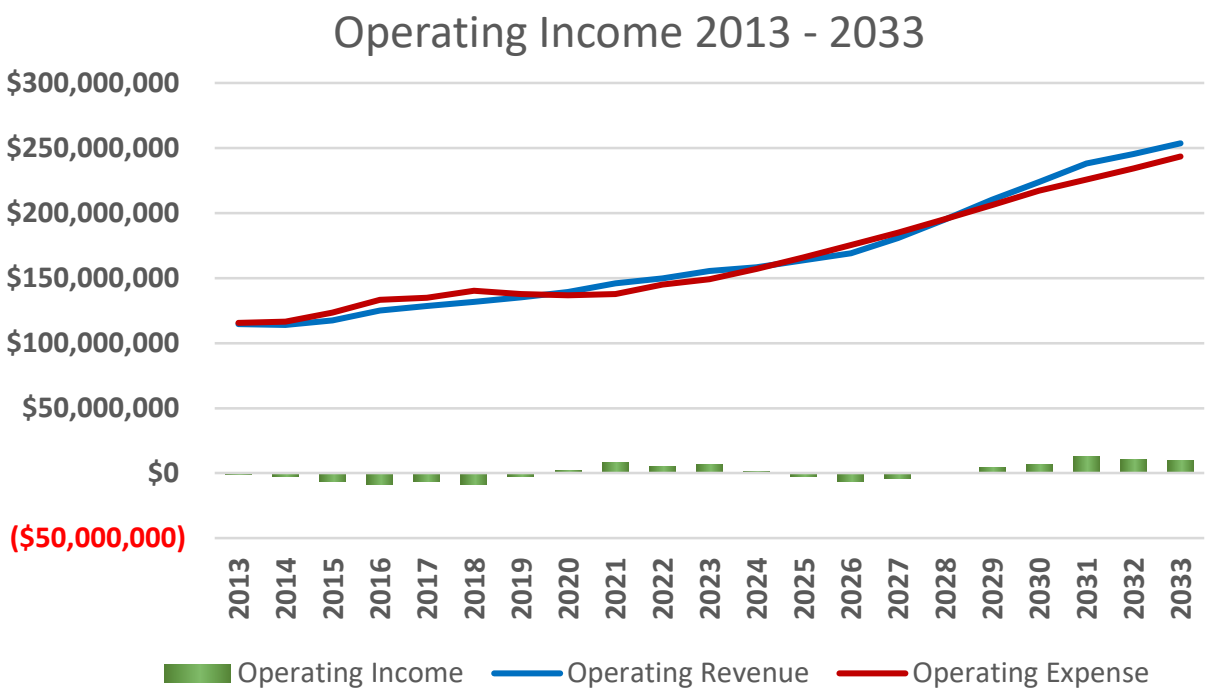
The colored area represents the 95% confidence band around the expected operating expense.

The table below shows the recent trends in expenses along with the relative size of each line through the 2023 budgeted expenses. Significant growth in Purchased Power costs and L&P Operations, the two largest expense categories, are driving the overall trend. Fort Collins electric customers have benefited from lower wholesale purchased power increases since 2018 due to some flattening of the overall load curve through load shifting under time-of-day rates as our contribution to the coincident peak has diminished. However, this benefit has not offset the wholesale rate increases that have been realized over that same period.

Between now and 2030 PRPA will be shifting more and more generation to renewable sources. An updated Integrated Resource Plan is expected in 2024 which will likely lead to an updated wholesale rate forecast to reflect the higher demand for renewable resources.

Year	Budget 2023	10 Yr Annualized Trend	5 Yr Annualized Trend	3 Yr Annualized Trend	1 Yr Annualized Trend
Annual Demand (KWH)	1,515,316	0.0%	-0.3%	-0.1%	0.6%
Purchase Power -Tariff 1 PRPA	$ 102,000,000	2.5%	1.2%	1.2%	5.8%
Purchase Pwr - Community Renewables	$ 2,390,291		24.2%	19.2%	13.4%
L&P Operations	$ 11,248,353	3.7%	1.5%	3.1%	5.7%
Energy Services	$ 7,561,590	3.8%	-1.1%	5.8%	16.0%
PILOTs	$ 8,390,000	3.3%	3.1%	3.5%	2.5%
Admin Services - CS&A	$ 8,710,000	5.3%	4.1%	4.1%	3.8%
Admin Services - General Fund	$ 1,215,482	0.6%	-6.2%	-2.9%	-3.9%
Other Payments & Transfers	$ 3,369,262	3.5%	6.8%	18.4%	29.1%
Depreciation	$ 11,500,000	2.7%	-0.4%	-4.3%	-5.8%
Total Operating Expenses	$ 156,384,977	3.0%	1.5%	1.7%	5.3%
Total Expenses	$ 160,535,716	2.1%	-0.5%	1.8%	7.2%

Positive operating income needs to be generated over the coming decade to increase the Net Pledged Revenues necessary to support higher debt service costs after considering the increased O&M expenses. This will likely require rate increases in excess of the strategic financial target of less than 5.0% annually. In the strategic financial model, it was necessary to consider rate increases as high as 8.0% in some years to meet the strategic financial targets.



Light & Power Rate and Debt Forecasts

In some years rate increases will need to exceed the strategic financial targeted ceiling of 5.0% to cover wholesale purchased power increases and significant capital investments in the distribution system over the coming decade to ensure adequate operating revenue is generated to meet increased debt service

costs. The table below also shows the anticipated debt issuances needed for capital investments over the next decade.

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Rate Increase	5.0%	6.0%	5.0%	5-8%	7-8%	7-8%	7-8%	3-5%	3-5%	3-5%
Debt Issued ($M)			$61.0			$76.0				

Conclusions and Next Steps

Updating the ten year Capital Improvement Plans ahead of the budget cycle allows for an assessment of potential rate adjustments and debt issuances that may be necessary in the near future. This allows the associated Strategic Financial Plan to be updated with a new financial path forward to meet the operational needs of each utility, the electric utility in this case.

Through active management of O&M expenses, moderate rate adjustments and the issuance of $130M of new debt, the Light & Power and Telecommunications Enterprise Fund is expected to have the capital available to address the investments outlined in the CIP necessary to be able to meet its operational objectives over the coming decade.

Attachments

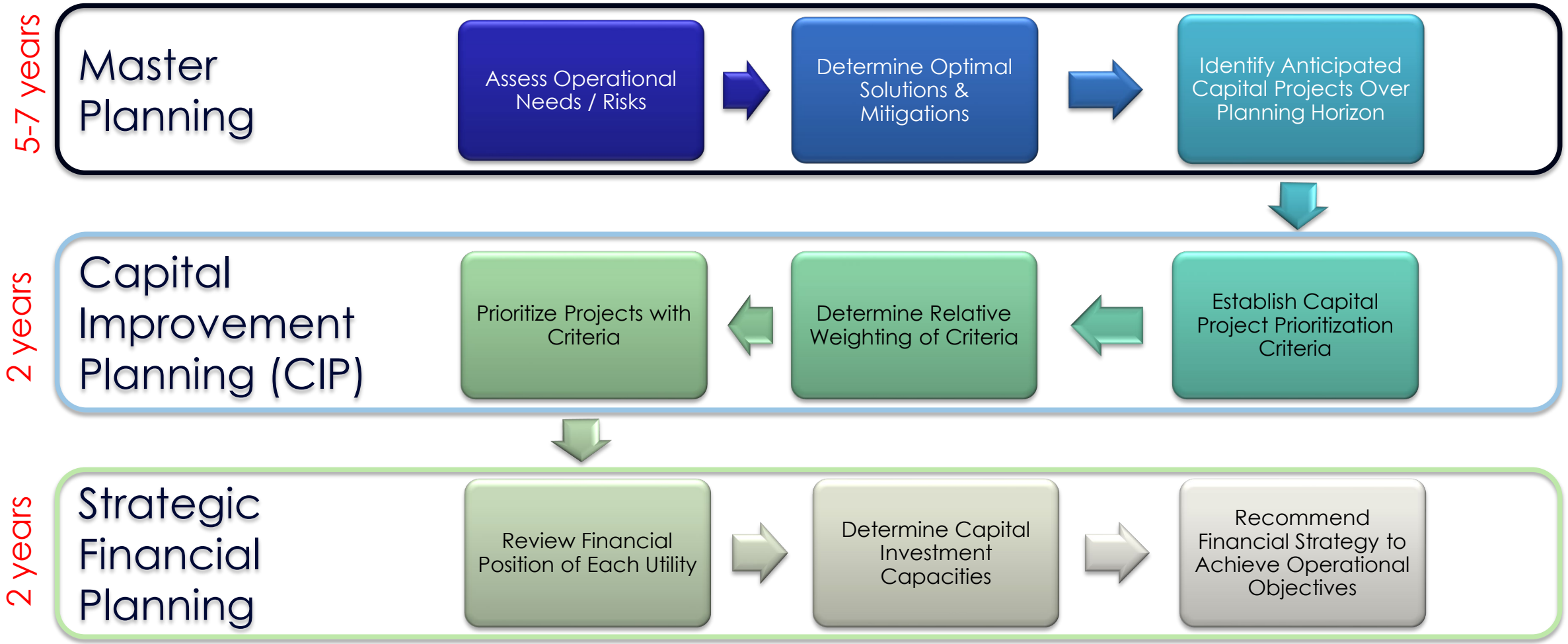
Attachment 1 - PowerPoint presentation
Attachment 2 – Light & Power Capital Improvement Plan

Objective:

- Provide an update on the Capital Improvement Plans and Strategic Financial Plan for the electric utility side of the Light & Power and Telecommunications Fund
- Recommend strategic path forward to meet 10 year operational and financial objectives ahead of the 2025-26 Budget cycle

Direction Sought:

- Does the Council Finance Committee support the Utilities Strategic Financial Plan assumptions ahead of the 2025-26 BFO cycle? In particular, the rate increases associated with the anticipated revenue required?


5-7 years
Master Planning
Assess Operational Needs / Risks
Determine Optimal Solutions & Mitigations
Identify Anticipated Capital Projects Over Planning Horizon
2 years
Capital Improvement Planning (CIP)
Establish Capital Project Prioritization Criteria
Determine Relative Weighting of Criteria
Prioritize Projects with Criteria
2 years
Strategic Financial Planning
Review Financial Position of Each Utility
Determine Capital Investment Capacities
Recommend Financial Strategy to Achieve Operational Objectives

Objectives

- Maintain adequate reserve balances such that:
  - Meet Minimum Reserves Policy
  - Reserves and revenues adequate to cover near term capital requirements
- Maintain current credit ratings for each Enterprise Fund and the City
- Avoid rate spikes through moderate, gradual rate increases

Macro-economic changes:

- In 2022 inflation returned to levels not seen in 40 years which has adversely affected operating costs as well as the costs of materials and labor for capital projects.
- After the COVID-19 pandemic supply chain constraints created scarcity in some electric equipment, particularly transformers which has caused a 150-300% cost increase.
- The Federal Reserve has responded to the growth in inflation by raising interest rates in a short time, which in turn is increasing the cost of capital.

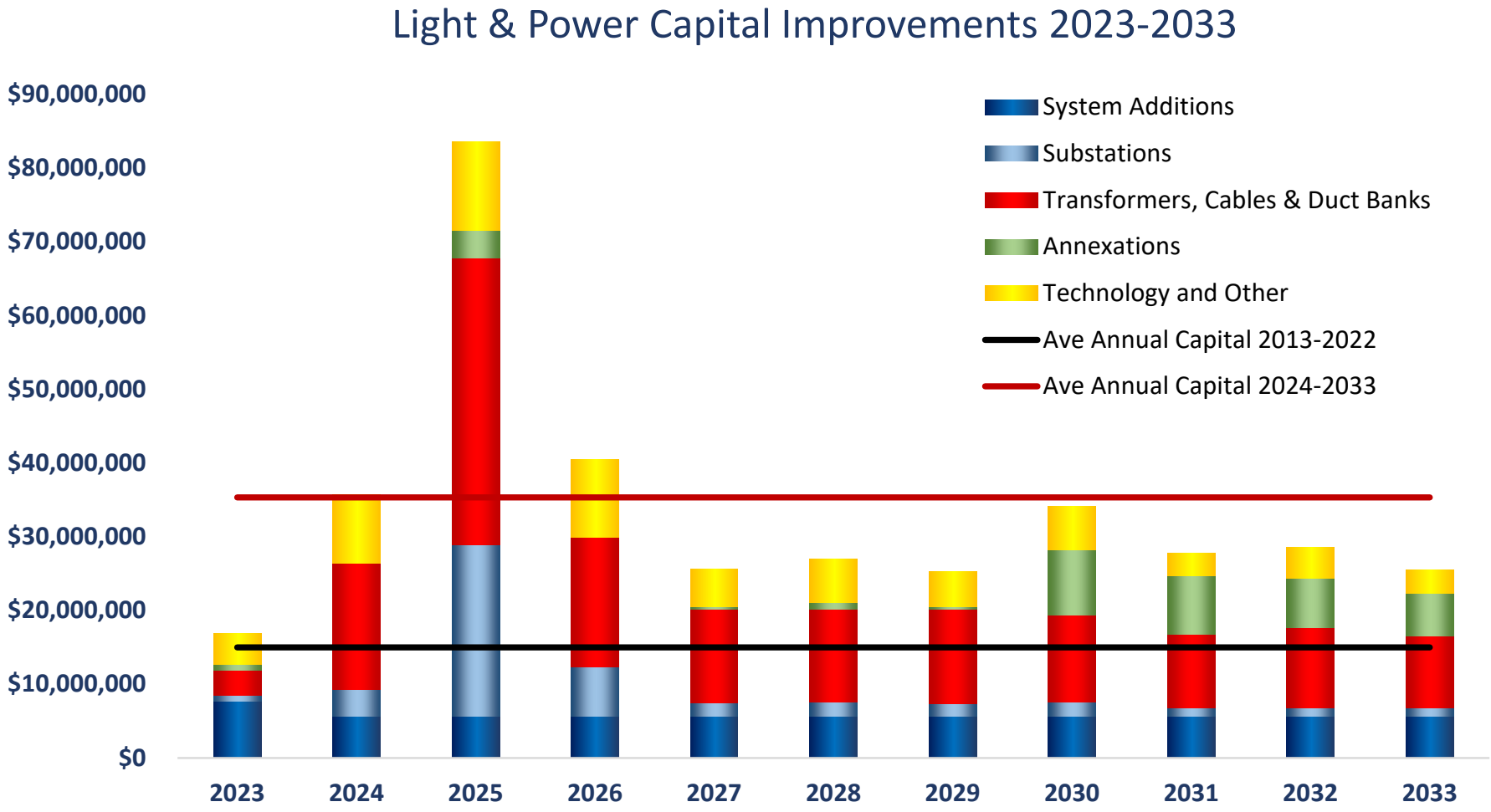
Local economic changes:

- Platte River Power Authority (PRPA) is finalizing a new Integrated Resource Plan which is expected to be filed with the State of Colorado sometime in 2024 leading to some uncertainty in the wholesale rate projections utilized in this effort.

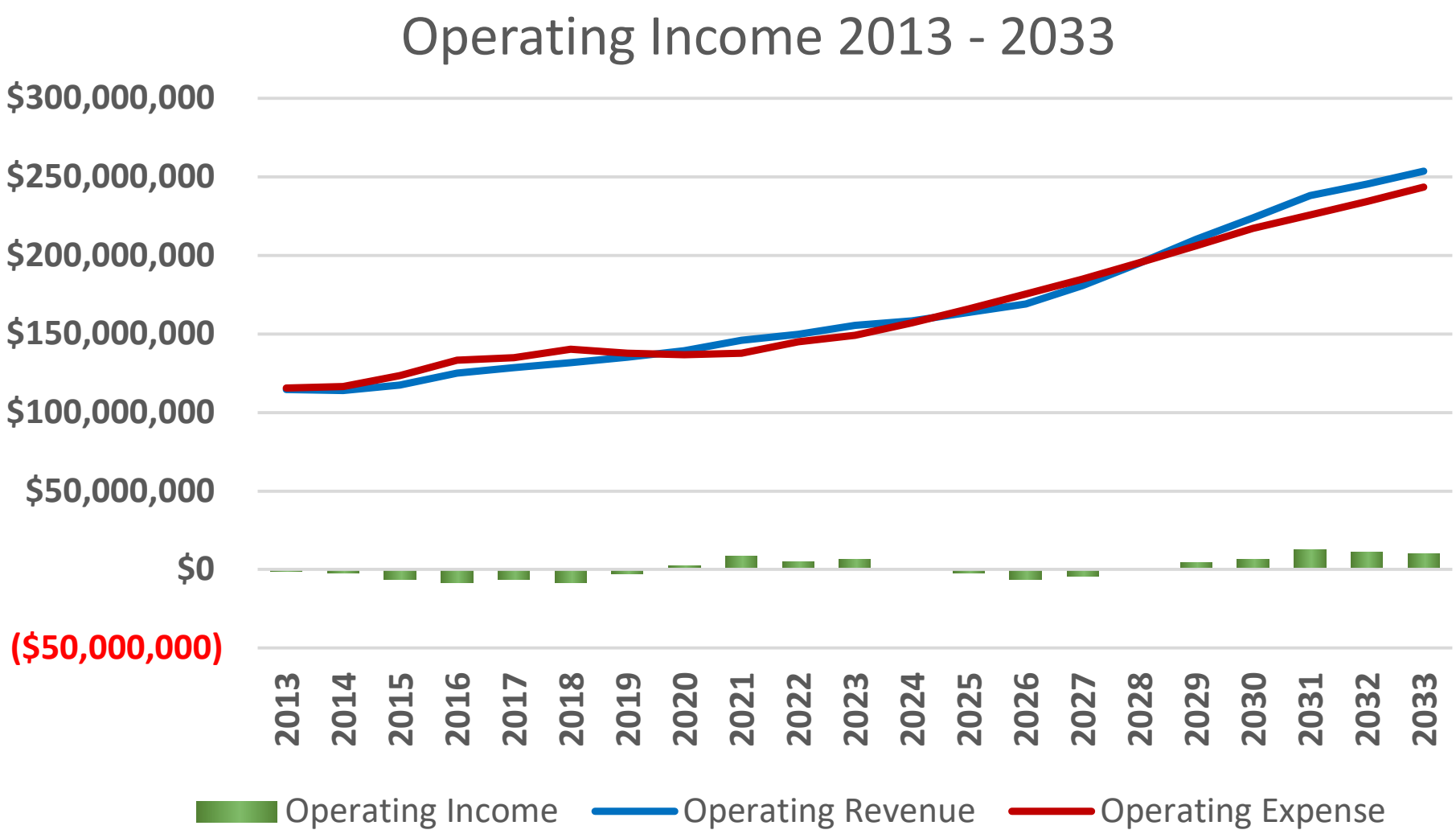
- Development has slowed considerably in 2023 resulting in significantly less Electric Capacity Fees (ECF) being received in 2023 than 2022 creating more uncertainty of future ECF revenue projections utilized in this effort.

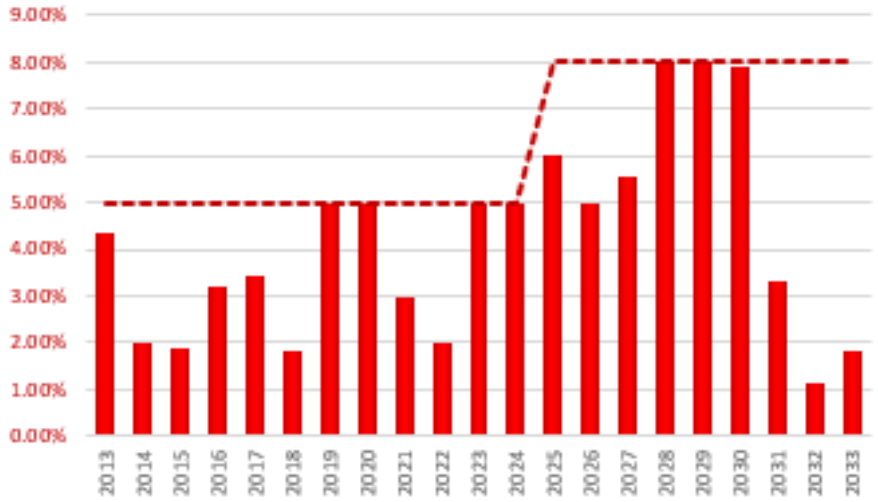
- Consistent with the 2021 Strategic Financial Plan, in October of 2023 a new debt issuance at a coupon rate of 5.000% for $59,400,000 providing the electric utility with $40,818,986 of new capital.

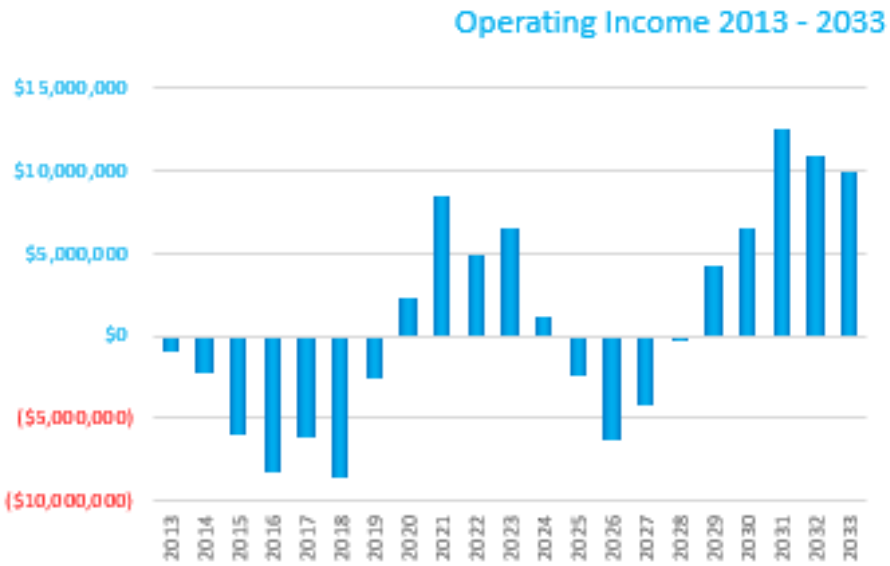
Light & Power

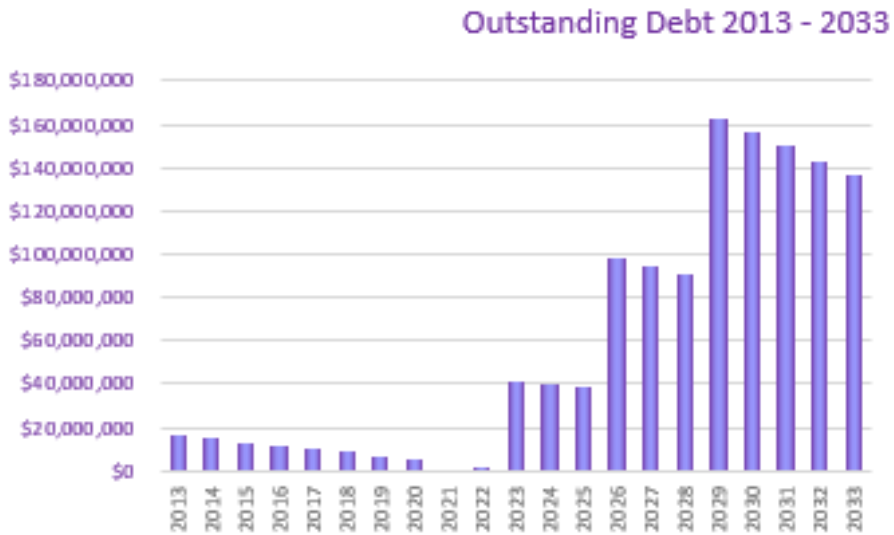


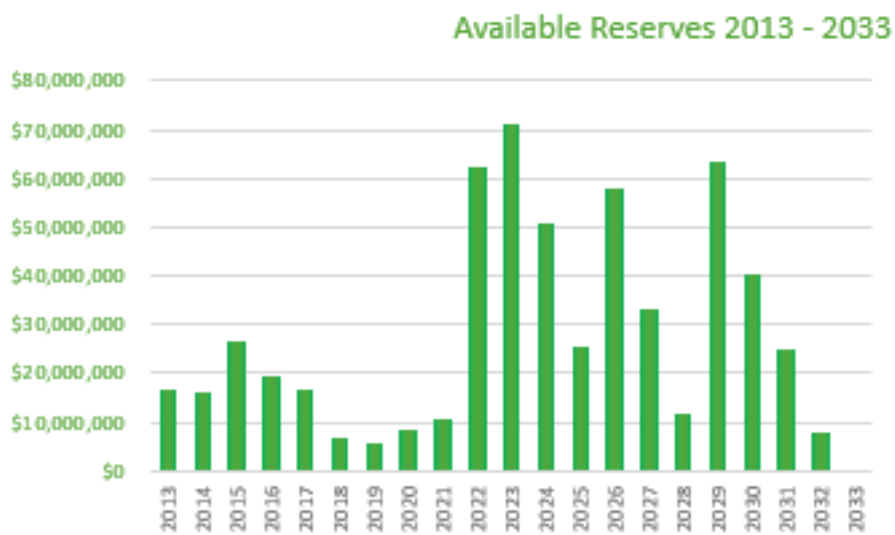
2022 Operating Revenue not used for Purchased Power expense was $53M


Operating Income 2013 - 2033
$300,000,000
$250,000,000
$200,000,000
$150,000,000
$100,000,000
$50,000,000
$0
($50,000,000)
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
Operating Income
Operating Revenue
Operating Expense


Rate Increases 2013 - 2033
9.00%
8.00%
7.00%
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033


Operating Income 2013 - 2033
$15,000,000
$10,000,000
$5,000,000
$0
($5,000,000)
($10,000,000)
2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033


Outstanding Debt 2013 - 2033
$180,000,000
$160,000,000
$140,000,000
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$0
2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033


Available Reserves 2013 - 2033
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Rate Increase	5.0%	6.0%	5.0%	5-8%	7-8%	7-8%	7-8%	3-5%	3-5%	3-5%
Debt Issued ($M)			$61.0			$76.0				

- Two debt issuances are necessary for electric infrastructure in 2026 and 2029
- Rate increases between 5% and 8% are expected to be necessary to meet operational objectives in this new economic environment

Objective:

- Provide an update on the Capital Improvement Plans and Strategic Financial Plan for the electric utility side of the Light & Power and Telecommunications Fund
- Recommend strategic path forward to meet 10 year operational and financial objectives ahead of the 2025-26 Budget cycle

Direction Sought:

- Does the Council Finance Committee support the Utilities Strategic Financial Plan assumptions ahead of the 2025-26 BFO cycle? In particular, the rate increases associated with the anticipated revenue required?

Capital Category	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	TOTALS
System Additions	$5,725,243	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$62,725,243
Substations	$3,523,000	$23,222,900	$6,637,841	$1,747,254	$1,815,572	$1,659,639	$1,870,013	$1,057,052	$1,081,414	$1,136,056	$1,060,988	$43,750,743
Transformers, Cables & Duct Banks	$17,192,509	$38,907,935	$17,621,816	$12,698,215	$12,671,368	$12,824,445	$11,833,821	$9,974,287	$10,941,906	$9,693,906	$10,148,602	$129,805,406
Annexations	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Technology and Other	$9,227,441	$12,057,113	$10,508,139	$5,028,947	$5,900,262	$4,703,693	$5,806,246	$3,158,926	$4,161,740	$3,164,695	$2,167,798	$52,395,000
ASSET RENEWAL (2023 Debt Issuance)	$3,308,754	$23,670,129	$6,049,522									
Totals	$35,668,193	$79,887,948	$40,467,796	$25,174,417	$26,087,202	$24,887,777	$25,210,081	$19,890,265	$21,885,060	$19,694,658	$19,077,388	$288,676,392

	FY2223		FY2526		FY2728		FY2930		FY3132		FY3334	
Row Labels	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
1680 Subdivision Construction Total (System Additions)												
16800000 System Addition (Subdivisions and Others)	$5,725,243	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$5,700,000	$62,725,243
1680 System Additions (Subdivision Construction) Total (System Additions)	**$ 5,725,243.00**	**$ 5,700,000.00**	**$ 5,700,000.00**	**$ 5,700,000.00**	**$ 5,700,000.00**	**$ 5,700,000.00**	**$ 5,700,000.00**	**$ 5,700,000.00**	**$ 5,700,000.00**	**$ 5,700,000.00**	**$ 5,700,000.00**	**$ 62,725,243.00**
501001 Substations Total (Substations)												
501001A001 Battery Banks Repair/Replacement	$20,000			$60,000			$60,000			$60,000		$200,000
501001A002 Battery Chargers Repair/Repalcement	$40,000	$40,000	$40,000			$40,000			$40,000			$200,000
501001A003 LTC (Load Tap Changer) Repair/Maintainence	$105,000		$105,000				$50,000		$50,000		$50,000	$360,000
501001A005 HVAC Units Repair/Replacement	$44,000	$44,000	$44,000		$25,000		$25,000		$25,000		$25,000	$232,000
501001A006 Transformer Radiator Repair/Replacements	$78,000	$103,000	$103,000			$100,000		$100,000		$100,000		$584,000
501001A011 Transformer Repair/Refurbishing	$250,000	$257,500	$265,225		$100,000		$100,000		$100,000		$100,000	$1,172,725
501001A017 Substation Misc Capital	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$1,100,000
501001A018 Substation Basalite Walls - NEW			$500,000	$550,000	$605,000	$665,500	$732,050					$3,052,550
501001A020 Equipment For CVR (Conservation Voltage Reduction)	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$825,000
501001A013 Transformer Oil Filtration	$140,000	$144,200	$148,526	$152,982	$157,571	$162,298	$167,167	$172,182	$177,348	$182,668	$188,148	$1,793,091
501001A014 Substation Security & Surveillance	$250,000	$250,000	$300,000	$15,000	$15,450	$15,914	$16,391	$16,883	$17,389	$17,911	$18,448	$933,385
501001A010 Wildlife Mitigation	$100,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$600,000
501001A012 Preventative Maintenance	$100,000	$103,000	$106,090	$109,273	$112,551	$115,927	$119,405	$122,987	$126,677	$130,477	$134,392	$1,280,780
501001A009 Substation Modernization	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$2,750,000
501001A009 Relay Upgrades/Replacements	$189,000	$350,000	$350,000					$100,000		$100,000		$1,089,000
501001A013 Substation Maintence Equipment	$250,000	$300,000	$300,000	$300,000	$200,000							$1,350,000
501001A016 Power Quality Systems	$15,000	$30,000	$30,000	$15,000	$15,000	$15,000	$15,000					$135,000
501001A019 Substation Basalite Walls - Harmony Repair	$1,407,000	$1,407,000										$2,814,000
501001A012 Capacitor Banks - New/Replacements	$40,000		$40,000		$40,000		$40,000					$160,000
501001A004 Oil Containment Walls (12 transformers)	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$770,000
501001A022 New Northeast Substation		$6,649,200	$3,761,000									$10,410,200
501001A023 New Northeast Substation Land Acquisition		$1,500,000										$1,500,000
501001A024 PRPA Drake Upgrade/Move Request		$11,500,000										$11,500,000
501001 Substations Total (Substations)	**$ 3,523,000**	**$ 23,222,900**	**$ 6,637,841**	**$ 1,747,254**	**$ 1,815,572**	**$ 1,659,639**	**$ 1,870,013**	**$ 1,057,052**	**$ 1,081,414**	**$ 1,136,056**	**$ 1,060,988**	**$ 43,750,743**
ASSET RENEWAL (2023 Debt Issuance)	**$1,407,000**	**$21,056,200**	**$3,761,000**									
501005 Feeders Total (Transformers, Cables & Duct Banks)												
501005D004 Install circuit 936 to unload circuits 804, 834, and 906												$0
501005D011 Install circuit 324 to unload circuit 308 (Active in 2023)	$1,040,000											$1,040,000
501005D012 Install circuit 302 to serve Mulberry Annexation						$2,160,000						$2,160,000
501005D055 Circuit 602 to serve NE Developments - Ph3 Mt Vista						$1,300,000						$1,300,000
501005D060 Install circuit 624 to serve Developments in NE Ft. Collins									$1,080,000			$1,080,000
501005D076 Install circuit 706 to unload circuits 704 and 738 (see also 501005D079) (Transfort chargers)							$500,000					$500,000
501005D078 Circuit 628 to serve NE developments - Ph1 Mt Vista (Montava)		$1,300,000										$1,300,000
501005D079 Upgrade and Extend 722 to unload circuits 704 and 738 (See 501005D076) (Transfort chargers)		$1,292,000										$1,292,000
501005D080 Extend East Vine Circuit 622 - Railroad to I25				$395,000								$395,000
501005D081 Circuit 324 Carriage pky ph1 - Prospect to fox grove	$220,000											$220,000
501005D082 New Circuit 338 to serve Mulberry developments			$1,080,000									$1,080,000
501005D083 Circuit - NE Sub Ckt 1					$528,000							$528,000
501005D084 Circuit - NE Sub Ckt 2					$648,000							$648,000
501005D085 Circuit - NE Sub Ckt 3							$628,800					$628,800
501005D086 Circuit - NE Sub Ckt 4						$744,000						$744,000
501005D087 Circuit - NE Sub Ckt 5								$744,000				$744,000
501005D088 Circuit - NE Sub Ckt 6									$1,044,000			$1,044,000
501005D089 Circuit - NE Sub Ckt 7										$888,000		$888,000
501005D090 Circuit - NE Sub Ckt 8											$1,044,000	$1,044,000
501005D091 Circuit - Timberline 338 extension								$612,000				$612,000
501005D092 Balance Ckt 822		$528,000										$528,000
501005D093 Extend Circuit 638 to unload circuit 608	$696,000											$696,000
501005D094 Circuit Tie Harmony 536 to 526				$3,370,000								$3,370,000
501005D095 New Ckt 314 from Timberline to unload Ckt 332 -		$226,000										
501005D096 New Ckt 538 from Harmony to unload 548									$300,000			
501005D097 New Circuit 566 from Harmony to unload Harmony 534					$328,000							$328,000
501005D098Extend Linden circuit 722 to 700 Wood St for second ATO circuit	$270,000											
501005D099 New Circuit 806 to unload 822 (New Development)				$879,000								
501005 Feeders Total (Transformers, Cables & Duct Banks)	**$2,226,000**	**$3,346,000**	**$1,080,000**	**$4,644,000**	**$1,504,000**	**$4,204,000**	**$1,128,800**	**$1,356,000**	**$2,424,000**	**$888,000**	**$1,044,000**	**$22,169,800**
ASSET RENEWAL (2023 Debt Issuance)		**$528,000**										

Capital Category	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	TOTALS
501008 Duct Banks Total (Transformers, Cables & Duct Banks)												
501008D081 Duct Bank to serve NE FC Devel Ph 1 (Montava)			$1,102,200									$1,102,200
501008D090 Duct Bank on Carriage Pkwy Phase 2 - Fox Grove to Forelock Dr (1X2 w/ 20% Contingency) (501004D005 Clydesdale Park Annexation)												$0
501008D091 Duct Bank on Carriage Pkwy Ph 3- Forelock Dr to Mulberry (1X2 w/ 20% Contingency)					$140,000							$140,000
501008D093 Duct Bank on Mulberry -Timberline to Carriage Pkwy (2X4 w/ 20% Contingency)					$2,239,200							$2,239,200
501008D094 Overland Trail Duct Bank Drake to Prospect (1X2 w/ 20% Contingency)						$570,000						$570,000
501008D095 Duct Bank Extend East Vine Circuit 622 - Railroad to I25				$825,000								$825,000
501008D096 Duct Bank on Carriage Pkwy Phase 1 - Prospect to Fox Grove (501004D005 Clydesdale Park Annexation)												$0
501008D097 Duct Bank - NE circuit 1 & 2					$352,800							$352,800
501008D098 Duct Bank - NE circuit 3							$2,376,000					$2,376,000
501008D099 Duct - Timberline 338 Extension (Bloom Ciruit)		$1,368,000										$1,368,000
501008 Duct Banks Total (Transformers, Cables & Duct Banks)	**$0**	**$1,368,000**	**$1,102,200**	**$825,000**	**$2,732,000**	**$570,000**	**$2,376,000**	**$0**	**$0**	**$0**	**$0**	**$8,973,200**
ASSET RENEWAL (2023 Debt Issuance)												
501012 System Cable Replacements & Repairs Total (Transformers, Cables & Duct Banks)			**8 1/0 projects**	**8 1/0 projects**	**8 1/0 projects**	**4 1/0 projects**	**4 1/0 projects**	**4 1/0 projects**	**2 1/0 projects**	**2 1/0 projects**	**2 1/0 projects**	
501012C009 CAPITAL - Replacement Area 11 - Scotch Pines	$125,162											$125,162
501012C012 CAPITAL - Replacement Area 12 - Woodlands PUD	$106,874											$106,874
501012C014 CAPITAL - Replacement Area 14 - Village West 9th - Rossborough	$120,238											$120,238
501012C016 CAPITAL - Replacement Area 16 - Parkwood East	$164,118											$164,118
501012C017 CAPITAL - Replacement Area 17 - Trail West PUD	$242,485											$242,485
501012C018 CAPITAL - Replacement Area 18 - Edora Acres	$136,152											$136,152
501012C019 CAPITAL - Replacement Area 19 - Evergreen Park	0	$90,106										$90,106
501012C020 CAPITAL - Replacement Area 20 - The Ridge PUD	$140,972	$0										$140,972
501012C021 CAPITAL - Replacement Area 21 - West Azalea		$42,158										$42,158
501012C023 CAPITAL - Replacement Area 23 - Village West 3rd		$111,397										$111,397
501012C024 CAPITAL - Replacement Area 24 - Wagon Wheel		$88,936										$88,936
501012C025 CAPITAL - Replacement Area 25 - Brown Farm 4th		$75,780										$75,780
501012F020 Cable Replacements - Ongoing		$700,000	$1,131,071	$1,198,935	$1,270,871	$654,678	$693,959	$735,596	$378,936	$401,672	$425,772	$7,591,490
501012F021 Feeder Cable Replacements - Ongoing	$400,000	$412,000	$538,000	$570,280	$604,497	$640,767	$679,213	$719,965	$763,163	$808,953	$857,490	$6,994,328
Cable Repairs (Splices)		$67,500	$67,500									$135,000
501012 System Cable Replacements Total (Transformers, Cables & Duct Banks)	**$1,436,001**	**$1,587,876**	**$1,736,571**	**$1,769,215**	**$1,875,368**	**$1,295,445**	**$1,373,171**	**$1,455,562**	**$1,142,099**	**$1,210,625**	**$1,283,263**	**$16,165,196**
ASSET RENEWAL (2023 Debt Issuance)												
501014 Transformers												
501014F022 Distribution Transformer Purchases (Ongoing)	$8,320,000	$6,850,000	$5,365,000	$5,400,000	$6,500,000	$6,695,000	$6,895,850	$7,102,726	$7,315,807	$7,535,281	$7,761,340	$75,741,004
501014F023 Distribution Transformer Replacements (307 1Ph)	$1,505,532	$1,656,085	$1,821,694									$4,983,311
501014F024 Distribution Transformer Replacements (34 3Ph)	$336,222	$369,844	$406,829									$1,112,895
501014F024 Distribution Voltage Regultaors	$60,000	$60,000	$60,000	60000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$660,000
501014 Transformers Total (Transformers, Cables & Duct Banks)	**$10,221,754**	**$8,935,929**	**$7,653,522**	**$5,460,000**	**$6,560,000**	**$6,755,000**	**$6,955,850**	**$7,162,726**	**$7,375,807**	**$7,595,281**	**$7,821,340**	**$82,497,210**
ASSET RENEWAL (2023 Debt Issuance)	**$1,901,754**	**$2,085,929**	**$2,288,522**									

501004 Annexations Total (Annexations)												
501004C001 Mail Creek Crossing 2nd Filing (2029)						$380,937						$380,937
501004C002 Strauss Cabin Enclave (2028)					$144,387							$144,387
501004C003 Fox Hills Annexation (2030)							$131,654					$131,654
501004C004 Blehm_(REA) Annexation (2027)				$386,804								$386,804
501004C004 Blehm_(Xcel) Annexation (2027)				$39,150								$39,150
501004D005 Clydesdale Park First & Second Annexations (2031)								$2,148,251				$2,148,251
501004D007 Riverwalk (2032)									$579,694			$579,694
501004D008 Arapahoe (2032)									$347,021			$347,021
501004D006 Southwest Annexation - Phase 4 (2027)		$3,690,000										$3,690,000
501004D001 Miller Enclave (2028)					$370,688							$370,688
501004D002 Mulberry Enclave (2028, 2030-2037)					$433,585		$8,737,275	$5,784,480	$5,784,480	$5,784,480	$10,105,878	$36,630,178
501004 Annexations Total (Annexations)	**$0**	**$3,690,000**	**$0**	**$425,953**	**$948,661**	**$380,937**	**$8,868,929**	**$7,932,731**	**$6,711,195**	**$5,784,480**	**$10,105,878**	**$44,848,764**
ASSET RENEWAL (2023 Debt Issuance)												
1940 Minor Capital - Vehicles & Equipment Total (Technology and Other)												
19400000A04 Vehicles and Equipment- Clear backlog from supply chain issues	$1,000,000											$1,000,000
19400000 Minor Capital - Vehicles & Equipment	$400,000	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000	$3,900,000
19400000A05 Technician & Crew Vehicles	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$4,950,000
19400000A03 Existing Vehciles Upgrades	$25,000	$25,000	25000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$275,000
19400000A05 Tools and Equipment Uupgrades/Replacements	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$550,000
19400000A06 Underground Boring System	$500,000											$500,000
19400000A07 Underground Pulling System	$450,000											$450,000
19400000A09 Computer Hardware/Software- Ipads for all crew members, AVL software needs, PCs, OT EE needs	$50,000	$50,000										$100,000
1940 Minor Capital - Vehicles & Equipment Total (Technology and Other)	**$1,925,000**	**$925,000**	**$875,000**	**$875,000**	**$875,000**	**$875,000**	**$875,000**	**$875,000**	**$875,000**	**$875,000**	**$875,000**	**$1,875,000**
ASSET RENEWAL (2023 Debt Issuance)												

Capital Category	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	TOTALS
501002 Service Center Total (Technology and Other)												
501002B003 Cable Handling Facility for Cut-To-Length Program			$1,575,000									$1,575,000
501002B004 700 Wood Street Backup Power and Dual Feed ATO		$519,000										$519,000
501002B005 Disaster Recovery Site for SCO	$400,000											$0
501002B006 Warehouse Storage Yard Covered Structure					$199,000							$199,000
501002B008 Minor Renovations, Space Planning	$40,000	$42,000	$44,100	$46,305	$48,620	$51,051	$53,604	$56,284	$59,098	$62,053	$65,156	$568,271
501002B008 USC Asphalt Maintenance		$80,000	$80,000	$80,000								
501002 Service Center Total (Technology and Other)	**$440,000**	**$641,000**	**$1,699,100**	**$126,305**	**$247,620**	**$51,051**	**$53,604**	**$56,284**	**$59,098**	**$62,053**	**$65,156**	**$2,861,271**
ASSET RENEWAL (2023 Debt Issuance)												
501009 CMMS–Maintenance Management Total (Technology and Other)												
501009G002 Operational Technology - Maximo	$380,000											$380,000
501009 CMMS–Maintenance Management Total (Technology and Other)	**$380,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$380,000**
ASSET RENEWAL (2023 Debt Issuance)												
501013 Operational Technology Total (Technology and Other)												
501013G001 ADMS / OMS	$1,000,000	$1,500,000	$1,000,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$5,500,000
501013G003 eSCADA Hardware/Software - Conversion/Maintenance	$75,000	$75,000	$75,000									$225,000
501013G011 Radio System Upgrades	$628,970	$42,642	$42,642	$42,642	$42,642	$42,642	$42,642	$42,642	$42,642	$42,642	$42,642	$1,055,390
501013G012 GPS & Underground Facilities Visualization			$127,926									$127,926
501013G014 L&P/Energy Services Systems Alignment	$106,605	$106,605	$106,605									$319,815
501013G016 OT, Meter Shop and Substation Commissioning Lab	$400,000	$300,000	$300,000									$1,000,000
501013G015 Utility Scale Energy Storage	$150,000		$2,000,000		$2,000,000		$2,000,000		$2,000,000			$8,150,000
501013G015 Utility Scale DER & EV Programs (Study/Pilot/Adopt/Support)	$500,000	$500,000	$1,000,000	$1,000,000		$1,000,000		$1,000,000		$1,000,000		$6,000,000
501013 Operational Technology Total (Technology and Other)	**$2,860,575**	**$2,524,247**	**$4,652,173**	**$1,292,642**	**$2,292,642**	**$1,292,642**	**$2,292,642**	**$1,292,642**	**$2,292,642**	**$1,292,642**	**$292,642**	**$22,378,131**
ASSET RENEWAL (2023 Debt Issuance)												
501015 Streetlights Total (Technology and Other)												
501015F023 Streetlight System Replacement	$986,866	$986,866	$986,866	$250,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$3,910,598
501015G009 LED Streetlight Control and Automation	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$1,320,000
501015 Streetlights Total (Technology and Other)	**$1,106,866**	**$1,106,866**	**$1,106,866**	**$370,000**	**$220,000**	**$220,000**	**$220,000**	**$220,000**	**$220,000**	**$220,000**	**$220,000**	**$5,230,598**
ASSET RENEWAL (2023 Debt Issuance)												
501016 Distribution Automation Total (Technology and Other)												
501016G010 Distribution Automation/Monitoring/Sensing/FLISR/Efficiency	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000	$3,850,000
501016G011 Dbl Ckt Feeder Monitoring	$60,000	$60,000	$60,000									$180,000
501016 Distribution Automation Total (Technology and Other)	**$410,000**	**$410,000**	**$410,000**	**$350,000**	**$350,000**	**$350,000**	**$350,000**	**$350,000**	**$350,000**	**$350,000**	**$350,000**	**$4,030,000**
ASSET RENEWAL (2023 Debt Issuance)												
501017 System Relocations Total (Technology and Other)												
501017J001 System Relocations - Road & Intersection Projects	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$2,750,000
501017 System Relocations Total (Technology and Other)	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$2,750,000**
ASSET RENEWAL (2023 Debt Issuance)												
501025 Advanced Metering Infrastructure Total (Technology and Other)												
501025G004 AMI Equipment and Tech Upgrade	$650,000	$650,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$1,435,000
501025G005 AMI Wide Area Network (WAN/Connexion)	$100,000	$100,000										$200,000
501025G006 AMI Backhaul Network Hardware Tech Refresh	$250,000		$50,000				$100,000					$400,000
501025G007 AMI Test Network Expansion	$200,000											$200,000
501025G008 AMI New Technology Testing and Miscellaneous Capital	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$1,100,000
501025 Advanced Metering Infrastructure Total (Technology and Other)	**$1,300,000**	**$850,000**	**$165,000**	**$115,000**	**$115,000**	**$115,000**	**$215,000**	**$115,000**	**$115,000**	**$115,000**	**$115,000**	**$3,335,000**
ASSET RENEWAL (2023 Debt Issuance)												
501026 Demand Respond Technology Upgrade Total (Technology and Other)												
501026G013 Energy Services Peak Partners - DCU3 Refresh	$0											$0
501026G014 Energy Services Peak Partners - GIWH	$355,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000					$6,355,000
501026G015 Energy Services Peak Partners - EVSE		$250,000	$250,000	$250,000	$250,000	$250,000	$250,000					$1,500,000
501026G016 Energy Services Peak Partners - PRO1 Thermostat Sunset	$200,000	$100,000	$100,000	$100,000	$100,000	$150,000	$150,000					$900,000
501026G017 Energy Services Peak Partners - Inverter Supervision & Control				$300,000	$200,000	$150,000	$150,000					$800,000
501026 Demand Respond Technology Upgrade Total (Technology and Other)	**$555,000**	**$1,350,000**	**$1,350,000**	**$1,650,000**	**$1,550,000**	**$1,550,000**	**$1,550,000**	**$0**	**$0**	**$0**	**$0**	**$9,555,000**
ASSET RENEWAL (2023 Debt Issuance)												
Grand Total	**$35,668,193**	**$79,887,948**	**$40,467,796**	**$25,174,417**	**$26,087,202**	**$24,887,777**	**$25,210,081**	**$19,890,265**	**$21,885,060**	**$19,694,658**	**$19,077,388**	**$288,676,392**

COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY

Staff: Marc Virata, Monica Martinez

Date: December 14, 2023

SUBJECT FOR DISCUSSION
Waterfield Fourth Filing Major Reimbursement No. 1

EXECUTIVE SUMMARY
The Waterfield Fourth Filing ("Waterfield") developer has constructed street improvements to Suniga Road, Vine Drive, and Merganser Street to City standards as part of its development requirements and identified as Phases 1-4 in Waterfield's approved development plans. The Waterfield developer has also dedicated right-of-way to Suniga Road to City standards as part of its development requirements. Per Section 24-112 of the City Code, the developer is eligible for reimbursement from Transportation Capital Expansion Fee (TCEF) funds for the oversized, non-local portion for both construction and right-of-way dedication. Staff is recommending appropriations totaling $1,495,605 from TCEF funds. As Waterfield has additional phases to construct, future major reimbursements are anticipated.

While this reimbursement is considered routine as part of the Code obligations under the TCEF Program, this request is coming before Council Finance Committee because of the large dollar amount outside of the typical 2-year budgeting process. TCEF reimbursements to development were formerly anticipated and appropriated through the 2-year budgeting process. As part of the process improvements identified first in the 2021 budget, the TCEF Program is now categorizing developer reimbursements as "Major" and "Minor" reimbursements, with "Major" developer reimbursements brought to Council individually rather than predicting what reimbursements are needed on a 2-year basis.

This proposed reimbursement is the second request under this new process with Council Finance Committee having reviewed the Northfield Development Suniga Road Major Reimbursement on December 1, 2022. As part of Council Finance Committee's input for Northfield, Council Finance Committee supported the major reimbursement for Northfield, supported major reimbursements to continue to appear before Council Finance Committee, and supported TCEF reimbursing Northfield for requested instead of Northfield's metro districts. Part of that reimbursement request included Northfield and its metro districts committing that the metro districts would not reimburse Northfield, meaning that Northfield would not "double dip" and be reimbursed twice for its costs. Unlike the Northfield Development Suniga Road Major Reimbursement, there is no metro district for Waterfield in which the developer may also seek reimbursement. City Council consented to the dissolution of Waterfield Metropolitan Districts Nos. 1-3 by adopting Resolution 2021-086 on September 21, 2021. The Larimer County District Court approved the dissolution of the Waterfield Metropolitan Districts Nos. 1-3 on November 8, 2021.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- Does Council Finance Committee support an off-cycle appropriation of Transportation Capital Expansion Fee fund reserves to reimburse the Waterfield developer for its construction of Suniga Road, Vine Drive, and Merganser Drive; and dedication of Suniga Road right-of-way?

BACKGROUND/DISCUSSION

TCEF Program

The TCEF Program (formerly Street Oversizing), instituted by ordinance in 1979, was established to manage the construction of new arterial and collector streets, and is an "Impact Fee" funded program. The TCEF Program determines and collects impact fees from development and redevelopment projects. The collection of these impact fees contributes funding for growth's related share towards City Capital Projects, including the City's Active Modes Plan, and reimburses development for constructing roadway improvements above the local street access standards. Section 24-112 of the City Code allows for reimbursement to developers for the construction of collector and arterial streets.

This reimbursement is for the Waterfield developer's construction above the local street access standards as part of Phases 1-4 of the development, and for the dedication of Suniga Road right-of-way beyond the local access standard width for the overall development. Waterfield Phases 1-4 comprise of reimbursement for beyond the local access standards of Suniga Road, Merganser Drive, and Vine Drive as depicted in the "Waterfield Fourth Filing ROW Reimbursement Exhibit" by Northern Engineering, itemized between City (TCEF) and Post Modern (Developer) responsibility in the "City Reimbursement" spreadsheet by Crow Creek Construction, and summarized in the "Waterfield 4th Phases 1-4 TCEF Reimbursement Summary of Costs Exhibit". Roadway costs Reimbursement beyond the local access standards for Suniga Road includes landscape and irrigation, comprising of the full median landscape and irrigation costs, and a portion of the parkway on the south side of Suniga Road (the same eligible portion of parkway reimbursement on the north side of Suniga Road will be tied to a future reimbursement request.)

Reimbursement for Suniga Road right-of-way accounts for a 56%/44% split between the City (TCEF) and Developer for a total 295,000 square footage of dedicated Suniga Road right-of-way on the plat for Waterfield, with a land cost of $2.32/square foot, resulting in a City share of $381,276. This reimbursement for right-of-way includes the remaining portion of Suniga to be built to Timberline Road in a future phase.

Staff has reviewed the documentation provided by the Waterfield developer and agrees that the requested reimbursement meets the requirements under City Code Section 24-112 for appropriation from TCEF funds. There are presently adequate funds in TCEF to reimburse the developer and Staff recommends reimbursement in the amount of $1,495.605.

ATTACHMENTS

1. "Waterfield Fourth Filing ROW Reimbursement Exhibit"
2. "City Reimbursement"
3. "Waterfield 4th Phases 1-4 TCEF Reimbursement Summary of Costs Exhibit"

12-14-2023

Waterfield Fourth Filing Major Reimbursement No. 1

Presented by:

Marc Virata

Civil Engineer

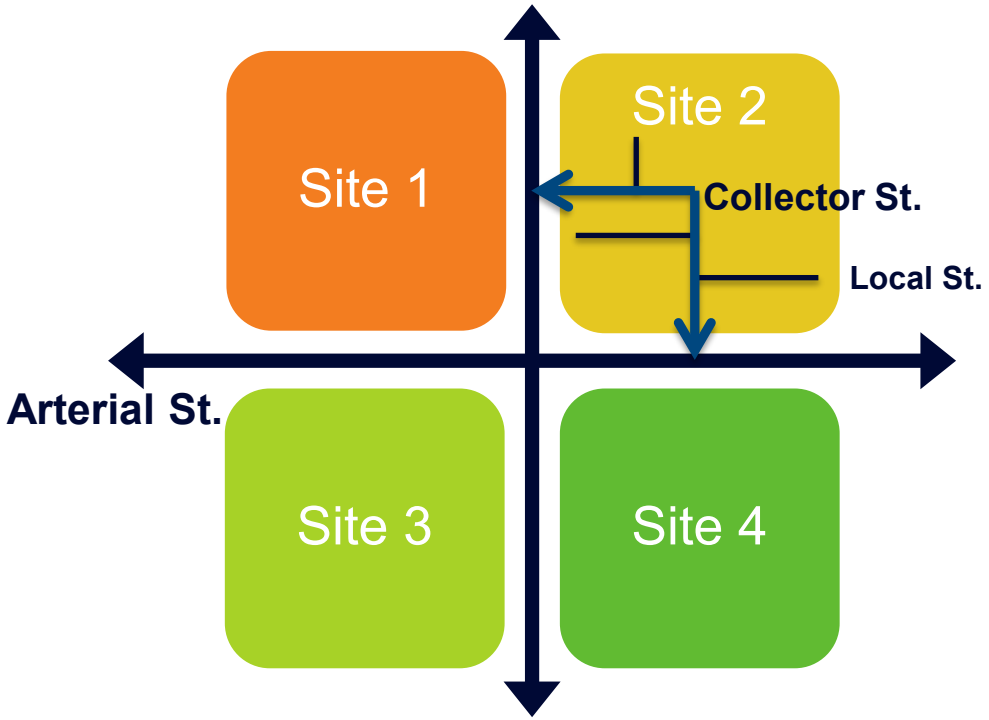
Monica Martinez

Financial Planning & Analysis Manager

City of Fort Collins

1. Does Council Finance Committee support an off-cycle appropriation of Transportation Capital Expansion Fee fund reserves to reimburse the Waterfield developer for its construction of Suniga Road, Vine Drive, and Merganser Drive; and dedication of Suniga Road right-of-way?

- One time impact fee collected from development and redevelopment to mitigate impacts to the existing transportation network
  - Fee is proportional to anticipated impact
- Used to support growth related infrastructure improvements which add capacity to the system
  - Reimbursement to Developers
  - Contributions to transportation capital improvement projects
- Fees cannot be used for improvements which solely benefit an adjacent development, existing deficiencies, and for maintenance



- Reimbursement to Developers for constructing improvements beyond “local street”
- Contributions to Capital Projects
  - Complete Streets
  - Multimodal Improvements
  - Transit
  - Intersections/Signals

TCEF Reimbursement Appropriation Process

Since Program Inception through 2020

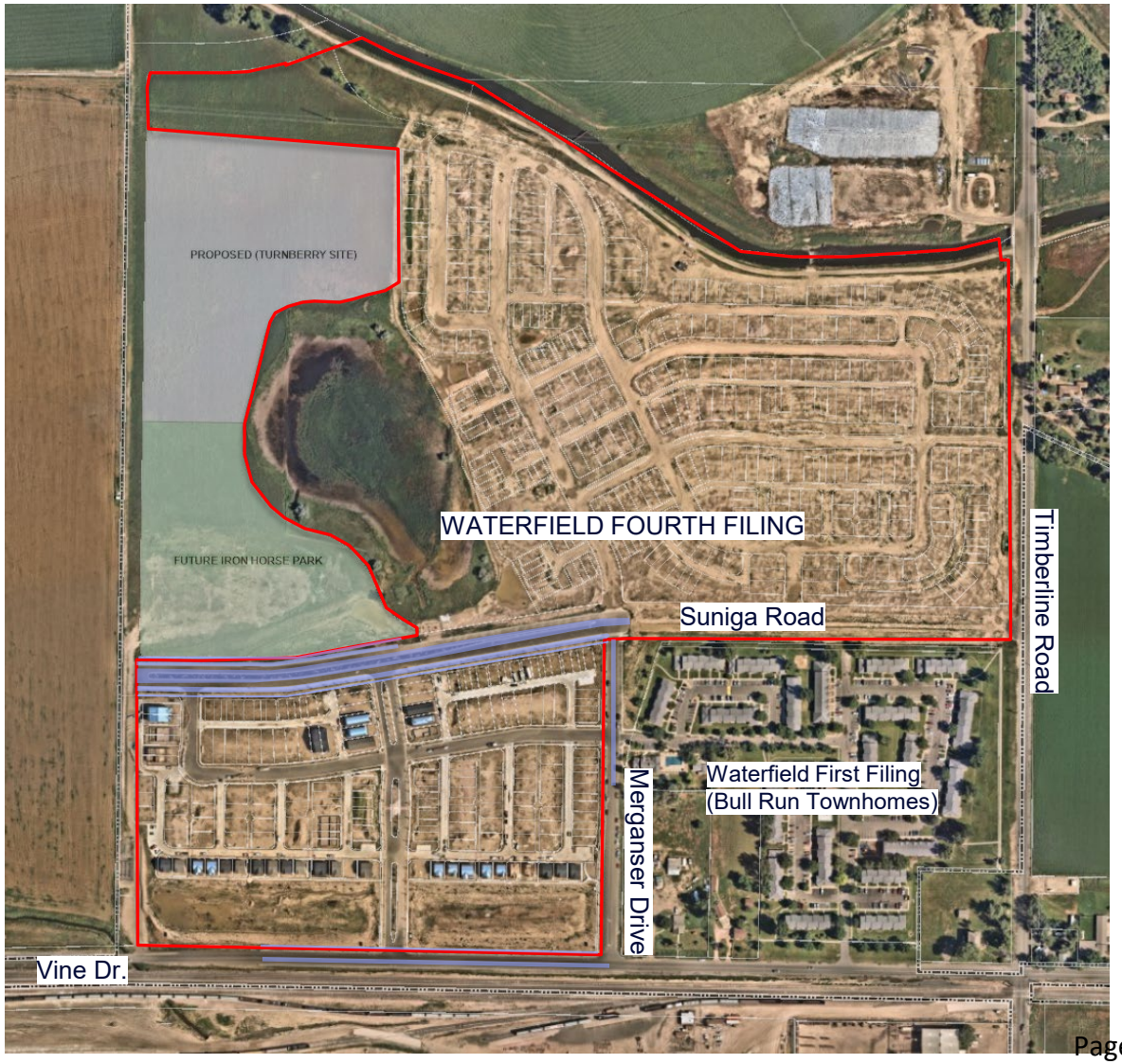
- Appropriation for reimbursement through standard budgeting process
- Forecast when development projects are entitled and constructed

Waterfield and Northfield appropriations

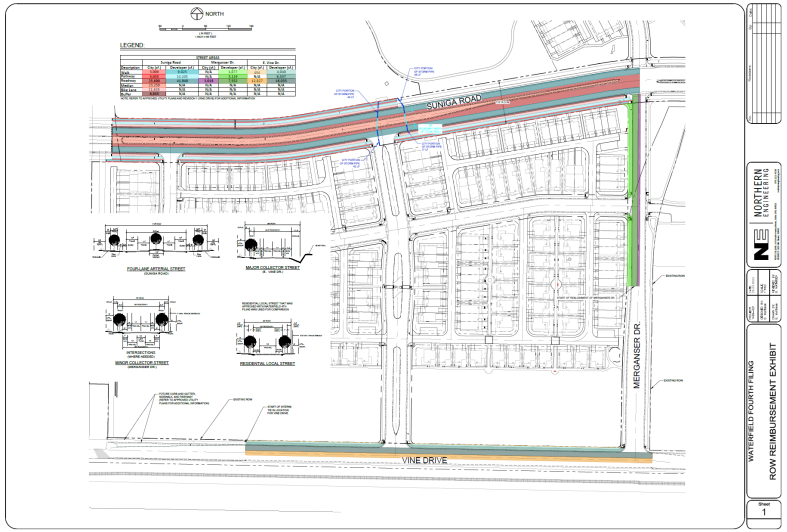
- Appropriated under the 2019-2020 Budget
- Construction more recently completed
- Appearance of large underspend

2021 Budget TCEF Program Update

- “Minor” reimbursements appropriated through 2-year budget process
- “Major” reimbursements instead individually appropriated



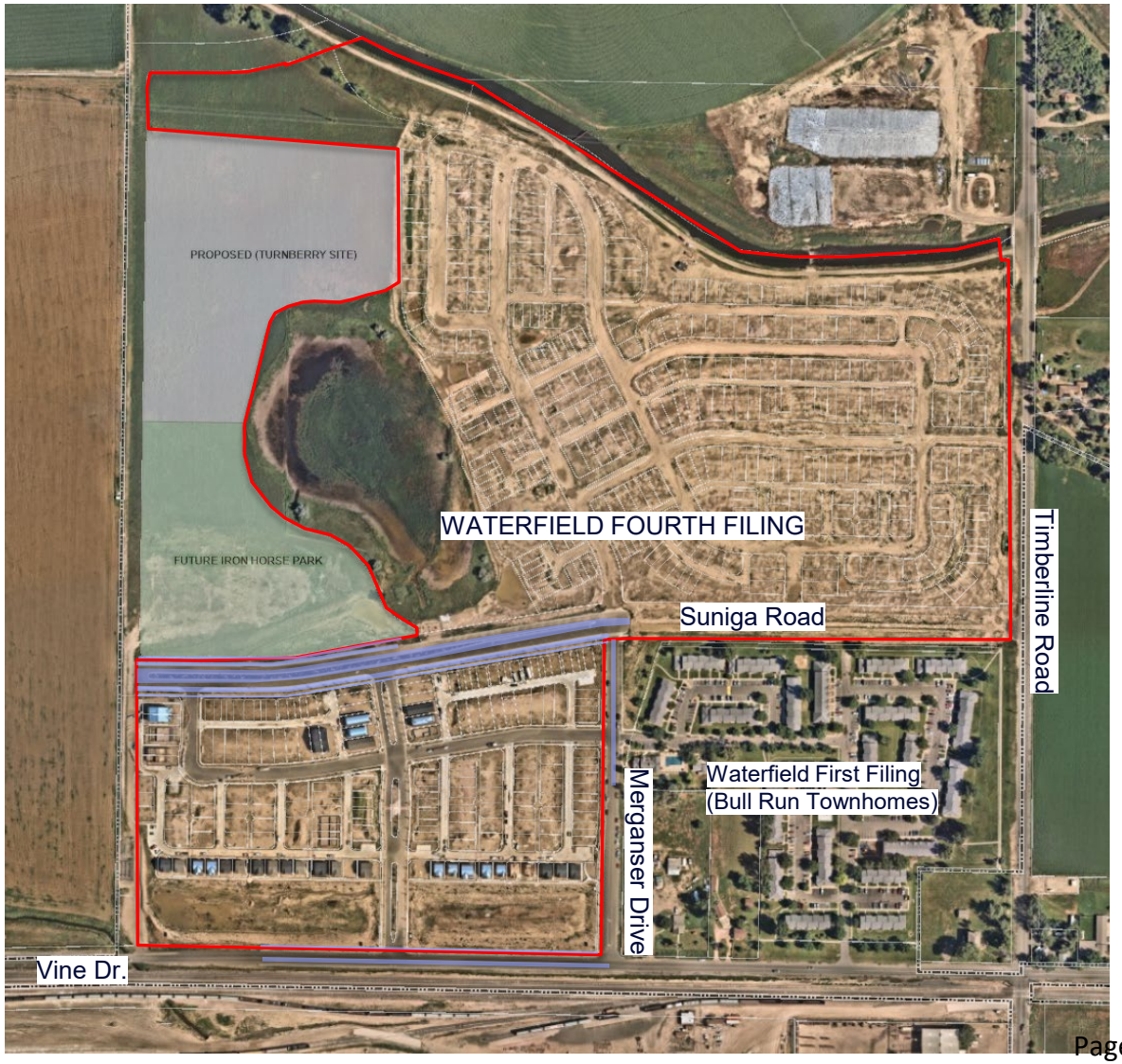
	Suniga Road	Vine Drive	Merganser Drive
Partial Reimbursement	Roadway, Sidewalk, Landscape Parkway (south side)	Roadway, Sidewalk	Roadway
Full Reimbursement	Median Landscape & Irrigation, Elevated Bikelane		



	Vine Drive	Merganser Drive
Partial Reimbursement	Roadway, Sidewalk	Roadway

	Suniga Road
Partial Reimbursement	Roadway, Sidewalk, Landscape Parkway (south side)
Full Reimbursement	Median Landscape & Irrigation, Elevated Bikelane

Suniga Road



Crow Creek CONSTRUCTION LLC

7251 W. 20th St., Bldg. L, Suite 101B
Greeley, Colorado 80634
Phone: (970) 330-5070
Fax: (970) 330-6044

Waterfield Subdivision
Fort Collins, Colorado
357 Single Family Lots; 140 MF Units
CITY REIMBURSEMENT

To: Post Modern Development
Attention: JD Padilla
970.407.7806
jd@postmoderndevelopment.com

From: Joe Schumacher (cell) 970.397.9880
Justin Marshall (cell) 970.397.9875
John Hart (cell) 970.301.0416

Estimate Date: September 14, 2023
Plans Dated: February 6th, 2020 Northern Engineering

Crow Creek Construction, LLC:
By:
Title:
Attest:
Date:

Accepted:
By:
Title:
Attest:
Date:

EAST VINE DR	UNIT	QUANTITY	UNIT COST	TOTAL	City Responsibility	Post Modern Responsibility
Surveying	LS	1.0	$9,746.00	$9,746.00	$4,873.00	$4,873.00
Signs & Striping	LS	1.0	$11,784.00	$11,784.00	$5,892.00	$5,892.00
Traffic Control	DAYS	25.0	$456.00	$11,400.00	$5,700.00	$5,700.00
Landscaping/ Irrigation	LS	1.0	$47,255.00	$47,255.00	$0.00	$47,255.00
Earthwork Mobilization	LS	1.0	$4,500.00	$4,500.00	$2,250.00	$2,250.00
Onsite Cut To Fill	CY	1,085.0	$3.10	$3,363.50	$1,681.75	$1,681.75
Import Dirt	CY	4,312.0	$6.65	$28,674.80	$14,337.40	$14,337.40
Place Import Material	CY	4,312.0	$2.48	$10,693.76	$5,346.88	$5,346.88
30" Vertical Curb - Post Modern	LF	928.0	$27.32	$25,352.96	$0.00	$25,352.96
5' Sidewalk	LF	915.0	$30.39	$27,806.85	$0.00	$27,806.85
Concrete Prep	LS	1.0	$7,973.97	$7,973.97	$0.00	$7,973.97
Paving Local 4"/6" ABC (50% City, 50% PMD)	SY	3,145.0	$34.22	$107,621.90	$53,810.95	$53,810.95
Asphalt Mob	EA	1.0	$2,070.00	$2,070.00	$1,035.00	$1,035.00
Asphalt Subgrade Prep	SY	4,556.0	$2.95	$13,440.20	$6,720.10	$6,720.10
MERGENSER DR.	**UNIT**	**QUANTITY**	**UNIT COST**			
Surveying	LS	1.0	$4,966.00	$4,966.00	$1,415.31	$3,550.69
Signs	LS	1.0	$1,000.00	$1,000.00	$285.00	$715.00
Traffic Control	DAYS	15.0	$456.00	$6,840.00	$1,949.40	$4,890.60
Asphalt Curb and Gutter Demo	LS	1.0	$47,493.00	$47,493.00	$13,535.51	$33,957.50
Landscaping/ Irrigation	LS	1.0	$19,560.00	$19,560.00	$0.00	$19,560.00
Strip site 4" Stockpile	CY	450.0	$2.16	$972.00	$277.02	$694.98

Page 1

Onsite Cut To Fill	CY	725.0	$3.10	$2,247.50	$640.54	$1,606.96
Import Dirt	CY	150.0	$6.65	$997.50	$284.29	$713.21
Place Import Material	CY	150.0	$2.48	$372.00	$106.02	$265.98
30" Vertical Curb	LF	406.0	$27.32	$11,091.92	$0.00	$11,091.92
4.5' Sidewalk	LF	406.0	$27.14	$11,018.84	$0.00	$11,018.84
Cross Pan	SY	12.0	$74.93	$899.16	$256.26	$642.90
Paving Local 4"/6" ABC (28.5% City, 71.5% PMD)	SY	1,072.0	$34.22	$36,683.84	$10,454.89	$26,228.95
Fly Ash 12" Depth	SY	1,230.0	$9.74	$11,980.20	$3,414.36	$8,565.84
Asphalt Mob	EA	1.0	$2,070.00	$2,070.00	$589.95	$1,480.05
Additional Base For Under Curbs	SY	160.0	$8.56	$1,369.60	$0.00	$1,369.60
Adjust Manholes	EA	3.0	$649.00	$1,947.00	$554.90	$1,392.11
Adjust Water Valves	EA	3.0	$413.00	$1,239.00	$353.12	$885.89
Asphalt Subgrade Prep	SY	1,072.0	$2.95	$3,162.40	$901.28	$2,261.12
SUNIGA ROAD	**UNIT**	**QUANTITY**	**UNIT COST**			
Surveying	LS	1.0	$17,428.00	$17,428.00	$7,319.76	$10,108.24
Signs & Striping	LS	1.0	$20,673.00	$20,673.00	$8,682.66	$11,990.34
15" RCP Class III	LF	35.0	$46.09	$1,613.15	$1,613.15	$0.00
Landscaping/ Irrigation	LS	1.0	$282,722.00	$282,722.00	$226,177.60	$56,544.40
Strip site 4" Stockpile	CY	2,250.0	$2.16	$4,860.00	$2,041.20	$2,818.80
Onsite Cut To Fill	CY	1,650.0	$3.10	$5,115.00	$2,148.30	$2,966.70
Import Dirt	CY	7,450.0	$6.65	$49,542.50	$20,807.85	$28,734.65
Place Import Material	CY	7,450.0	$2.48	$18,476.00	$7,759.92	$10,716.08
30" Vertical Curb	LF	2,574.0	$27.32	$70,321.68	$0.00	$70,321.68
18" Double Curb and Gutter	LF	2,662.0	$80.24	$213,598.88	$213,598.88	$0.00
Additional Prep for 3.5' Bike Buffer	LF	1,975.0	$9.76	$19,276.00	$19,276.00	$0.00
3.5' Bike Buffer - Broom Finish - Silversmoke Carbon	LF	1,975.0	$22.38	$44,200.50	$44,200.50	$0.00
6' Bike Lane - Silversmoke Carbon	LF	1,958.0	$63.98	$125,272.84	$125,272.84	$0.00
6' Sidewalk	LF	2,006.0	$36.47	$73,158.82	$0.00	$73,158.82
Inlet Tie In	EA	2.0	$1,534.00	$3,068.00	$0.00	$3,068.00
Concrete Prep	LS	1.0	$82,334.51	$82,334.51	$34,580.49	$47,754.01
Paving Local 4"/6" ABC (42% City, 58% PMD)	SY	7,002.0	$34.22	$239,608.44	$100,635.54	$136,972.90
Asphalt Mob	EA	1.0	$2,070.00	$2,070.00	$869.40	$1,200.60
Fly Ash 12" Depth	SY	8,605.0	$9.74	$83,812.70	$35,201.33	$48,611.37
Additional Base For Under Curbs	SY	1,603.0	$8.56	$13,721.68	$5,763.11	$7,958.57
Adjust Manholes	EA	8.0	$649.00	$5,192.00	$2,180.64	$3,011.36
Adjust Water Valves	EA	15.0	$413.00	$6,195.00	$2,601.90	$3,593.10
Asphalt Subgrade Prep	SY	7,002.0	$2.95	$20,655.90	$8,675.48	$11,980.42
			Subtotal:	$1,880,509.50	$1,006,071.47	$874,438.03

EAST VINE DR	UNIT	QUANTITY	UNIT COST	TOTAL
Paving Local - 4" Asphalt	SY	3,145.0	$23.72	$74,599.40
Paving Local - 6" ABC	SY	3,145.0	$10.50	$33,022.50
MERGENSER DR.	**UNIT**	**QUANTITY**	**UNIT COST**	**TOTAL**
Paving Local - 4" Asphalt	SY	1,072.0	$23.72	$25,427.84
Paving Local - 6" ABC	SY	1,072.0	$10.50	$11,256.00
SUNIGA ROAD	**UNIT**	**QUANTITY**	**UNIT COST**	**TOTAL**
Paving Local - 4" Asphalt	SY	7,002.0	$23.72	$166,087.44
Paving Local - 6" ABC	SY	7,002.0	$10.50	$73,521.00

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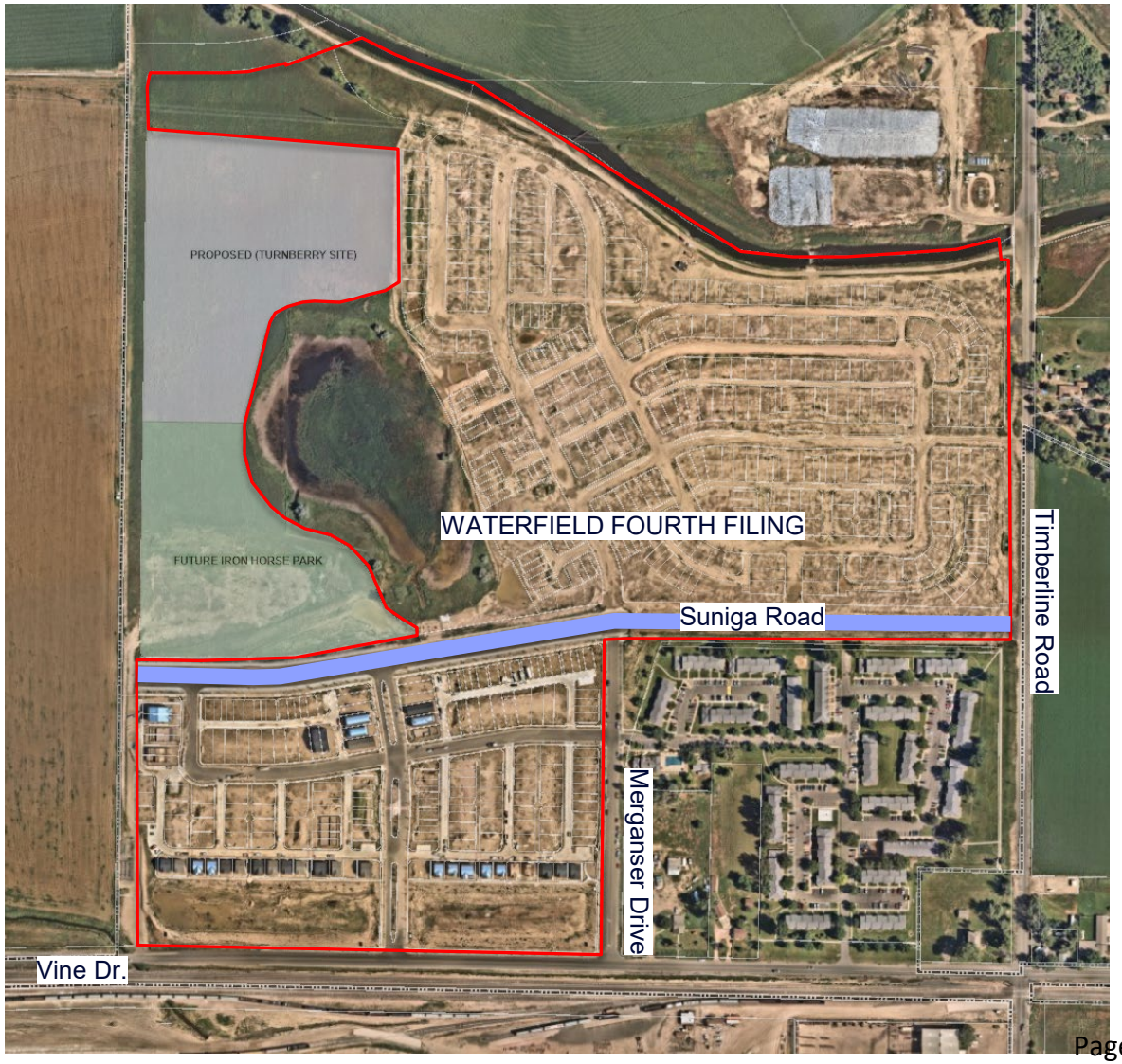


TCEF reimburses right-of-way land value

Suniga Road dedication: 115 feet in width, 2,500 feet in length

- 51 feet width developer responsibility
- 64 feet width TCEF reimbursable
- (44% developer / 56% TCEF)

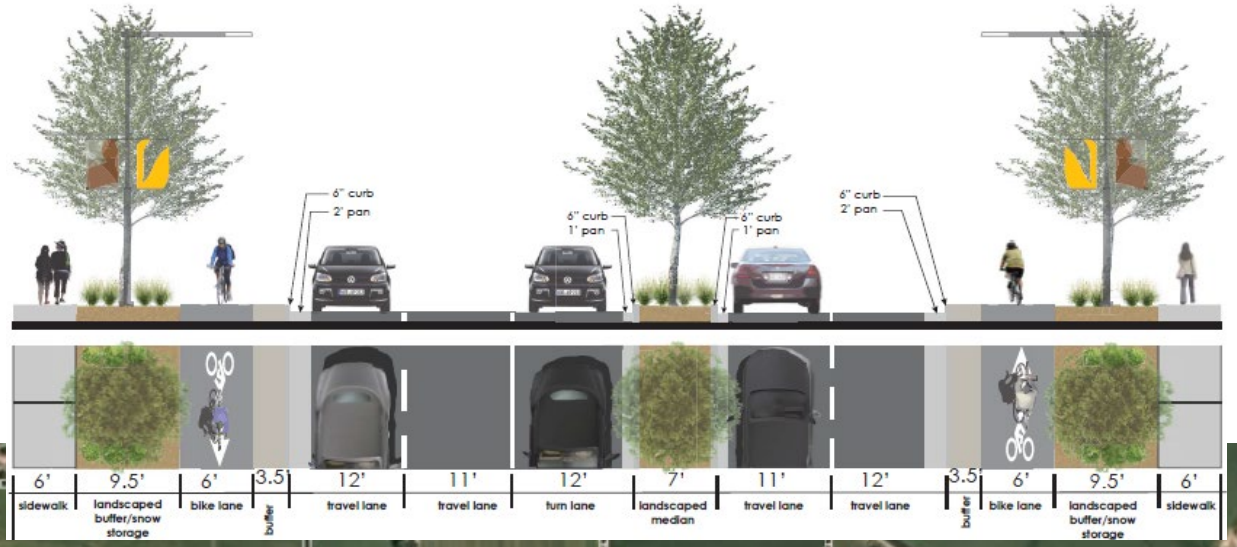
Land value determination

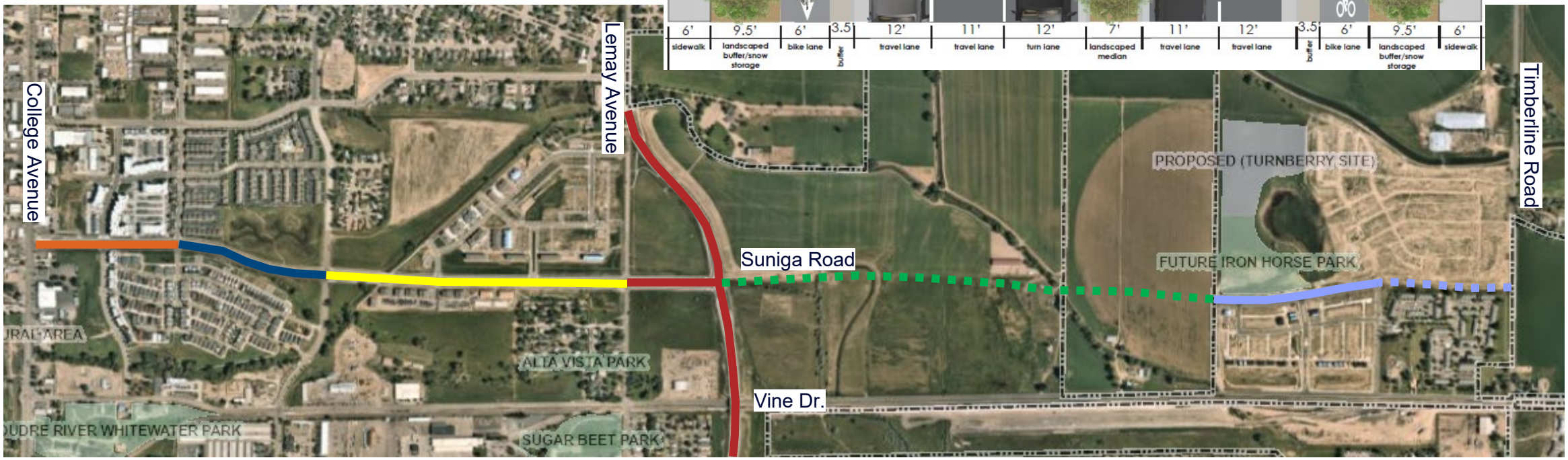
- Coordinated with City Real Estate
- Appraisal determination $2.32/sq.ft.

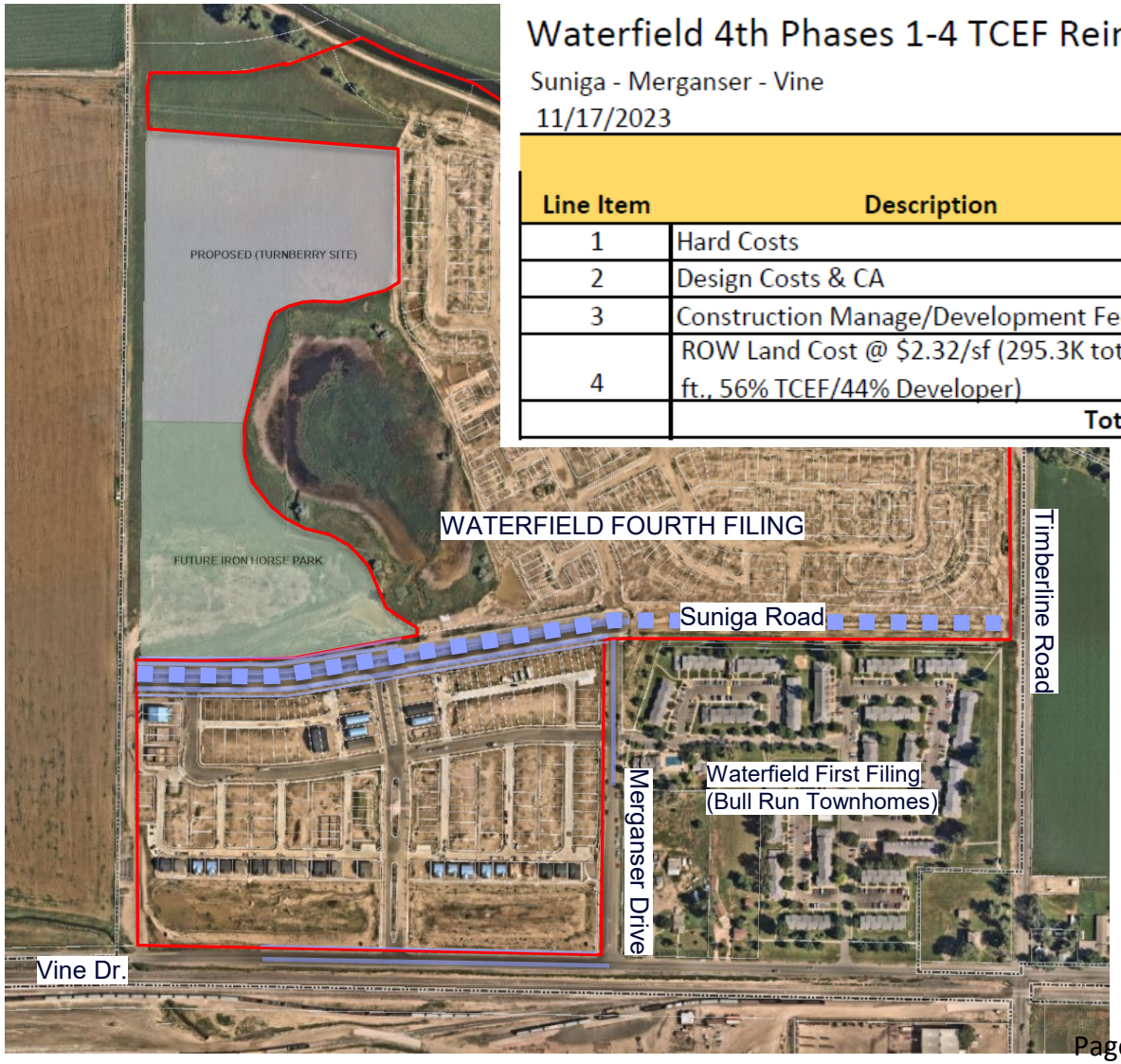
$381,276 reimbursement from TCEF to developer for Suniga Road dedication

Suniga Road Segments Constructed and Planned

- 2019 Suniga Road Capital Project
- 2015 Aspen Heights Development
- 2022 Northfield Development
- 2022 Vine and Lemay Overpass Capital Project
- Future Suniga Road Capital Project (TCPPS)
- 2023 Waterfield Fourth (reimbursement request)
- Waterfield Fourth (future reimbursement request)







Waterfield 4th Phases 1-4 TCEF Reimbursement Summary of Costs

Suniga - Merganser - Vine

11/17/2023

Line Item	Description	Total Costs	TCEF		Developer	
			Quantity	Cost	Quantity	Cost
1	Hard Costs	$1,880,509	53%	$1,006,071	47%	$874,438
2	Design Costs & CA	$19,089	46%	$8,750	54%	$10,339
3	Construction Manage/Development Fee	$187,751	53%	$99,508	47%	$88,243
4	ROW Land Cost @ $2.32/sf (295.3K total sq. ft., 56% TCEF/44% Developer)	$685,105	56%	$381,276	44%	$303,829
	Total:	**$2,772,454**		**$1,495,605**		**$1,276,849**

Previous Major Reimbursement

- Northfield's Suniga Road

Current Major Reimbursement

- Waterfield Fourth Filing No. 1

Future Major Reimbursements

- Waterfield
- Waters Edge
- Bloom
- Montava

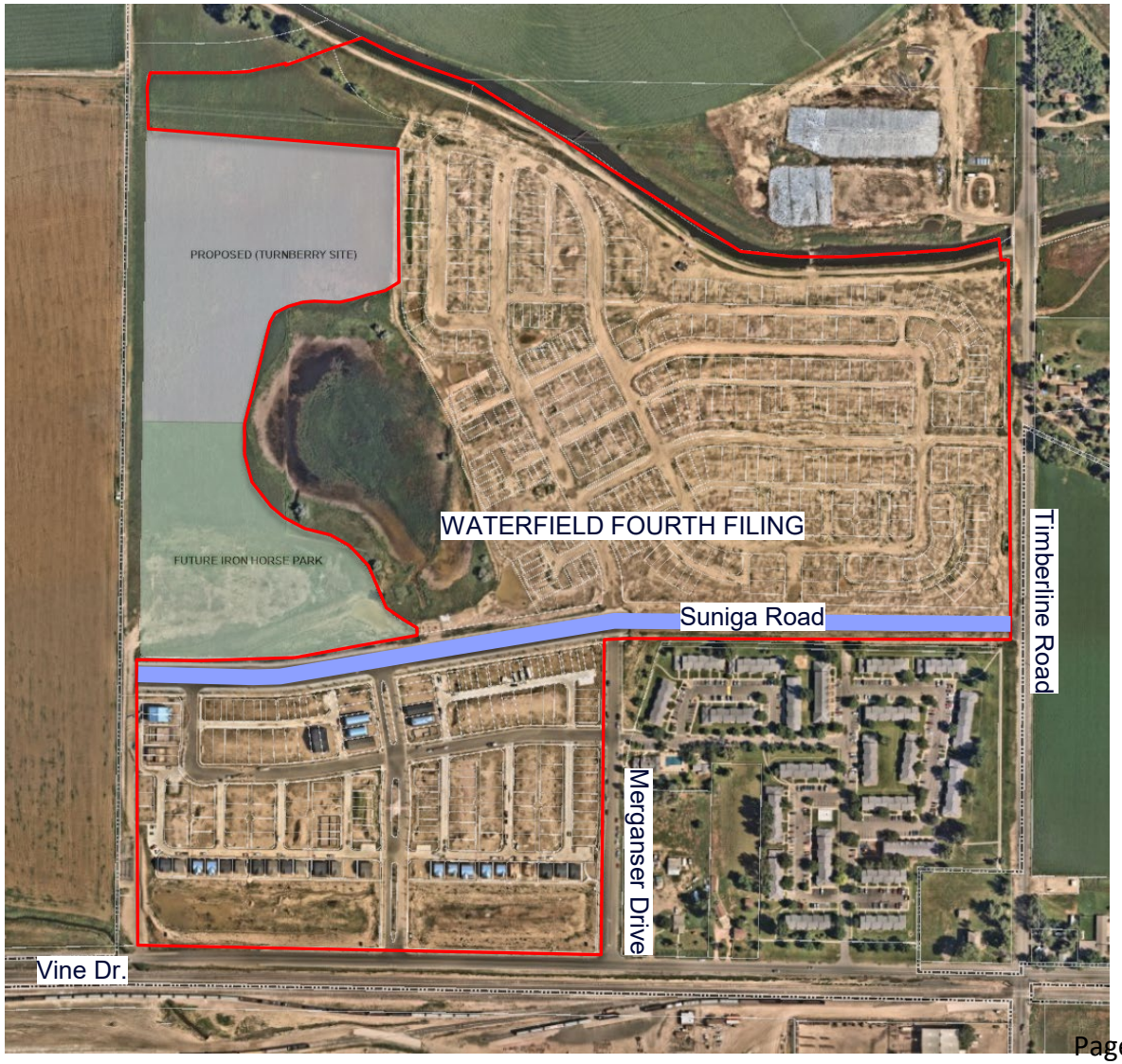
THANK YOU!

For Questions or Comments, Please Contact:

Marc Virata, Monica Martinez

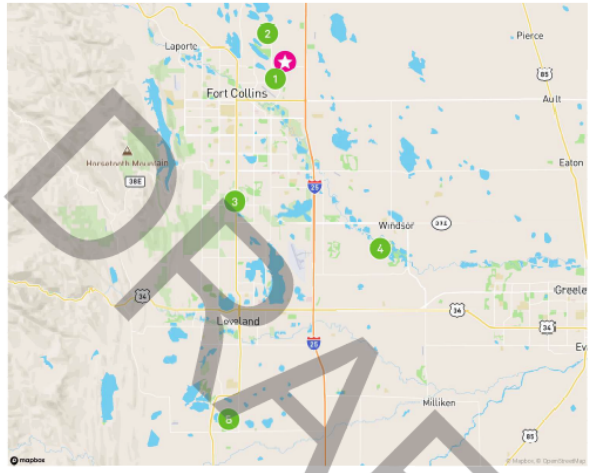
mvirata@fcgov.com, momartinez@fcgov.com

City of Fort Collins



Land Value

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.

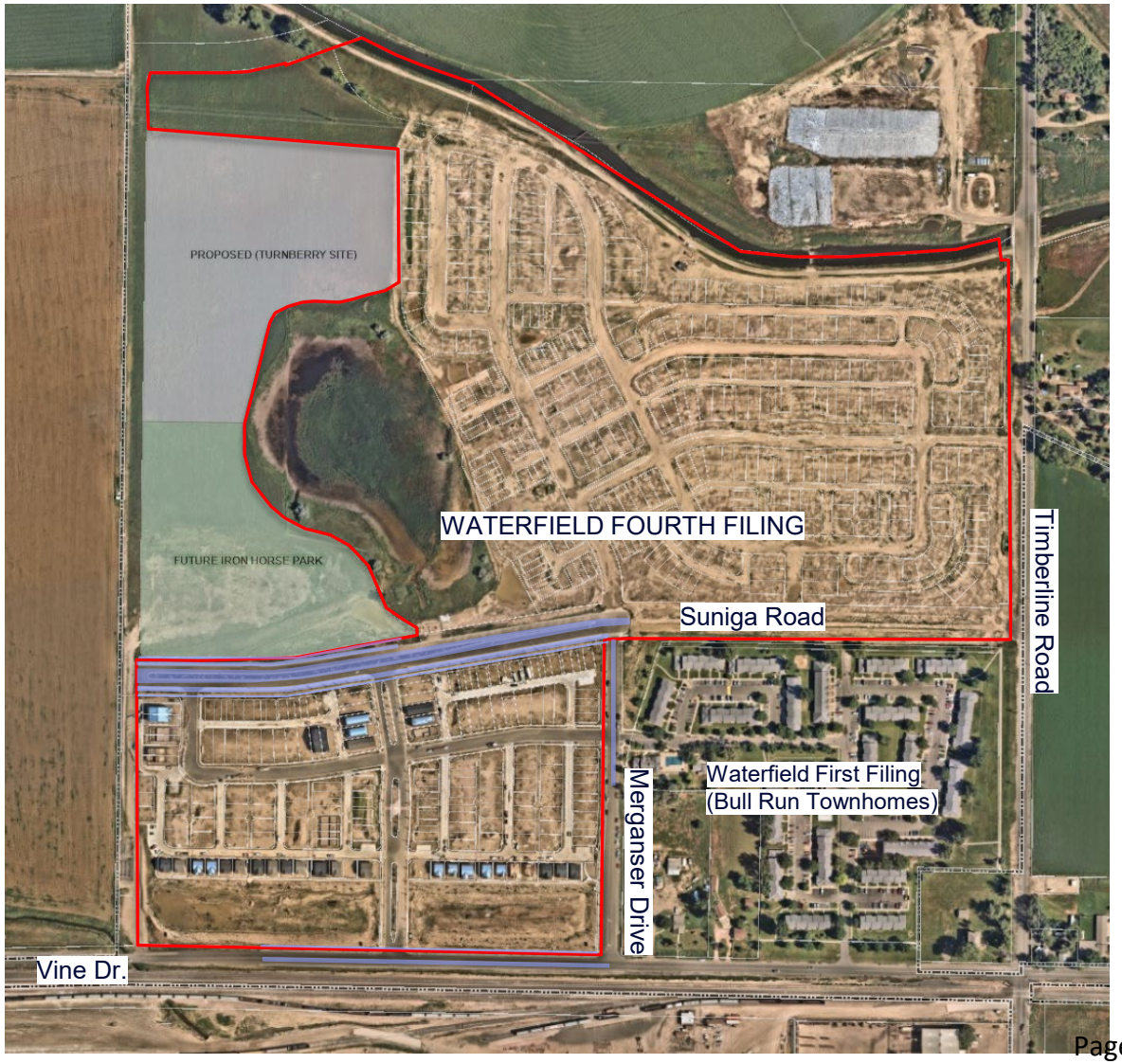


SUMMARY OF COMPARABLE LAND SALES

No.	Property Location	Transaction Type	Transaction Date	Interest Transferred	Zoning	Actual Sale Price	Adjusted Sale Price [1]	Size (Acres)	Size (SF)	Price Per SF
1	Waterfield Property North of Vine Drive, West of Timberline Road Fort Collins, CO 80524	Sale	Mar-21	Fee Simple/Freehold	LMN (Low Density Mixed-use Neighborhood); City of Fort Collins	$8,400,000	$8,400,000	83.20	3,624,192	$2.32
2	Country Club Reserve 1949 East Douglas Road Fort Collins, CO 80524	Sale	Aug-21	Fee Simple/Freehold	UE (Urban Estate District); Fort Collins	$6,250,000	$4,750,000	80.00	3,484,800	$1.36
3	College and Trilby Northwest Quadrant of College Avenue and Trilby Road Fort Collins, CO 80525	Sale	Sep-21	Fee Simple/Freehold	CC (General Commercial); City of Fort Collins	$2,825,000	$2,825,000	41.93	1,826,471	$1.55
4	Poudre Heights, Third Filing Riverplace Drive Windsor, CO 80550	Sale	Nov-21	Fee Simple/Freehold	RMU-1 (Residential Mixed-Use); Town of Windsor	$11,275,000	$11,275,000	92.13	4,013,078	$2.81
5	Vantage 3rd Filing Northwest corner of Bunyan Avenue and 7th Street Berthoud, CO 80513	Sale	Nov-22	Fee Simple/Freehold	Single Family Residential (R-1), Berthoud	$6,552,000	$6,552,000	68.52	2,984,819	$2.20
Subject	2000 North Giddings Road Fort Collins, CO 80524	---	---		Low Density Mixed-Use (LMN) & Employment (E); Fort Collins	---	---	78.74	3,429,832	---

[1] Adjusted sale price for cash equivalency and/or development costs (where applicable)
Compiled by CBRE

CBRE



NORTHERN ENGINEERING

Attachement 1: Waterfield 4th Filing Soft Cost Breakdown

Total Budget (Preliminary, Final, Construction Admin)	$319,407.00
Budget for All Road Designs (Roughly 31% of Total Budget)	$99,016.17
Total LF of All Roads	27,310

Street	LF	% of Overall Road Design	Total Cost	Total Cost Paid By Developer	Total Cost Paid By City
Suniga	2,605	9.54%	$9,445	$4,439	$5,384
Merganser	465	1.70%	$1,686	$1,366	$320
Vine	2,050	7.51%	$7,433	$4,534	$2,899
			$18,563	**$10,339**	**$8,603**

Notes:
1. Percentages in Total Cost By Developer Vs City comes from TCEF exhibit.
2. 57% cost paid by City for Suniga
3. 19% cost paid by City for Merganser
4. 33% cost paid by City for Vine

INVOICE #03-2216

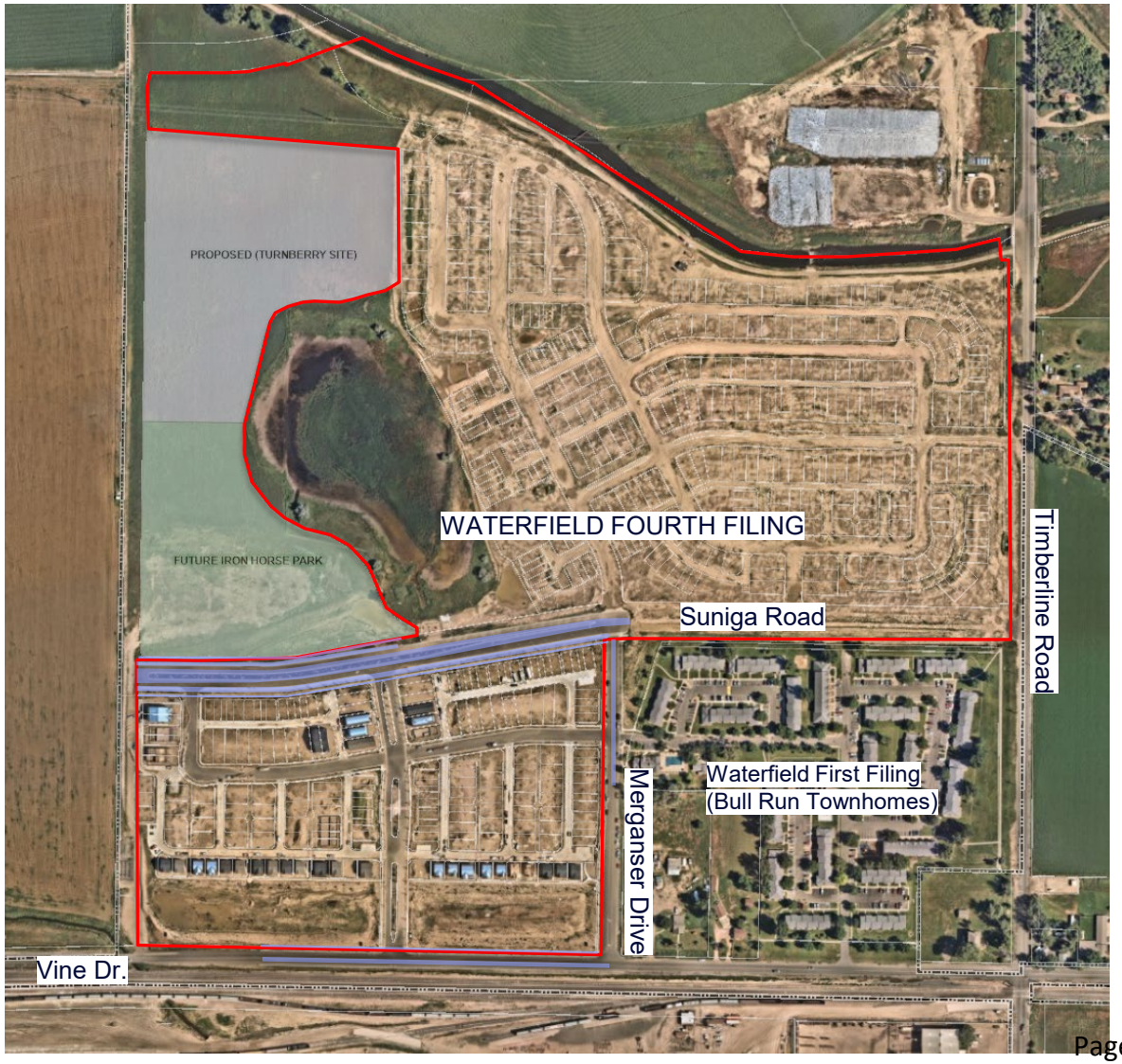
4/4/2023

From: **Post Modern Development, LLC**
144 N. Mason Street Unit #4
Fort Collins, CO 80524

To: **DFC Waterfield, LLC**
14701 Philips Highway, Suite 300
Jacksonville, Florida 32256

Project: Waterfield Subdivision - Phase 1-4
Fort Collins, CO

Item	Services		Description	QTY	Unit	Amount
1	Development Management		Development Management Fee Phase 1-4	1	LS	$187,751
2	Reimbursements					
			Total Amount Due:			**$187,751**



SOUTHERN EXPOSURE
landscape management, inc.

November 9, 2023

Crow Creek Construction, LLC
c/o Blake Bell
7251 West 20th Street, L-101B
Greeley, CO

The following is a breakdown of Landscape and Irrigation costs for Suniga Dr., separating City vs. Developer.

- Developer cost is attributable to all the trees in the south parkways between the Suniga Road and Suniga sidewalk, and 6.5 feet of width of the south parkway sod landscaping between the Suniga Road and Suniga sidewalks
- City cost is attributable to the remaining 3 feet of width of the south parkway landscaping between the Suniga Road and Suniga sidewalks (not of the parkway trees), and the City cost is attributable to all of the landscaping and irrigation in the Suniga Road median

Suniga Dr - Southside and Median Island

City Portion	$217,524.00
Developer Portion	$65,198.00

Work included is only that which is completed in Sept 2023.

Regards,

Russell A Hoff, GM
Southern Exposure Landscape Management, Inc.

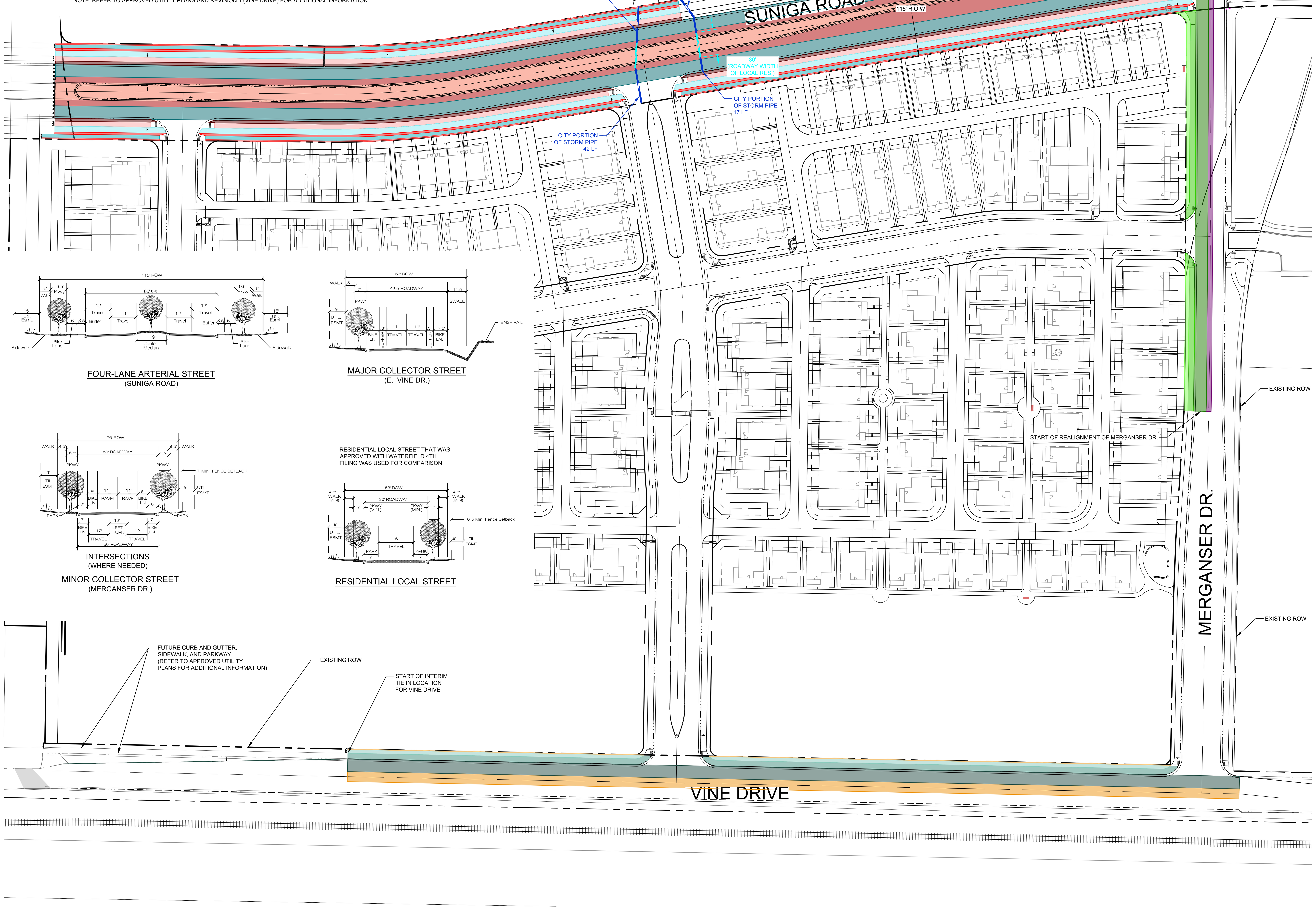
NORTH

60 0 60 120 180
(IN FEET)
1 INCH = 60 FEET

LEGEND:

STREET AREAS						
	Suniga Road		Merganser Dr.		E. Vine Dr.	
Description	City (sf.)	Developer (sf.)	City (sf.)	Developer (sf.)	City (sf.)	Developer (sf.)
Walk	3,009	9,025	N/A	1,877	454	4,040
Parkway	5,035	14,105	N/A	3,119	N/A	6,537
Roadway	25,690	41,949	3,019	7,552	12,827	16,035
Median	23,250	N/A	N/A	N/A	N/A	N/A
Bike Lane	11,628	N/A	N/A	N/A	N/A	N/A
Buffer	6,833	N/A	N/A	N/A	N/A	N/A

NOTE: REFER TO APPROVED UTILITY PLANS AND REVISION 1 (VINE DRIVE) FOR ADDITIONAL INFORMATION



No. Revisions: By: Date:

NORTHERN ENGINEERING
FORT COLLINS: 301 North Howes Street, Suite 100, 80521
GREELEY: 820 8th Street, 80631
970.221.4158
northernengineering.com

DATE: 05.03.2023
SCALE: 1"=60'
REVIEWED BY: B. MATHISEN
PROJECT: 1496-001
DESIGNED BY: B. Mathisen
DRAWN BY: B. Mathisen

WATERFIELD FOURTH FILING
ROW REIMBURSEMENT EXHIBIT

Sheet 1

DRAWING FILENAME: D:\Projects\1496-001\Dwg\Exhibits\1496-001_Street Reimbursement_V2.dwg LAYOUT NAME: Layout1 DATE: May 03, 2023 – 12:38pm CAD OPERATOR: blaine
LIST OF XREFS: [1496-001_xsite] [1496-001_xExist] [NES-xborder_Blaine]

7251 W. 20th St., Bldg. L, Suite 101B
Greeley, Colorado 80634
Phone: (970) 330-5070
Fax: (970) 330-6044

Waterfield Subdivision
Fort Collins, Colorado
357 Single Family Lots; 140 MF Units

CITY REIMBURSEMENT

To: Post Modern Development
Attention: JD Padilla
970.407.7808
jd@postmoderndevelopment.com

From: Joe Schumacher *(cell) 970.397.9880*
Justin Marshall *(cell) 970.397.9875*
John Hart *(cell) 970.301.0416*

Estimate Date: *September 14, 2023*
Plans Dated: February 6th, 2020 Northern Engineering

Crow Creek Construction, LLC:
By:
Title:
Attest:
Date:

Accepted:
By:
Title:
Attest:
Date:

EAST VINE DR	UNIT	QUANTITY	UNIT COST	TOTAL	City Responsibility	Post Modern Responsibility
Surveying	LS	1.0	$9,746.00	$9,746.00	$4,873.00	$4,873.00
Signs & Striping	LS	1.0	$11,784.00	$11,784.00	$5,892.00	$5,892.00
Traffic Control	DAYS	25.0	$456.00	$11,400.00	$5,700.00	$5,700.00
Landscaping/ Irrigation	LS	1.0	$47,255.00	$47,255.00	$0.00	$47,255.00
Earthwork Mobilization	LS	1.0	$4,500.00	$4,500.00	$2,250.00	$2,250.00
Onsite Cut To Fill	CY	1,085.0	$3.10	$3,363.50	$1,681.75	$1,681.75
Import Dirt	CY	4,312.0	$6.65	$28,674.80	$14,337.40	$14,337.40
Place Import Material	CY	4,312.0	$2.48	$10,693.76	$5,346.88	$5,346.88
30" Vertical Curb - Post Modern	LF	928.0	$27.32	$25,352.96	$0.00	$25,352.96
5' Sidewalk	LF	915.0	$30.39	$27,806.85	$0.00	$27,806.85
Concrete Prep	LS	1.0	$7,973.97	$7,973.97	$0.00	$7,973.97
Paving Local 4"/6" ABC (50% City, 50% PMD)	SY	3,145.0	$34.22	$107,621.90	$53,810.95	$53,810.95
Asphalt Mob	EA	1.0	$2,070.00	$2,070.00	$1,035.00	$1,035.00
Asphalt Subgrade Prep	SY	4,556.0	$2.95	$13,440.20	$6,720.10	$6,720.10
MERGENSER DR.	**UNIT**	**QUANTITY**	**UNIT COST**			
Surveying	LS	1.0	$4,966.00	$4,966.00	$1,415.31	$3,550.69
Signs	LS	1.0	$1,000.00	$1,000.00	$285.00	$715.00
Traffic Control	DAYS	15.0	$456.00	$6,840.00	$1,949.40	$4,890.60
Asphalt Curb and Gutter Demo	LS	1.0	$47,493.00	$47,493.00	$13,535.51	$33,957.50
Landscaping/ Irrigation	LS	1.0	$19,560.00	$19,560.00	$0.00	$19,560.00
Strip site 4" Stockpile	CY	450.0	$2.16	$972.00	$277.02	$694.98

Onsite Cut To Fill	CY	725.0	$3.10	$2,247.50	$640.54	$1,606.96
Import Dirt	CY	150.0	$6.65	$997.50	$284.29	$713.21
Place Import Material	CY	150.0	$2.48	$372.00	$106.02	$265.98
30" Vertical Curb	LF	406.0	$27.32	$11,091.92	$0.00	$11,091.92
4.5' Sidewalk	LF	406.0	$27.14	$11,018.84	$0.00	$11,018.84
Cross Pan	SY	12.0	$74.93	$899.16	$256.26	$642.90
Paving Local 4"/6" ABC (28.5% City, 71.5% PMD)	SY	1,072.0	$34.22	$36,683.84	$10,454.89	$26,228.95
Fly Ash 12" Depth	SY	1,230.0	$9.74	$11,980.20	$3,414.36	$8,565.84
Asphalt Mob	EA	1.0	$2,070.00	$2,070.00	$589.95	$1,480.05
Additional Base For Under Curbs	SY	160.0	$8.56	$1,369.60	$0.00	$1,369.60
Adjust Manholes	EA	3.0	$649.00	$1,947.00	$554.90	$1,392.11
Adjust Water Valves	EA	3.0	$413.00	$1,239.00	$353.12	$885.89
Asphalt Subgrade Prep	SY	1,072.0	$2.95	$3,162.40	$901.28	$2,261.12
SUNIGA ROAD	**UNIT**	**QUANTITY**	**UNIT COST**			
Surveying	LS	1.0	$17,428.00	$17,428.00	$7,319.76	$10,108.24
Signs & Striping	LS	1.0	$20,673.00	$20,673.00	$8,682.66	$11,990.34
15" RCP Class III	LF	35.0	$46.09	$1,613.15	$1,613.15	$0.00
Landscaping/ Irrigation	LS	1.0	$282,722.00	$282,722.00	$226,177.60	$56,544.40
Strip site 4" Stockpile	CY	2,250.0	$2.16	$4,860.00	$2,041.20	$2,818.80
Onsite Cut To Fill	CY	1,650.0	$3.10	$5,115.00	$2,148.30	$2,966.70
Import Dirt	CY	7,450.0	$6.65	$49,542.50	$20,807.85	$28,734.65
Place Import Material	CY	7,450.0	$2.48	$18,476.00	$7,759.92	$10,716.08
30" Vertical Curb	LF	2,574.0	$27.32	$70,321.68	$0.00	$70,321.68
18" Double Curb and Gutter	LF	2,662.0	$80.24	$213,598.88	$213,598.88	$0.00
Additional Prep for 3.5' Bike Buffer	LF	1,975.0	$9.76	$19,276.00	$19,276.00	$0.00
3.5' Bike Buffer - Broom Finish - Silversmoke Carbon	LF	1,975.0	$22.38	$44,200.50	$44,200.50	$0.00
6' Bike Lane - Silversmoke Carbon	LF	1,958.0	$63.98	$125,272.84	$125,272.84	$0.00
6' Sidewalk	LF	2,006.0	$36.47	$73,158.82	$0.00	$73,158.82
Inlet Tie In	EA	2.0	$1,534.00	$3,068.00	$0.00	$3,068.00
Concrete Prep	LS	1.0	$82,334.51	$82,334.51	$34,580.49	$47,754.01
Paving Local 4"/6" ABC (42% City, 58% PMD)	SY	7,002.0	$34.22	$239,608.44	$100,635.54	$138,972.90
Asphalt Mob	EA	1.0	$2,070.00	$2,070.00	$869.40	$1,200.60
Fly Ash 12" Depth	SY	8,605.0	$9.74	$83,812.70	$35,201.33	$48,611.37
Additional Base For Under Curbs	SY	1,603.0	$8.56	$13,721.68	$5,763.11	$7,958.57
Adjust Manholes	EA	8.0	$649.00	$5,192.00	$2,180.64	$3,011.36
Adjust Water Valves	EA	15.0	$413.00	$6,195.00	$2,601.90	$3,593.10
Asphalt Subgrade Prep	SY	7,002.0	$2.95	$20,655.90	$8,675.48	$11,980.42
			Subtotal:	**$1,880,509.50**	**$1,006,071.47**	**$874,438.03**

EAST VINE DR	UNIT	QUANTITY	UNIT COST	TOTAL
Paving Local - 4" Asphalt	SY	3,145.0	$23.72	$74,599.40
Paving Local - 6" ABC	SY	3,145.0	$10.50	$33,022.50
MERGENSER DR.	**UNIT**	**QUANTITY**	**UNIT COST**	**TOTAL**
Paving Local - 4" Asphalt	SY	1,072.0	$23.72	$25,427.84
Paving Local - 6" ABC	SY	1,072.0	$10.50	$11,256.00
SUNIGA ROAD	**UNIT**	**QUANTITY**	**UNIT COST**	**TOTAL**
Paving Local - 4" Asphalt	SY	7,002.0	$23.72	$166,087.44
Paving Local - 6" ABC	SY	7,002.0	$10.50	$73,521.00

SOUTHERN EXPOSURE
landscape management, inc.

November 9, 2023

Crow Creek Construction, LLC
c/o Blake Bell
7251 West 20th Street, L-101B
Greeley, CO

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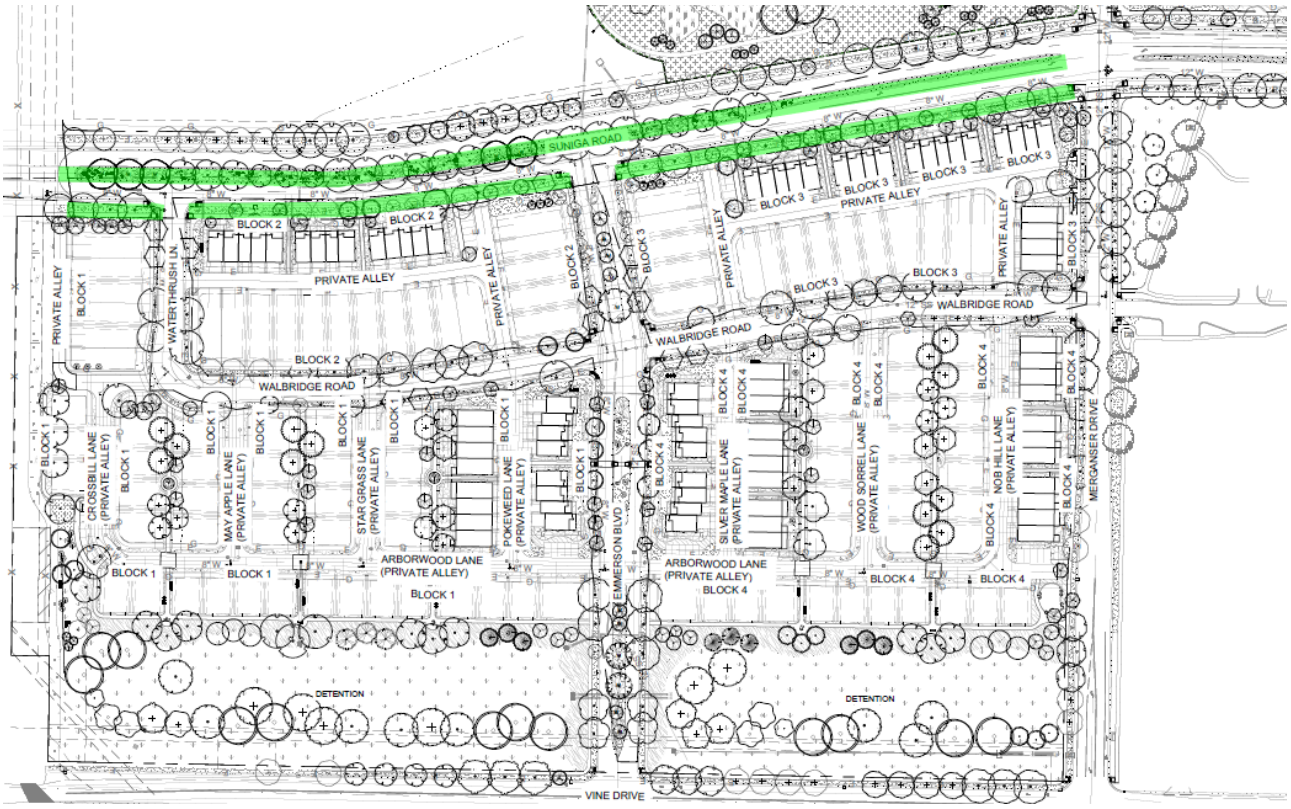

Work included is only that which is completed in Sept 2023.

Regards,

Russell A Hoff, GM
Southern Exposure Landscape Management, Inc.

November 15, 2023
JD Padilla
Post Modern Development
144 N. Mason St Unit 4
Fort Collins, CO 80524

RE: WATERFIELD 4TH FILING – TCEF ENGINEERING FEES

Dear JD,

Based on the overall original contract between Thrive and Northern Engineering, Post Modern Development is eligible for soft costs repayment through the TCEFF program. Soft costs include preliminary design, final design, and construction assistance. Therefore, Post Modern should be eligible for $8,603 reimbursement from the City of Fort Collins for the soft costs associated with a portion of the design of Suniga Road, Vine Dive, and Merganser Drive.

Sincerely,
NORTHERN ENGINEERING SERVICES, INC.

Blaine Mathisen, PE
Project Manager

Attachment 1: Waterfield 4th Filing Soft Cost Breakdown

Attachment 2: ROW Reimbursement Exhibit

cc: Jeff Jensen, Jensen Laplante Development

NORTHERN ENGINEERING

Attachement 1: Waterfield 4th Filing Soft Cost Breakdown

Total Budget (Preliminary, Final, Construction Admin)	$319,407.00
Budget for All Road Designs (Roughly 31% of Total Budget)	$99,016.17
Total LF of All Roads	27,310

Street	LF	% of Overall Road Design	Total Cost	Total Cost Paid By Developer	Total Cost Paid By City
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			$18,563	**$10,339**	**$8,603**

Notes:

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3. 19% cost paid by City for Merganser
4. 33% cost paid by City for Vine

Statement of Services

INVOICE #03-2216

4/4/2023

From: **Post Modern Development, LLC**
144 N. Mason Street Unit #4
Fort Collins, CO 80524

To: **DFC Waterfield, LLC**
14701 Philips Highway, Suite 300
Jacksonville, Florida 32256

Project: Waterfield Subdivision - Phase 1-4
Fort Collins, CO

Item	Services		Description	QTY	Unit	Amount
1	Development Management		Development Management Fee Phase 1-4	1	LS	$187,751
2	Reimbursements					
			Total Amount Due:			**$187,751**

PAID

Waterfield 4th Phases 1-4 TCEF Reimbursement Summary of Costs

Suniga - Merganser - Vine

11/17/2023

Line Item	Description	Total Costs	TCEF		Developer		Comments
			Quantity	Cost	Quantity	Cost	
1	Hard Costs	$1,880,509	53%	$1,006,071	47%	$874,438	Crow Creek
2	Design Costs & CA	$19,089	46%	$8,750	54%	$10,339	Northern Engineering
3	Construction Manage/Development Fee	$187,751	53%	$99,508	47%	$88,243	Post Modern
4	ROW Land Cost @ $2.32/sf (295.3K total sq. ft., 56% TCEF/44% Developer)	$685,105	56%	$381,276	44%	$303,829	Developer and City Engineering/ City Real Estate confirmed $
	Total:	**$2,772,454**		**$1,495,605**		**$1,276,849**	

COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY

Staff: David Lenz, Director, FP&A - Financial Services
Marc Virata, Engineering - Planning, Development & Transportation
Randy Reuscher, Lead Rate Analyst - Utilities Finance

Date: December 14, 2023

SUBJECT FOR DISCUSSION:
Impact Fee Study Updates - Continued: Utility Development Fees & Capital Expansion Fee Studies

EXECUTIVE SUMMARY:
Staff have been working to update the Utility Development Fees, Transportation Capital Expansion Fees (TCEFs) and Capital Expansion Fees (CEFs). On October 5, 2023 Council Finance Committee meeting, staff presented the current status of the TCEF and CEF Study updates as well as the Utilities' Finance model updates of their plant investment fees (PIFs) and electric capacity fees. No action was taken in regard to adoption of fees for 2024 with a request to get further clarity to the proposed work program regarding the utilities Water Supply Fees, Excess Water Use and Water Allotments. **Currently, no rate adjustments are set to occur effective January 1, 2024.**

This update provides a review of the updated fee studies and schedules presented in October, an overview of the tentative Utilities water supply timelines and a recommended path for adoption of the fees presented at the October CFC meeting.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED:

- What questions does the committee have related to the study updates, draft fee schedules or proposed timelines?

- Does the committee support the staff recommendation of bringing forward the TCEFs, CEFs, Utility PIFs and Electric Capacity Charge Fees for Council adoption during Q2 2024?

BACKGROUND/DISCUSSION:
During 2023, staff engaged consultant TischlerBise (TB) to update the Transportation Capital Expansion Fee study. Additionally, consultant Economic & Planning Systems (EPS) was contracted to update the Capital Expansion Fee study, while utilities' staff completed their biennial internal Fee Study model updates. The current schedule of updates and rate adjustments is highlighted below.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Capital Expansion Fees (CEF)	Update	Step II	Step III	Inflation	Inflation	Inflation	Update	Inflation	Inflation	Inflation	Update
Transportation Expansion Fee (TCEF)	Update	Step II		Inflation	Inflation	Inflation	Update	Inflation	Inflation	Inflation	Update
Electric Capacity Fee	Update		Update	Inflation	Update	Inflation	Update	Inflation	Update	Inflation	Update
Water Supply Requirement	Update		Update	Inflation	Update	Inflation	Update	Inflation	Update	Inflation	Update
Water, Wastewater, Stormwater PIFs		Update	Update	Inflation	Update	Inflation	Update	Inflation	Update	Inflation	Update

These study and model updates are summarized in the sections that follow below (with the full draft study reports included as Attachments 2 and 3). The Water Supply Requirement will be undergoing further updates during 2024.

Water Supply Requirements:
In the August 8, 2023 Council Work Session on Water Supply Fees, Excess Water Use and Water Allotments, a number of questions arose concerning the updated analysis of proposed fee levels. In response to these questions, staff prepared a memorandum to Council dated October 25, 2023, which is included as Attachment 4. The primary outputs were the convening of an internal team to review and develop options balancing community and utility needs, the development of separate workstreams to address appropriate considerations, and project plan development utilizing a community-wide lens in providing options to Council.

The proposed timeline for 2024 meetings and outreach is highlighted below:

April 9	Council Work Session
June 6	Water Commission Work Session
July 16	Council Work Session
August 1	Water Commission Work Session
August 15	P&Z Work Session
Sept 10	Council Work Session
Sept 19	P&Z Hearing/Water Commission Hearing
Oct 15	1st Reading
Nov 5	2nd Reading

Utilities Development Fees Update:
Staff updates development fee models every two years. In alternating years, when models are not updated, an inflationary adjustment is applied to utility development fees. Staff use the Engineering News Record (ENR) construction cost index to apply inflationary adjustments. In 2022, for 2023, staff increased development fees, including the Electric Capacity Fees, Water Plant Investment Fees, Wastewater Plant Investment Fees, and Stormwater Plant Investment Fees, by 9% as an inflationary adjustment.

Each model was updated this year to capture current inputs, including current escalation factors and each of the various drivers such costs, consumption, and future system needs. Utilities have experienced extreme cost pressures, especially on the electric side. Some items such as electric transformers have increased dramatically in price due to supply chain issues and higher material costs. The table below shows the proposed increase for 2024 for each of the development fees by fund.

Utility Fee	Unit of Measure	2024 Proposed Increase
Electric Capacity Fee (ECF)	$ / kW	14.8%
Water Plant Investment Fee (PIF)	$ / GPD	5.7%
Wastewater Plant Investment Fee (PIF)	$ / GPD	4.1%
Stormwater Plant Investment Fee (PIF)	$ / acre of development	7.0%

There are many variables in calculating the impact of a development, particularly between residential and commercial. Shown in the table below is an example of a single-family residential house receiving all four services from Fort Collins Utilities. The 2023 amount is expected to increase by approximately $790 in 2024, from $11,120 to $11,911. This equates to an overall increase of 7.1% for these one-time fees.

Residential Development Fee Example				
	2023 Fee	2024 Fee	$ Change	% Change
200-amp Electric Service	$ 2,286	$ 2,625	$ 339	14.8%
3/4" inch Water PIF (6,000 sq ft lot)	$ 3,611	$ 3,817	$ 206	5.7%
4" Wastewater PIF	$ 4,168	$ 4,339	$ 171	4.1%
Stormwater PIF (6,000 sq ft lot, 0.7 runoff coeff)	$ 1,055	$ 1,130	$ 74	7.0%
Total	$ 11,120	$ 11,911	$ 790	7.1%

Transportation Capital Expansion Fee Study Update

TCEF's last program update was in 2017 by TischlerBise. The City again contracted with TischlerBise for the current study update. The 2023 TCEF study uses a combination of incremental expansion for roadways and plan-based methodologies to provide improvements for Active Modes. The methodology also utilized data from more updated sources:

- 2023 Transportation Capital Projects Prioritization Study
- 2022 Active Modes Plan
- 2022 Fort Collins Travel Diary Report
- The current anticipated 10-year buildout of additional lane miles through development

- The current City's Arterial Cost per Lane Mile ($2.0M), along with baseline data and projections from the North Front Range MPO

For residential development, updated amounts are based on square feet of finished living space. Garages, porches and patios are excluded from the TCEF assessment. For nonresidential development, TCEFs are stated per thousand square feet of floor area, using three categories. The TCEF schedule for nonresidential development is designed to provide a reasonable fee amount for general types of development. There has been further emphasis on active modes and to provide further clarity the maximum supportable fee schedule is broken down by roadway capacity and active modes.

Summary fees are highlighted below and the TCEF Draft Report with full detail is included as Attachment 2.

Residential	Unit	Roadway Fee	% of Total	Active Modes	% of Total	Update Total	Current Total	Change	% Change
up to 700 sq. ft.	Dwelling	$2,863	91%	$272	9%	$3,135	$2,703	$432	16%
701-1,200 sq. ft.	Dwelling	$4,988	91%	$487	9%	$5,475	$5,020	$455	9%
1,201-1,700 sq. ft.	Dwelling	$6,363	91%	$625	9%	$6,988	$6,518	$470	7%
1,701-2,200 sq. ft.	Dwelling	$7,380	91%	$726	9%	$8,106	$7,621	$485	6%
over 2,200 sq. ft.	Dwelling	$8,191	91%	$809	9%	$9,000	$8,169	$831	10%
Development Type	**Unit**	**Roadway Fee**	**% of Total**	**Active Modes**	**% of Total**	**Update Total**	**Current Total**	**Change**	**% Change**
Commercial	1,000 sq. ft.	$11,045	94%	$702	6%	$11,747	$9,946	$1,801	18%
Office & Other Services	1,000 sq. ft.	$6,450	86%	$1,075	14%	$7,525	$7,327	$198	3%
Industrial	1,000 sq. ft.	$2,897	75%	$944	25%	$3,841	$2,365	$1,476	62%

Capital Expansion Fee Study Update:
The City has five separate Capital Expansion Fees (CEFs), related to neighborhood and community parks, and fire, police and general government services. These fees were initially adopted in 1996 based on an internal study by City staff. External study updates were completed in 2013 and 2017 by Duncan Associates. The studies relied on the standards-based (or incremental expansion) methodology, which bases the fees on the existing levels of service. The new fees were adopted in 2017 and implemented over a three-year time period.

In the spring of 2023, the City solicited bids and contracted with Economic & Planning Systems, Inc. (EPS) to update the Capital Expansion Fee Study. The EPS Study Update adheres to the existing standard-based approach to fee calculation, continuing to use construction cost replacement valuations.

Highlighted below are the updated draft fee calculations for residential and non-residential properties compared to the current fee. More detailed information is included in the CEF Draft Report in Attachment 3.

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total	Current Total	Change	% Change
up to 700 sq. ft.	Dwelling	$2,813	$2,140	$604	$382	$745	$6,684	$6,593	$91	1%
701-1,200 sq. ft.	Dwelling	$4,260	$3,241	$914	$578	$1,129	$10,122	$8,844	$1,278	14%
1,201-1,700 sq. ft.	Dwelling	$4,783	$3,638	$1,026	$649	$1,267	$11,363	$9,652	$1,711	18%
1,701-2,200 sq. ft.	Dwelling	$5,145	$3,913	$1,104	$698	$1,363	$12,223	$9,764	$2,459	25%
over 2,200 sq. ft.	Dwelling	$5,848	$4,448	$1,254	$794	$1,549	$13,894	$10,880	$3,014	28%
Development Type	**Unit**	**N'hood Park**	**Comm. Park**	**Fire**	**Police**	**Gen. Gov't**	**Update Total**	**Current Total**	**Change**	**% Change**
Commercial	1,000 sq. ft.			$1,281	$811	$1,582	$3,674	$2,791	$883	32%
Office and Other Services	1,000 sq. ft.			$701	$444	$866	$2,010	$2,791	($781)	-28%
Industrial	1,000 sq. ft.			$332	$210	$410	$953	$656	$297	45%

Almost all fee categories have increased from current 2023 fee levels. The biggest overall impact contributing to higher rates is the significantly higher asset valuations for police and fire services (and to a lesser extent, general governmental) outpacing the service population growth rates. These inflationary impacts have been realized locally in the higher cost of the City's purchases of goods and services, especially in the post-COVID environment. In this update, the Office and Other Services type has been broken out from Commercial and is aligned with TCEF categories based on differing demand impacts.

The study update had differing results for the neighborhood and community parks. The most recent neighborhood park builds (Bucking Horse, Cresent, Traverse) were all significantly more expensive to buildout on $/acre basis than prior facilities, leading to much higher fee calculations than for the community parks. A new maintenance facility also contributed to higher overall costs.

Overall, the residential fee amounts increase by 1% to 28% (approximately $100 - $3,000) based on size of property. This variable difference is attributed primarily to the relative changes in occupancy factors based on updated U.S. Census Bureau housing survey data. On the non-residential developments, increases to commercial and industrial types are driven by the underlying employees per square foot calculations based on Institute of Transportation Engineers (ITE) trip generation rates.

In March of 2022, staff provided the City Council with an analysis of the total costs of development activity as part of the total cost of building new housing stock. The table below updates the total fees component of that analysis, with current 2023 fees and the proposed 2024 study updates included for an 1,890 square foot residential property.

City Charged Fees: Impact on One or Two-Family Residence - 1890 sq. ft							
Fee Type	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Capital Expansion Fees	$ 6,038	$ 7,630	$ 8,591	$ 8,824	$ 8,992	$ 9,764	$ 12,223
Transportation Capital Expansion Fees	$ 5,150	$ 6,543	$ 6,586	$ 6,623	$ 7,115	$ 7,621	$ 8,106
Development Review, Permits, Infrastructure Fees	$ 2,532	$ 2,532	$ 2,532	$ 3,314	$ 2,792	$ 2,792	$ 2,792
Utility Fees	$ 21,907	$ 22,321	$ 25,517	$ 26,353	$ 35,992	$ 37,142	$ 37,838
Combined Fees	**$ 35,627**	**$ 39,026**	**$ 43,226**	**$ 45,114**	**$ 54,891**	**$ 57,319**	**$ 60,958**
Percentage Change	***Baseline***	***9.5%***	***10.8%***	***4.4%***	***21.7%***	***4.4%***	***6.3%***

The total overall increase would be approximately $3,600 or 6.3%. As noted in the utility sections above, no increase in the water supply requirement is included in this comparison pending the outcome of that update.

NEXT STEPS AND RECOMMENDATION

Utilities' staff has provided their tentative 2024 work program and timeline as outlined earlier. Contemplation of the options for addressing the fee updates provided by the two consultant updates and the internal utilities' model updates consists of the following:

Option A:
Defer Decision on adoption of New Fee Structure until Water Supply Requirements are determined (for a January 1, 2025 implementation).

Option B:
Adopt New Proposed Fee Structure as presented for implementation in early Q2 2024 after the proposed Council Work Session in April 2024.

Option C:
Defer Decision on adoption of New Fee Structure until Water Supply Requirements are determined (for a January 1, 2025 implementation) and adjust current rates by the annual inflation index only in early Q2 2024.

Staff Recommendation is to proceed with Option B – adoption of the proposed fee updates as presented for implementation in early Q2 2024.

ATTACHMENTS:

Attachment 1: PowerPoint Presentation
Attachment 2: Transportation Capital Expansion Fee Draft Report
Attachment 3: Capital Expansion Fee Draft Report
Attachment 4: Memorandum to Council dated October 25, 2023

December 14, 2023

Impact Fee Study Updates - Continued: Utility Development Fees & Capital Expansion Fee Studies

David Lenz
Financial Planning & Analysis

Marc Virata
Engineering

Randy Reuscher
Lead Rate Analyst - Utilities

Agenda

- Fee Framework
- Fee Updates:
  - Utilities - Water Supply Requirements Timeline & Development Fee Update
  - Transportation Capital Expansion Fee (TCEF): *TischlerBise*
  - Capital Expansion Fee (CEF): *Economic & Planning Systems, Inc.*
- Summary and Recommendation
- Questions

Questions for Council Finance Committee

- What questions does the committee have related to the study updates, draft fee schedules or proposed timelines?

- Does the committee support the staff recommendation of bringing forward the TCEFs, CEFs, Utility PIFs and Electric Capacity Charge Fees for Council adoption during Q2 2024?

Fee Framework

- ***In April 2022, Council Finance Committee endorsed the schedule below, with the fees being updated for inflation in 2022 and study updates to be completed in 2023.***

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Capital Expansion Fees (CEF)	Update	Step II	Step III	Inflation	Inflation	Inflation	Update	Inflation	Inflation	Inflation	Update
Transportation Expansion Fee (TCEF)	Update	Step II		Inflation	Inflation	Inflation	Update	Inflation	Inflation	Inflation	Update
Electric Capacity Fee	Update		Update	Inflation	Update	Inflation	Update	Inflation	Update	Inflation	Update
Water Supply Requirement	Update		Update	Inflation	Update	Inflation	Update	Inflation	Update	Inflation	Update
Water, Wastewater, Stormwater PIFs		Update	Update	Inflation	Update	Inflation	Update	Inflation	Update	Inflation	Update

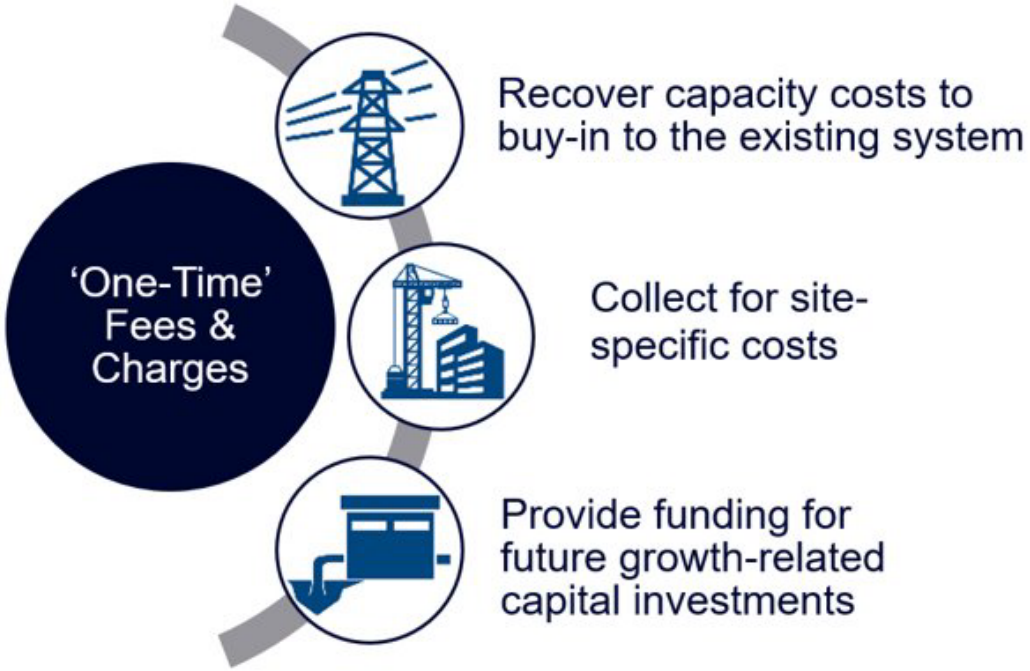
- *The CEF and TCEF studies have been updated and new proposed fees are detailed in the sections that follow.*
- *Utilities model updates for the Electric Capacity Fee and three PIFs have been updated.*
- *Water Supply Requirement workstreams and timelines have been firmed up with a proposed 2024 program.*

Water Supply Requirements Update and Timeline

- ***Memorandum to City Council dated October 26:***
  - Follow-up from August 8 work Session
  - Convening an internal team to review and develop options balancing community and utility needs
  - Development of separate workstreams to address appropriate considerations
  - Project Plans developed utilizing a community-wide lens in providing options to Council

- ***Proposed Timeline (Tentative)***
  - April 9 Council Work Session
  - June 6 Water Commission Work Session
  - July 16 Council Work Session
  - August 1 Water Commission Work Session
  - August 15 P&Z Work Session
  - Sept 10 Council Work Session
  - Sept 19 P&Z Hearing/Water Commission Hearing
  - Oct 15 1st Reading
  - Nov 5 2nd Reading

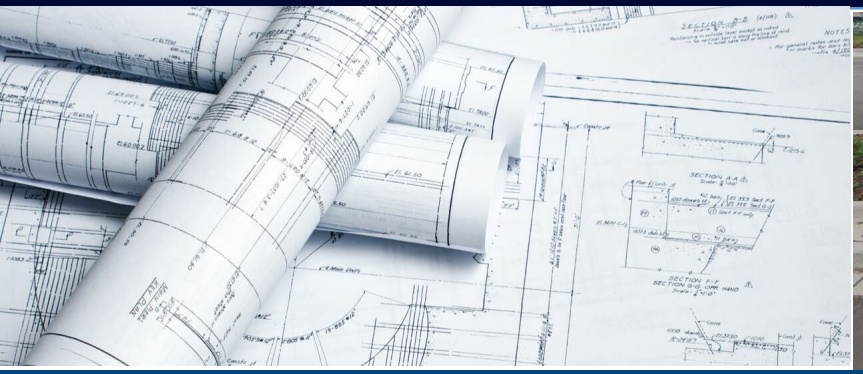
Utility Fees Overview



Utility Fees – Proposed Changes

Utility Fee	2024 Proposed Increase
Electric Capacity Fee (ECF)	14.8%
Water Plant Investment Fee (PIF)	5.7%
Wastewater Plant Investment Fee (PIF)	4.1%
Stormwater Plant Investment Fee (PIF)	7.0%

TCEF: Overview



Transportation Capital Expansion Fee Study
City of Fort Collins, Colorado

Submitted to:
City of Fort Collins, Colorado

Premise of Fees

- One-time fee from development and redevelopment
- Used to support growth share related infrastructure improvements
- Cannot be used for maintenance

Use of Fees

- Reimbursement to developers
  - Northfield reimbursement
- Contribution to Capital Projects
  - Roadway projects (TCPPS)
  - Active Modes (Active Modes Plan)

Previous Updates

"Transportation Capital Expansion Fee Study" (2017), TischlerBise

- 2012 Transportation CIP
- 2014 Bicycle Master Plan
- 2010/2016 Arterial Intersection Prioritization Study
- 10 year build out through development
- 2016 Arterial Cost/Lane Mile ($1.4M)

TCEF: Study Updated Draft Fees *(TischlerBise)*

- Generally, in range when compared to an inflation adjustment approach
  - (7.45% based on August 2022-August 2023 Engineering News-Record Denver City Cost Index)
- Estimate $115M over the next 10 years to keep with anticipated growth needs and level of service

Residential	Unit	Roadway Fee	% of Total	Active Modes	% of Total	Update Total	Current Total	Change	% Change
up to 700 sq. ft.	Dwelling	$2,863	91%	$272	9%	$3,135	$2,703	$432	16%
701-1,200 sq. ft.	Dwelling	$4,988	91%	$487	9%	$5,475	$5,020	$455	9%
1,201-1,700 sq. ft.	Dwelling	$6,363	91%	$625	9%	$6,988	$6,518	$470	7%
1,701-2,200 sq. ft.	Dwelling	$7,380	91%	$726	9%	$8,106	$7,621	$485	6%
over 2,200 sq. ft.	Dwelling	$8,191	91%	$809	9%	$9,000	$8,169	$831	10%
Development Type	**Unit**	**Roadway Fee**	**% of Total**	**Active Modes**	**% of Total**	**Update Total**	**Current Total**	**Change**	**% Change**
Commercial	1,000 sq. ft.	$11,045	94%	$702	6%	$11,747	$9,946	$1,801	18%
Office & Other Services	1,000 sq. ft.	$6,450	86%	$1,075	14%	$7,525	$7,327	$198	3%
Industrial	1,000 sq. ft.	$2,897	75%	$944	25%	$3,841	$2,365	$1,476	62%

CEF: Overview

Premise of Fees

- New developments pay a proportionate share of costs to “buy-in” to the current level of services the City provides.
- Paid upon application of a building permit and assessed by land use type.
- The concept of growth paying for the impact of growth is a policy decision that past City Councils have made.

Use of Fees

- For approved capital expenditures identified in capital improvement plans.
- Includes planning, design, surveying, permitting and engineering costs; the cost of purchasing or leasing real property and construction costs.
- Does not include repair or maintenance costs.

Previous Updates

- Duncan and Associates (2013 and 2017)
- Adhered to the incremental expansion methodology
- Updated asset values based on the cost of construction per sq. ft.
- Additional capital added to General Government Fees

CEF: Study Updated Draft Fees *(Economic & Planning Systems, Inc.)*

Overall

- Residential Occupancy Factor decreases
- Non-Residential Employee per sq. ft. adjustments
- Additional Non-Residential category justified by different demand impact – Office and Other Services
- Higher functional population

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total	Current Total	Change	% Change
up to 700 sq. ft.	Dwelling	$2,813	$2,140	$604	$382	$745	$6,684	$6,593	$91	1%
701-1,200 sq. ft.	Dwelling	$4,260	$3,241	$914	$578	$1,129	$10,122	$8,844	$1,278	14%
1,201-1,700 sq. ft.	Dwelling	$4,783	$3,638	$1,026	$649	$1,267	$11,363	$9,652	$1,711	18%
1,701-2,200 sq. ft.	Dwelling	$5,145	$3,913	$1,104	$698	$1,363	$12,223	$9,764	$2,459	25%
over 2,200 sq. ft.	Dwelling	$5,848	$4,448	$1,254	$794	$1,549	$13,894	$10,880	$3,014	28%

Development Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total	Current Total	Change	% Change
Commercial	1,000 sq. ft.			$1,281	$811	$1,582	$3,674	$2,791	$883	32%
Office and Other Services	1,000 sq. ft.			$701	$444	$866	$2,010	$2,791	($781)	-28%
Industrial	1,000 sq. ft.			$332	$210	$410	$953	$656	$297	45%

Combined Fees Summary

- Building on the examples shared with City Council from Spring 2022 to highlight total fee impacts for development activity:
  - Update below includes current 2023 fee levels.
  - Building Permit and Development Review fees were adjusted with the new fee structure adopted in January 2022.
  - 2024 includes TCEF and CEF study updates and proposed utility updates. Does not include changes to water supply requirements.

City Charged Fees: Impact on One or Two-Family Residence - 1890 sq. ft							
Fee Type	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Capital Expansion Fees	$ 6,038	$ 7,630	$ 8,591	$ 8,824	$ 8,992	$ 9,764	$ 12,223
Transportation Capital Expansion Fees	$ 5,150	$ 6,543	$ 6,586	$ 6,623	$ 7,115	$ 7,621	$ 8,106
Development Review, Permits, Infrastructure Fees	$ 2,532	$ 2,532	$ 2,532	$ 3,314	$ 2,792	$ 2,792	$ 2,792
Utility Fees	$ 21,907	$ 22,321	$ 25,517	$ 26,353	$ 35,992	$ 37,142	$ 37,838
Combined Fees	**$ 35,627**	**$ 39,026**	**$ 43,226**	**$ 45,114**	**$ 54,891**	**$ 57,319**	**$ 60,958**
Percentage Change	***Baseline***	***9.5%***	***10.8%***	***4.4%***	***21.7%***	***4.4%***	***6.3%***

Options and Recommendation

- Option A – Defer Decision on adoption of New Fee Structure until Water Supply Requirements are determined (for a January 1, 2025 implementation).

- Option B – Adopt New Proposed Fee Structure as presented for implementation in early Q2 2024 after the proposed Council Work Session in April 2024.

- Option C – Defer Decision on adoption of New Fee Structure until Water Supply Requirements are determined (for a January 1, 2025 implementation) and adjust current rates by the annual inflation index only in early Q2 2024.

Staff Recommendation is Option B

Questions for Council Finance Committee

- What questions does the committee have related to the study updates, draft fee schedules or proposed timelines?

- Does the committee support the staff recommendation of bringing forward the TCEFs, CEFs, Utility PIFs and Electric Capacity Charge Fees for Council adoption during Q2 2024?

Capital Expansion Fee Revenues

	Neighborhood Park	Community Park	Fire	Police	General Government	Transportation	Total
2018	$ 2,246,386	$ 2,334,469	$ 611,475	$ 301,224	$ 830,551	$ 3,408,383	$ 9,732,488
2019	$ 1,689,236	$ 2,184,132	$ 455,819	$ 254,242	$ 684,940	$ 4,222,239	$ 9,490,608
2020	$ 1,676,231	$ 2,366,471	$ 479,513	$ 268,246	$ 742,648	$ 3,900,225	$ 9,433,334
2021	$ 2,054,596	$ 2,901,241	$ 626,675	$ 349,923	$ 1,024,608	$ 4,130,376	$ 11,087,419
2022	$ 1,838,872	$ 2,596,272	$ 621,370	$ 347,546	$ 1,084,708	$ 4,530,263	$ 11,019,031
Total	$ 9,505,321	$ 12,382,585	$ 2,794,852	$ 1,521,181	$ 4,367,455	$ 20,191,486	$ 50,762,880
2018 - 2022 Annual Avg.	$ 1,901,064	$ 2,476,517	$ 558,970	$ 304,236	$ 873,491	$ 4,038,297	$ 10,152,576

Utility Fees – Residential Example

Residential Development Fee Example				
	2023 Fee	2024 Fee	$ Change	% Change
200-amp Electric Service	$ 2,286	$ 2,625	$ 339	14.8%
3/4" inch Water PIF (6,000 sq ft lot)	$ 3,611	$ 3,817	$ 206	5.7%
4" Wastewater PIF	$ 4,168	$ 4,339	$ 171	4.1%
Stormwater PIF (6,000 sq ft lot, 0.7 runoff coeff)	$ 1,055	$ 1,130	$ 74	7.0%
Total	$ 11,120	$ 11,911	$ 790	7.1%

TCEF: 2023 Study Update *(TischlerBise)*

TCEF 2023 Study Update Methodology

- Roadway Capacity: Incremental Expansion Methodology (same as previous TCEF study)
- Active Modes Component: Plan Based Methodology

Data inputs

- North Front Range MPO and census data to update demand from development
- Growth Share of Plans
  - 2023 Transportation Capital Projects Prioritization Study (TCPPS)
  - 2022 Active Modes Plan
  - 10-year buildout of additional lane miles through development
  - Arterial Cost per Lane Mile ($2.0M)
- Travel Diary Study Report

TCEF: 2023 Study Update *(TischlerBise)*

- Roadway Capacity: Incremental Expansion Methodology
  - Projected 10-year needs of transportation infrastructure (in terms of lane miles)
    - TCPPS projects that are growth related
    - Development construction of additional lane miles
  - Evaluates the growth share of infrastructure that's attributable to development impact
  - Impact is based on Vehicle Miles Traveled (VMT)
    - Vehicle trip length from Travel Diary Survey (4.9 miles)

- Roadway Capacity Analysis
  - 13% increase in VMT
  - 61.9 new lane mile needs over 10 years to maintain current LOS
    - 7% (4.3 lane miles) of trips on roadway network is external-external trips
    - $8.6M out $124M of our roadway capacity needs not attributable to growth/TCEF
    - 57.6 miles attributed to growth

TCEF: 2023 Study Update *(TischlerBise)*

- Active Modes Component: Plan Based Methodology
  - 10-year growth related cost compared to 10-year growth projection
  - High and Medium priority Active Modes Projects ($87M)

- Active Modes Plan Analysis
  - From $87M of High & Medium priority Active Modes Plan projects 13% ($11M) attributed to 10-year growth
  - Based on demand from residential and nonresidential development and allocated based on the percent of commuters who walk or bike to work (22% active modes Travel Study Log)
  - Active Modes Plan share increase from 2017 (4%) to 2023 (9%)

CEF: 2023 Study Update *(Economic & Planning Systems, Inc.)*

- **Standards Based or "Incremental Expansion" Approach**
  - Maintains the current level of service or investment per unit of development
  - Replacement/Construction cost valuations
  - Offsets for debt funding
  - Adjustments by land use type and occupancy factors

- **Key Data inputs**
  - Updated 2023 asset inventories for City of Fort Collins and Poudre Fire Authority
  - Neighborhood and Community Park development costs and current land valuation estimates
  - Current market cost of construction estimates and Larimer County valuations
  - Updated residential household size and non-residential occupancy factors
  - Alignment of existing conditions with concurrent TCEF Study Update

CEF: 2023 Study Update *(Economic & Planning Systems, Inc.)*

- **Parks**
  - Higher land valuations
  - Inclusion of East District Maintenance Facility
  - Neighborhood Parks – higher development costs reflective of newest park buildouts

- **Police and Fire**
  - Significant Asset Value increases – Additional Equipment and Facilities and Higher unit replacement costs

- **General Government**
  - Increased Asset Values but lower increases relative to Police and Fire

CEF: Study Detailed Updated Draft Fees

CEF - Current Fees

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Current Total
up to 700 sq. ft.	Dwelling	$2,108	$2,977	$516	$289	$703	$6,593
701-1,200 sq. ft.	Dwelling	$2,822	$3,985	$698	$391	$948	$8,844
1,201-1,700 sq. ft.	Dwelling	$3,082	$4,351	$759	$425	$1,035	$9,652
1,701-2,200 sq. ft.	Dwelling	$3,114	$4,396	$772	$431	$1,051	$9,764
over 2,200 sq. ft.	Dwelling	$3,470	$4,901	$859	$480	$1,170	$10,880

Development Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Current Total
Commercial	1,000 sq. ft.			$650	$364	$1,777	$2,791
Office and Other Services	1,000 sq. ft.			$650	$364	$1,777	$2,791
Industrial	1,000 sq. ft.			$152	$85	$419	$656

CEF - Update

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total
up to 700 sq. ft.	Dwelling	$2,813	$2,140	$604	$382	$745	$6,684
701-1,200 sq. ft.	Dwelling	$4,260	$3,241	$914	$578	$1,129	$10,122
1,201-1,700 sq. ft.	Dwelling	$4,783	$3,638	$1,026	$649	$1,267	$11,363
1,701-2,200 sq. ft.	Dwelling	$5,145	$3,913	$1,104	$698	$1,363	$12,223
over 2,200 sq. ft.	Dwelling	$5,848	$4,448	$1,254	$794	$1,549	$13,894

Development Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total
Commercial	1,000 sq. ft.			$1,281	$811	$1,582	$3,674
Office and Other Services	1,000 sq. ft.			$701	$444	$866	$2,010
Industrial	1,000 sq. ft.			$332	$210	$410	$953

CEF - Change $

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Change Total
up to 700 sq. ft.	Dwelling	$705	($837)	$88	$93	$42	$91
701-1,200 sq. ft.	Dwelling	$1,438	($744)	$216	$187	$181	$1,278
1,201-1,700 sq. ft.	Dwelling	$1,701	($713)	$267	$224	$232	$1,711
1,701-2,200 sq. ft.	Dwelling	$2,031	($483)	$332	$267	$312	$2,459
over 2,200 sq. ft.	Dwelling	$2,378	($453)	$395	$314	$379	$3,014

Development Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Change Total
Commercial	1,000 sq. ft.			$631	$447	($195)	$883
Office and Other Services	1,000 sq. ft.			$51	$80	($911)	($781)
Industrial	1,000 sq. ft.			$180	$125	($9)	$297

CEF - Change %

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Change %
up to 700 sq. ft.	Dwelling	33%	-28%	17%	32%	6%	1%
701-1,200 sq. ft.	Dwelling	51%	-19%	31%	48%	19%	14%
1,201-1,700 sq. ft.	Dwelling	55%	-16%	35%	53%	22%	18%
1,701-2,200 sq. ft.	Dwelling	65%	-11%	43%	62%	30%	25%
over 2,200 sq. ft.	Dwelling	69%	-9%	46%	65%	32%	28%

Development Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Change %
Commercial	1,000 sq. ft.			97%	123%	-11%	32%
Office and Other Services	1,000 sq. ft.			8%	22%	-51%	-28%
Industrial	1,000 sq. ft.			119%	147%	-2%	45%

CEF and TCEF: Combined Updated Draft Fees

Residential	Unit	CEF Total	TCEF Total	Update Total	Current Total	Change	Change %
up to 700 sq. ft.	Dwelling	$6,684	$3,135	$9,819	$9,296	$523	6%
701-1,200 sq. ft.	Dwelling	$10,122	$5,475	$15,597	$13,864	$1,733	12%
1,201-1,700 sq. ft.	Dwelling	$11,363	$6,988	$18,351	$16,170	$2,181	13%
1,701-2,200 sq. ft.	Dwelling	$12,223	$8,106	$20,329	$17,385	$2,944	17%
over 2,200 sq. ft.	Dwelling	$13,894	$9,000	$22,894	$19,049	$3,845	20%

Development Type	Unit	CEF Total	TCEF Total	Update Total	Current Total	Change	Change %
Commercial	1,000 sq. ft.	$3,674	$11,747	$15,421	$12,737	$2,684	21%
Office and Other Services	1,000 sq. ft.	$2,010	$7,525	$9,535	$10,118	($583)	-6%
Industrial	1,000 sq. ft.	$953	$3,841	$4,794	$3,021	$1,773	59%

Transportation Capital Expansion Fee Study

Submitted to:
City of Fort Collins, Colorado

October 20, 2023

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Transportation Capital Expansion Fee Study

City of Fort Collins, Colorado

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EXECUTIVE SUMMARY

The City of Fort Collins currently collects Transportation Capital Expansion Fee (TCEF) based on a 2017 study completed by TischlerBise. The City has retained TischlerBise to update its TCEF program.

The 2023 TCEF study uses a combination of incremental expansion and plan-based methodologies to provide improvements for all modes of travel. Figure 1 provides an overview of the methodology and cost components used in the Fort Collins study.

Figure 1. TCEF Methods and Cost Components

Types of Improvement	Cost Allocation	Service Area	Cost Recovery	Incremental Expansion	Plan-Based
Capacity Roadway Expansion	Vehicle Miles of Travel (VMT)	Citywide	-	Roadway Capacity	-
Active Modes	Person and Jobs	Citywide	-	-	Bike Lanes, Ped/Bike Intersections, Signals

Transportation Capital Expansion Fees by Type of Land Use

As documented in this report, the City of Fort Collins has complied with applicable legal precedents and Colorado's Impact Fee enabling legislation (discussed below). The TCEF schedule is proportionate and reasonably related to the cost of capital improvements needed to accommodate new development. Specific costs have been identified using local data and current dollars. With input from City staff, TischlerBise determined demand indicators for transportation capacity and calculated proportionate share factors to allocate costs by type of development. The TCEF methodology also identifies the extent to which new development is entitled to various types of credits to avoid potential double payment of growth-related capital costs.

Figure 2 shows the maximum supportable TCEF schedules. For residential development, updated amounts are based on square feet of finished living space. Garages, porches and patios are excluded from the TCEF assessment. Fees by dwelling size rather than type simplifies administration, improves proportionality, and is consistent with the way other Capital Expansion Fees are collected in Fort Collins.

For nonresidential development, TCEFs are stated per thousand square feet of floor area, using three broad categories. The TCEF schedule for nonresidential development is designed to provide a reasonable fee amount for general types of development. For unique developments, the City may allow or require an independent assessment.

Active modes improvements and expansions were included in the 2017 analysis. There has been further emphasis on active modes and to provide further clarity the maximum supportable fee schedule is broken down by roadway capacity and active modes.

Figure 2. Maximum Supportable TCEF

Residential (per dwelling unit)								
Square Feet of Finished Living Space	VMT per Unit	Roadway Capacity Fee	Persons per Unit	Active Modes Fee	Maximum Supportable Fee	Current Fees	Increase/ Decrease	Percent Change
up to 700	11.79	$2,863	0.99	$272	$3,135	$2,703	$432	16%
701 to 1,200	20.54	$4,988	1.77	$487	$5,475	$5,020	$455	9%
1,201 to 1,700	26.20	$6,363	2.27	$625	$6,988	$6,518	$470	7%
1,701 to 2,200	30.39	$7,380	2.64	$726	$8,106	$7,621	$485	6%
over 2,200	33.73	$8,191	2.94	$809	$9,000	$8,169	$831	10%

Nonresidential (per 1,000 square feet)								
Development Type	VMT per KSF	Roadway Capacity Fee	Jobs per KSF	Active Modes Fee	Maximum Supportable Fee	Current Fees	Increase/ Decrease	Percent Change
Commercial	45.48	$11,045	2.12	$702	$11,747	$9,946	$1,801	18%
Office & Other Services	26.56	$6,450	3.26	$1,075	$7,525	$7,327	$198	3%
Industrial	11.93	$2,897	2.86	$944	$3,841	$2,365	$1,476	62%

GENERAL IMPACT FEE REQUIREMENTS

Colorado Impact Fee Enabling Legislation

For local governments, the first step in evaluating funding options for transportation improvements is to determine basic options and requirements established by state law. Some states have more conservative legal parameters that basically restrict local government to specifically authorized actions. In contrast, "home-rule" states grant local governments broader powers that may or may not be precluded or preempted by state statutes depending on the circumstances and on the state's particular laws. Home rule municipalities in Colorado, like Fort Collins, have the authority to impose impact fees based on both their home rule power granted in the Colorado Constitution and the impact fee enabling legislation enacted in 2001 by the Colorado General Assembly.

Impact fees (also known as capital expansion fees) are one-time payments imposed on new development that must be used solely to fund growth-related capital projects, typically called "system improvements". An impact fee represents new growth's proportionate share of capital facility needs. In contrast to project-level improvements, impact fees fund infrastructure that will benefit multiple development projects, or even the entire service area, as long as there is a reasonable relationship between the new development and the need for the growth-related infrastructure. Project-level improvements, typically specified in a development agreement, are usually limited to transportation improvements near a proposed development, such as ingress/egress lanes.

According to Colorado Revised Statute Section 29-20-104.5, impact fees must be legislatively adopted at a level no greater than necessary to defray impacts generally applicable to a broad class of property. The purpose of impact fees is to defray capital costs directly related to proposed development. The statutes of other states allow impact fee schedules to include administrative costs related to impact fees and the preparation of capital improvement plans, but this is not specifically authorized in Colorado's statute. Impact fees do have limitations, and should not be regarded as the total solution for infrastructure funding. Rather, they are one component of a comprehensive portfolio to ensure adequate provision of public facilities. Because system improvements are larger and more costly, they may require bond financing and/or funding from other revenue sources. To be funded by impact fees, Section 29-20-104.5 requires that the capital improvements must have a useful life of at least five years. By law, impact fees can only be used for capital improvements, not operating or maintenance costs. Also, development impact fees cannot be used to repair or correct existing deficiencies in existing infrastructure.

Additional Legal Guidelines

Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against regulatory takings. Land use regulations, development exactions, and impact fees are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest. In the case of impact fees, that interest is the protection of public

health, safety, and welfare by ensuring development is not detrimental to the quality of essential public services. The means to this end are also important, requiring both procedural and substantive due process. The process followed to receive community input (i.e., stakeholder meetings, work sessions, and public hearings) provides opportunities for comments and refinements to the impact fees.

There is little federal case law specifically dealing with impact fees, although other rulings on other types of exactions (e.g., land dedication requirements) are relevant. In one of the most important exaction cases, the U. S. Supreme Court found that a government agency imposing exactions on development must demonstrate an "essential nexus" between the exaction and the interest being protected (see Nollan v. California Coastal Commission, 1987). In a more recent case (Dolan v. City of Tigard, OR, 1994), the Court ruled that an exaction also must be "roughly proportional" to the burden created by development.

There are three reasonable relationship requirements for development impact fees that are closely related to "rational nexus" or "reasonable relationship" requirements enunciated by a number of state courts. Although the term "dual rational nexus" is often used to characterize the standard by which courts evaluate the validity of development impact fees under the U.S. Constitution, TischlerBise prefers a more rigorous formulation that recognizes three elements: "need," "benefit," and "proportionality." The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the U.S. Supreme Court in the Dolan case. Individual elements of the nexus standard are discussed further in the following paragraphs.

All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the capacity of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Development impact fees may be used to cover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The Nollan decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle likely applies to impact fees. In this study, the impact of development on infrastructure needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific facilities, based on applicable level-of-service standards.

The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the Dolan case and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate impact fees for various types of facilities and categories of development. The demand for facilities is measured in terms of relevant and measurable attributes of development (e.g., a typical housing unit's average weekday vehicle trips).

A sufficient benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. The calculation of impact fees should also assume that they will be expended in a timely manner and the facilities funded by the fees must serve the development paying the fees. However, nothing in the U.S. Constitution or the state enabling

legislation requires that facilities funded with fee revenues be available exclusively to development paying the fees. In other words, benefit may extend to a general area including multiple real estate developments. Procedures for the earmarking and expenditure of fee revenues are discussed near the end of this study. All of these procedural as well as substantive issues are intended to ensure that new development benefits from the impact fees they are required to pay. The authority and procedures to implement impact fees is separate from and complementary to the authority to require improvements as part of subdivision or zoning review.

Impact fees must increase the carrying capacity of the transportation system. Capacity projects include, but are not limited to the addition of travel lanes, intersection improvements (i.e., turning lanes, signalization or roundabouts) and widening roads (e.g., adding travel lanes, paved shoulders, and bike lanes). Whenever improvements are made to existing roads, non-impact fee funding is typically required to help pay a portion of the cost.

Impact Fee Methodologies

In contrast to project-level improvements, impact fees fund growth-related infrastructure that will benefit multiple development projects, or the entire jurisdiction (referred to as system improvements). There are three general methods for calculating one-time charges for public facilities needed to accommodate new development. The choice of a particular method depends primarily on the timing of infrastructure construction (past, concurrent, or future) and service characteristics of the facility type being addressed. Each method has advantages and disadvantages in a particular situation, and can be used simultaneously for different cost components.

Reduced to its simplest terms, the process of calculating infrastructure costs for new development involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, TCEF calculations can become quite complicated because of many variables involved in defining the relationship between development and the need for facilities within the designated service area. The following sections discuss three basic methods.

Cost Recovery (past improvements)

The rationale for recoupment, often called cost recovery, is that new development is paying for its share of the useful life and remaining capacity of facilities already built, or land already purchased, from which new growth will benefit. This methodology is often used for utility systems that must provide adequate capacity before new development can take place.

Incremental Expansion (concurrent improvements)

The incremental expansion method documents current level-of-service (LOS) standards for each type of public facility, using both quantitative and qualitative measures. New development is only paying its proportionate share for growth-related infrastructure needed to maintain current standards. Revenue will be used to expand or provide additional facilities, as needed to keep pace with new development.

PLAN-BASED (FUTURE IMPROVEMENTS)

The plan-based method allocates costs for a specified set of improvements to a specified amount of development. Improvements are typically identified in a capital improvements plan and development potential is identified by land use assumptions. There are two options for determining the cost per service unit: 1) total cost of a public facility can be divided by total service units (average cost), or 2) the growth-share of the capital facility cost can be divided by the net increase in service units over the planning timeframe (marginal cost).

CREDITS

Regardless of the methodology, a consideration of "credits" is integral to a legally defensible impact fee study. There are two types of "credits" with specific characteristics, both of which should be addressed in studies and ordinances.

- First, a revenue credit might be necessary if there is a double payment situation and other revenues are contributing to the capital costs of infrastructure to be funded by TCEF revenue. This type of credit is integrated into the TCEF calculation, thus reducing the gross amount. In contrast to some studies that only provide general costs, with credits at the back-end of the analysis, Fort Collins's 2023 transportation TCEF update uses growth shares to provide an up-front reduction in total costs. Also, the 2023 update provides TCEF revenue projections to verify that new development will fully fund the growth cost of future infrastructure (i.e., only TCEF revenue will pay for growth costs).
- Second, a site-specific credit or developer reimbursement might be necessary for dedication of land or construction of system improvements to be funded by TCEF revenue. This type of credit is addressed in the administration and implementation of the TCEF program.

TRANSPORTATION CAPITAL EXPANSION FEE – ROADWAY CAPACITY COMPONENT

The City of Fort Collins Transportation Capital Expansion Fees (TCEF) are calculated using an incremental approach for roadway capacity improvements. Transportation improvements that provide additional vehicular capacity, account for approximately 91 percent of the growth-related cost in the analysis while active modes represent 9.

The roadway capacity component of the TCEF is derived from custom trip generation rates (see Appendix A), trip rate adjustment factors, and the capital cost per vehicle miles of travel (VMT). The latter is a function of average trip length, trip-length weighting factor by type of development, and the growth cost of transportation improvements.

Existing Levels of Service for Transportation

There are currently 497 lane miles of arterial streets in the City of Fort Collins. The steps to calculate a current level of service for the City's arterial street network involve calibrating existing development to the system network. To do so, development units by type are multiplied by adjusted vehicle trip ends per development unit. The factors used to calculate the current level of service expressed in vehicle miles of travel (VMT) are discussed below, and shown in Figure 5 after the discussion.

VEHICLE MILES OF TRAVEL

VMT is a measurement unit equal to one vehicle traveling one mile[1]. In the aggregate, VMT is the product of vehicle trips multiplied by the average trip length. For the 2023 TCEF update, the average trip length is calibrated to lane miles of existing City arterials within Fort Collins.

TRIP GENERATION RATES

The 2023 TCEF update is based on average weekday vehicle trip ends (AWVTE). For residential development, trip rates are customized using demographic data for Fort Collins, as documented in Appendix A. For nonresidential development, trip generation rates are from the reference book Trip Generation published by the Institute of Transportation Engineers (ITE 11th Edition, 2021). A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate transportation fees, trip generation rates require an adjustment factor to avoid double counting each trip at both the origin and destination points. Therefore, the basic trip adjustment factor is 50 percent for industrial, institutional, and office development. As discussed further below, the TCEF methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for particular types of development.

[1] Typical VMT calculations for development-specific traffic studies, along with most transportation models of an entire urban area, are derived from traffic counts on particular road segments multiplied by the length of that road segment. For the purpose of the TCEF study, VMT calculations are based on attraction (inbound) trips to development located in the service area, with trip length limited to the road network considered to be system improvements (arterials and collectors). This refinement eliminates pass-through or external- external trips, and travel on roads that are not system improvements (e.g., state highways).

Adjustment for Pass-By Trips

For retail development, the trip adjustment factor is less than 50 percent because such development attract vehicles as they pass by on arterial roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For the average shopping center, ITE indicates that 25 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 75 percent of attraction trips have the commercial site as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 75 percent multiplied by 50 percent, or approximately 38 percent of the trip ends.

Trip Length Weighting Factor by Type of Land Use

The transportation fee methodology includes a percentage adjustment, or weighting factor, to account for trip length variation by type of land use. TischlerBise derived the weighting factors using household survey results provided by North Front Range Metropolitan Planning Organization (NRFMPO, 2010). As shown in Figure 3, trips associated with residential development are approximately 110 percent of the average trip length. Conversely, trips associated with commercial development (i.e., retail and restaurants) are approximately 66 percent of the average trip length while other nonresidential development typically accounts for trips that are 100 percent of the average for all trips.

Figure 3. Average Trip Length by Trip Purpose in North Front Range

Type of Development	Trip Purpose	Trips	Average Miles Per Trip	Weighting Factor	
1-Residential	All other at home activities	4,920	5.30	3.469	
1-Residential	Dropped off passenger	566	4.36	0.328	
1-Residential	Picked up passenger	557	3.47	0.257	
1-Residential	Indoor recreation/entertainment	516	4.80	0.330	
1-Residential	Change transportation mode	354	9.37	0.441	
1-Residential	Outdoor recreation/entertainment	254	6.60	0.223	
1-Residential	Service private vehicle	160	5.44	0.116	
1-Residential	Working at home	127	4.06	0.069	
1-Residential	Loop Trip and Other travel related	55	2.71	0.020	
1-Residential	School at home	7	2.03	0.002	
1-Residential Total		***7,516***		***5.255***	***1.10***
2-Retail/Restaurant	Routine shopping	1,236	2.76	1.571	
2-Retail/Restaurant	Eat meal outside home	577	3.10	0.824	
2-Retail/Restaurant	Other	180	5.37	0.445	
2-Retail/Restaurant	Major purchase / specialty item	91	6.15	0.258	
2-Retail/Restaurant	Drive through	88	1.80	0.073	
2-Retail/Restaurant Total		***2,172***		***3.170***	***0.66***
3-Other Nonresidential	Attend a class	790	2.59	0.756	
3-Other Nonresidential	Work/business related	618	8.48	1.937	
3-Other Nonresidential	Errands (bank, dry cleaning, etc.)	475	2.34	0.411	
3-Other Nonresidential	Personal business (attorney, accountant)	241	5.50	0.490	
3-Other Nonresidential	Health care	224	6.39	0.529	
3-Other Nonresidential	Civic/religious	196	5.13	0.372	
3-Other Nonresidential	Other activities at school	92	3.72	0.126	
3-Other Nonresidential	All other activities at work	70	5.82	0.151	
3-Other Nonresidential Total		***2,706***		***4.771***	***1.00***
		TOTAL 12,394	4.784		

Data Source: Table R-27, NFRMPO Household Survey, 2010. Analysis excludes "Visit friends/relatives" because the average distance of 22.43 miles traveled is an outlier, approximately four times the overall average. "Work/job" travel was also excluded because trip origns and destinations can not be allocated between residential and type of nonresidential development.

Lane Capacity

The TCEF roadway capacity component is based on established daily per lane capacities for arterial roads. According to City staff, arterial roads were established to have a daily per lane capacity of 7,700, assuming 12 feet travel lanes, with no additional shoulder width, in an urban area.

Average Vehicle Trip Length

The City of Fort Collins recently completed a travel diary study which surveyed residents on their daily travel including modes, distance, and purpose. Based on the results of the study, the average vehicle trip length in Fort Collins is 4.90 miles.

Origin & Destination Trip Analysis

Lastly, there is a demand on Fort Collins transportation network that is not associated with any development within city limits. Specifically, there are vehicle trips that originate and end outside of Fort Collins. The nature of these trips means there is a demand that is not Fort Collins growth-related thus not eligible for TCEF funding. Therefore, TischlerBise partnered with transportation engineers at Felsburg Holt & Ullevig to identify the thru-trips (external – external) in Fort Collins. Based on analysis of the Fort Collins travel demand model, seven percent of trips were identified as external – external. As a result, a seven percent reduction is included in the demand calculation.

Figure 4. Origin & Destination Trip Analysis

Origin/Destination	Internal	External
Internal	50%	15%
External	28%	7%

Source: Felsburg Holt & Ullevig analysis of Fort Collins travel demand model

Development Prototypes and Projected Vehicle Miles of Travel

The relationship between the amount of development within Fort Collins and vehicle miles of travel (VMT) is documented in Figure 5. In the table below DU means dwelling unit; KSF means 1,000 square feet of nonresidential development; Institute of Transportation Engineers is abbreviated ITE; VTE means vehicle trip ends. Trip generation rates by bedroom range are documented in Appendix A – Land Use Assumptions.

Projected development over the next ten years and the corresponding need for additional lane miles is shown in the lower section of Figure 5. Fort Collins has a current infrastructure standard of 1.62 arterial lane miles per 10,000 VMT. Based on the detailed demand factors and projected growth, VMT is projected to increase from 3.07 million to 3.55 million over the next ten years (or 13 percent). To accommodate projected development over the next ten years, Fort Collins will need 61.9 additional lane miles of complete streets to maintain current levels of service.

Figure 5. Projected VMT Increase to Development within Fort Collins

Development Type	*Weekday VTE*	*Development Unit*	*Primary Trip Adjustment*	*Trip Length Wtg Factor*	
Residential 0-1 Bedroom	4.26	DU	58%	1.10	R1
Residential 2 Bedrooms	6.34	DU	58%	1.10	R2
Residential 3 Bedrooms	8.80	DU	58%	1.10	R3
Residential 4+ Bedrooms	10.56	DU	58%	1.10	R4
Commercial	37.01	KSF	38%	0.66	NR1
Office & Other Services	10.84	KSF	50%	1.00	NR2
Industrial	4.87	KSF	50%	1.00	NR3
Avg Trip Length (miles) [1]	4.90				
Vehicle Capacity Per Lane	7,700				

		5-Year Increment						
Fort Collins Travel Model	**Base Year 2023**	**1 2024**	**2 2025**	**3 2026**	**4 2027**	**5 2028**	**10 2033**	**10-Year Increase**
Residential 0-1 Bedroom	6,212	6,320	6,429	6,550	6,671	6,792	7,524	1,312
Residential 2 Bedrooms	17,883	18,195	18,507	18,856	19,205	19,554	21,660	3,777
Residential 3 Bedrooms	24,688	25,118	25,549	26,030	26,512	26,993	29,901	5,213
Residential 4+ Bedrooms	23,807	24,222	24,637	25,102	25,566	26,031	28,835	5,028
Commercial KSF	10,024	10,060	10,097	10,135	10,173	10,211	10,393	370
Office & Other Services KSF	21,999	22,215	22,430	22,627	22,823	23,019	23,950	1,951
Industrial KSF	10,944	10,979	11,014	11,049	11,083	11,117	11,378	434
0-1 Bedroom Trips	15,349	15,615	15,885	16,184	16,483	16,782	18,590	3,242
2 Bedroom Trips	65,759	66,907	68,054	69,337	70,621	71,904	79,648	13,889
3 Bedroom Trips	126,008	128,202	130,402	132,857	135,317	137,772	152,615	26,607
4+ Bedroom Trips	145,813	148,355	150,897	153,745	156,587	159,435	176,609	30,795
Commercial Trips	140,970	141,485	142,000	142,535	143,071	143,607	146,169	5,199
Office & Other Services Trips	119,232	120,403	121,573	122,637	123,700	124,764	129,808	10,576
Industrial Trips	26,650	26,735	26,820	26,904	26,987	27,071	27,706	1,057
Total Inbound Vehicle Trips	639,780	647,702	655,631	664,199	672,766	681,334	731,145	91,365
Vehicle Miles of Travel (VMT)	3,073,002	3,113,973	3,154,985	3,199,451	3,243,911	3,288,376	3,548,550	475,548
Arterial Lane Miles	497	502.3	507.6	513.4	519.2	525.0	558.9	61.9
						Ten-Year VMT Increase =>		**13%**

[1] Source: Fort Collins Travel Diary Study (2022)

Capital Cost per Vehicle Miles of Travel

As indicated by the travel demand model above, there is a need for 61.9 new lane miles to continue providing the current level of service to projected future demand. Furthermore, seven percent of the demand on the Fort Collins transportation network is from external – external trips. As a result, 57.6 miles is attributed to future growth in Fort Collins (61.9 lane miles x [1 - 0.07] = 57.6 lane miles).

Additionally, Fort Collins staff estimates the construction cost of a new lane mile being $2,000,500. By combining the projected need in lane miles and cost per lane mile results in a growth-related capital cost per $115.5 million. Over the next ten years, there is a projected increase of 475,548 VMT. Comparing the growth-related capital cost and growth in VMT, the study finds a capital cost of $242.85 per VMT ($115,488,00 / 475,548 VMT = $242.85 per VMT, rounded).

Figure 6. Capital Cost per VMT

10-Year Need in Roadway Lane Miles	61.9
Lane Miles Attributed to External - External Trips (7%)	4.3
Fort Collins Growth-Related Lane Miles	**57.6**

Construction Cost per Lane Mile	$2,005,000
Fort Collins Growth-Related Construction Cost	$115,488,000
10-Year Increase in Vehicle Miles Traveled (VMT)	475,548
Capital Cost per VMT	**$242.85**

Revenue Credit Evaluation

A credit for other revenues is only necessary if there is potential double payment for system improvements. In Fort Collins, Road & Bridge Fund property taxes and gas tax revenue will be used for maintenance of existing facilities, correcting existing deficiencies, and for capital projects that are not TCEF system improvements. As shown later in Figure 8, TCEF revenue over the next ten years mitigates the growth-related share of the roadway capacity needs. Thus, there is no potential double payment from other revenues to fund the growth cost of roadway capacity projects.

Importantly, seven percent of the future need is attributed to external – external trips which represents $8.6 million. This is not attributed to Fort Collins development, thus, not eligible for TCEF funding. Fort Collins will have to identify other revenues (i.e., grants) to support this external cost.

Input Variables for TCEF – Roadway Capacity Component

A summary of inputs for the roadway capacity component of the TCEF program are detailed in Figure 7. Residential fees are based on the square footage of the dwelling unit while there are three nonresidential development types in the fee schedule (consistent with the current Fort Collins TCEF schedule). The roadway capacity TCEF is found by multiply the VMT demand factor and the growth cost per VMT. For example, the fee for a housing unit over 2,200 square feet is $8,191 (33.73 VMT per unit x $242.85 per VMT = $8,191 per unit).

The fees represent the highest supportable amount for each type of applicable land use and represents new growth's fair share of the cost for capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in TCEF revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

Figure 7. Maximum Supportable TCEF – Roadway Capacity Component

Fee Component	Cost per VMT
Roadway Expansion	$242.85
Gross Total	**$242.85**
Net Total	**$242.85**

Residential (per dwelling unit)		
Square Feet of Finished Living Space	VMT per Unit	Roadway Capacity Fee
up to 700	11.79	**$2,863**
701 to 1,200	20.54	**$4,988**
1,201 to 1,700	26.20	**$6,363**
1,701 to 2,200	30.39	**$7,380**
over 2,200	33.73	**$8,191**

Nonresidential (per 1,000 square feet)		
Development Type	VMT per KSF	Roadway Capacity Fee
Commercial	45.48	**$11,045**
Office & Other Services	26.56	**$6,450**
Industrial	11.93	**$2,897**

Revenue Projection from Maximum Supportable Fee Amounts

This section summarizes the potential cash flow to the City of Fort Collin if the TCEF is implemented at the maximum supportable amounts. The cash flow projections are based on the assumptions detailed in this chapter and the development projections discussed in Appendix A – Land Use Assumptions.

At the top of Figure 8, the cost of growth over the next ten years is listed. The summary provides an indication of the TCEF revenue generated by new development. The fee for the average sized single family and multifamily units are used in the calculations. Shown at the bottom of the figure, the maximum supportable TCEF is estimated to generate $111.3 million in revenue while there is a growth-related cost of $115.5 million, offsetting about 97 percent of the growth-related costs. The remaining funding gap represents the external – external share of future demand on the transportation network.

Figure 8. Projected Revenue from Maximum Supportable TCEF – Roadway Capacity Component

Infrastructure Costs for Transportation Facilities

	Total Cost	Growth Cost
Roadway Capacity	$124,109,500	$115,488,000
Total Expenditures	**$124,109,500**	**$115,488,000**

Projected Development Impact Fee Revenue

		Single Family $7,380 per unit	Multifamily $4,988 per unit	Commercial $11,045 per KSF	Office $6,450 per KSF	Industrial $2,897 per KSF
Year		**Housing Units**	**Housing Units**	**KSF**	**KSF**	**KSF**
Base	2023	47,183	25,406	10,024	21,999	10,944
1	2024	47,769	26,087	10,060	22,215	10,979
2	2025	48,354	26,768	10,097	22,430	11,014
3	2026	49,009	27,529	10,135	22,627	11,049
4	2027	49,663	28,291	10,173	22,823	11,083
5	2028	50,318	29,052	10,211	23,019	11,117
6	2029	50,972	29,813	10,249	23,215	11,152
7	2030	51,627	30,575	10,287	23,412	11,186
8	2031	52,508	31,599	10,323	23,591	11,250
9	2032	53,389	32,624	10,358	23,770	11,314
10	2033	54,271	33,649	10,393	23,950	11,378
Ten-Year Increase		7,087	8,243	370	1,951	434
Projected Revenue		$52,304,559	$41,115,500	$4,083,218	$12,585,770	$1,257,186

Projected Revenue => $111,346,000
Total Expenditures => $124,109,000
Non-Impact Fee Funding => $12,763,000

TRANSPORTATION CAPITAL EXPANSION FEE – ACTIVE MODES COMPONENT

The City of Fort Collins TCEF are calculated using a plan-based approach for active mode expansions. Transportation improvements that provide additional vehicular capacity, account for approximately 91 percent of the growth-related cost in the analysis while active modes represent 9.

The active modes component of the TCEF is based on the demand from residential and nonresidential development and allocated based on the percent of commuters who walk or bike to work. Person per housing unit and employee density factors are then applied to find the proportionate demand from the development types.

Active Modes Capital Plan

The 2022 Active Modes Plan is the guiding document for the capital expansion plans for bike and pedestrian infrastructure in Fort Collins. The Plan identified High, Medium, and Low priority/readiness projects needed in the coming future to address existing demand and future demand from development. Since the TCEF study examines infrastructure need over the next ten years, City staff has advised that the high and medium project lists are a realistic plan over that planning horizon. Between the two lists there are 200 projects ranging from small spot treatments addressing signage and side paths to extensive separated bike lane expansion projects. Pages from the Plan listing the projects are provided in the appendix of this report.[2] Overall, the capital plans for active mode expansion totals $87,554,000 over the next ten years.

Active Modes Capital Plan Cost Analysis

Based on the projected growth in demand on the Fort Collins transportation network, 13 percent ($11.4 million) of the total capital cost of the Active Modes Plan is attributed to development over the next ten years. As shown in Figure 9, the cost is allocated to residential and nonresidential demand based on the data from the Travel Diary Study Report (2022). From the survey, 22 percent of commuters in Fort Collins use active modes to travel to work. This factor is used to allocate the active modes capital cost to nonresidential demand while the remaining 78 percent is allocated to residential demand. The allocated costs are compared to the 10-year projected increase in population and jobs to find capital cost per unit factors. For example, the capital cost per person is $275.18 ($11,382,000 x 78 percent / 32,262 population increase = $275.18 per person).

[2] The Active Modes Plan can also be found on the City's website at https://www.fcgov.com/fcmoves/active-modes-plan.

Figure 9. Active Modes Cost Analysis

High and Medium Priority Projects	$87,554,000
Growth-Share of Project List	13%
Growth-Related Cost of Active Modes Plan	**$11,382,020**

	Residential	***Nonresidential***
Proportionate Share [1]	78.0%	22.0%
Attributed Capital Cost	$8,877,976	$2,504,044
10-Year Population/Jobs Increase	32,262	7,580
Capital Cost per Person/Job	**$275.18**	**$330.37**

[1] Source: Fort Collins Travel Diary Study Report (2022)

Revenue Credit Evaluation

A credit for other revenues is only necessary if there is potential double payment for system improvements. In Fort Collins, there are general revenues and grants for maintenance of existing facilities and addressing existing demand. However, there are no other revenues available to address future demand on active mode infrastructure. As shown later in Figure 11, TCEF revenue over the next ten years mitigates the growth-related share of the active modes plan. Thus, there is no potential double payment from other revenues to fund the growth cost of active modes projects.

Input Variables for TCEF – Active Modes Component

A summary of inputs for the active modes component of the TCEF program are detailed in Figure 10. Residential fees are based on the square footage of the dwelling unit while there are three nonresidential development types in the fee schedule (consistent with the current Fort Collins TCEF schedule). The active modes TCEF is found by multiply the person/job demand factor and the growth cost per person/job. For example, the fee for a housing unit over 2,200 square feet is $809 (2.94 persons per unit x $275.18 per person = $809 per unit).

The fees represent the highest supportable amount for each type of applicable land use and represents new growth's fair share of the cost for capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in TCEF revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

Figure 10. Maximum Supportable TCEF – Active Modes Component

Fee Component	Cost per Person	Cost per Job
Active Modes	$275.18	$330.37
Gross Total	**$275.18**	**$330.37**
Net Total	**$275.18**	**$330.37**

Residential (per dwelling unit)		
Square Feet of Finished Living Space	Persons per Unit	Active Modes Fee
up to 700	0.99	$272
701 to 1,200	1.77	$487
1,201 to 1,700	2.27	$625
1,701 to 2,200	2.64	$726
over 2,200	2.94	$809

Nonresidential (per 1,000 square feet)		
Development Type	Jobs per KSF	Active Modes Fee
Commercial	2.12	$702
Office & Other Services	3.26	$1,075
Industrial	2.86	$944

Revenue Projection from Maximum Supportable Fee Amounts

This section summarizes the potential cash flow to the City of Fort Collins if the TCEF is implemented at the maximum supportable amounts. The cash flow projections are based on the assumptions detailed in this chapter and the development projections discussed in Appendix A – Land Use Assumptions.

At the top of Figure 11, the cost of growth over the next ten years is listed. The summary provides an indication of the TCEF revenue generated by new development. The fee for the average sized single family and multifamily units are used in the calculations. Shown at the bottom of the figure, the maximum supportable TCEF is estimated to generate $11.9 million in revenue while there is a growth-related cost of $11.4 million, offsetting all growth-related costs. The remaining funding gap represents the existing demand in Fort Collins and will be funded through other revenues.

Figure 11. Projected Revenue from Maximum Supportable TCEF – Active Modes Component

	Total Cost	Growth Cost
Active Modes	$87,554,000	$11,382,020
Total Expenditures	**$87,554,000**	**$11,382,020**

Projected Development Impact Fee Revenue

Year		Single Family $726 per unit	Multifamily $487 per unit	Commercial $702 per KSF	Office $1,075 per KSF	Industrial $944 per KSF
		Housing Units	Housing Units	KSF	KSF	KSF
Base	2023	47,183	25,406	10,024	21,999	10,944
1	2024	47,769	26,087	10,060	22,215	10,979
2	2025	48,354	26,768	10,097	22,430	11,014
3	2026	49,009	27,529	10,135	22,627	11,049
4	2027	49,663	28,291	10,173	22,823	11,083
5	2028	50,318	29,052	10,211	23,019	11,117
6	2029	50,972	29,813	10,249	23,215	11,152
7	2030	51,627	30,575	10,287	23,412	11,186
8	2031	52,508	31,599	10,323	23,591	11,250
9	2032	53,389	32,624	10,358	23,770	11,314
10	2033	54,271	33,649	10,393	23,950	11,378
Ten-Year Increase		7,087	8,243	370	1,951	434
Projected Revenue		$5,145,408	$4,014,284	$259,522	$2,097,628	$409,660
					Projected Revenue =>	**$11,927,000**
					Total Expenditures =>	**$87,554,000**
					Non-Impact Fee Funding =>	**$75,627,000**

IMPLEMENTATION AND ADMINISTRATION

Development impact fees (in this case TCEF) should be periodically evaluated and updated to reflect recent data. Fort Collins has consistently annually updated the TCEF schedule based on local inflation data. If cost estimates or demand indicators change significantly, the City should redo the fee calculations.

Colorado's enabling legislation allows local governments to "waive an impact fee or other similar development charge on the development of low- or moderate-income housing, or affordable employee housing, as defined by the local government."

Credits and Reimbursements

A general requirement that is common to impact fee methodologies is the evaluation of credits. A revenue credit may be necessary to avoid potential double payment situations arising from one-time impact fees plus on-going payment of other revenues that may also fund growth-related capital improvements. The determination of revenue credits is dependent upon the impact fee methodology used in the cost analysis and local government policies.

Policies and procedures related to site-specific credits should be addressed in the resolution or ordinance that establishes the impact fees. Project-level improvements, required as part of the development approval process, are not eligible for credits against impact fees. If a developer constructs a system improvement included in the fee calculations, it will be necessary to either reimburse the developer or provide a credit against the fees due from that particular development. The latter option is more difficult to administer because it creates unique fees for specific geographic areas.

Based on national experience, TischlerBise typically recommends reimbursement agreements with developers that construct system improvements. The reimbursement agreement should be limited to a payback period of no more than ten years and the City should not pay interest on the outstanding balance. The developer must provide sufficient documentation of the actual cost incurred for the system improvement. The City should only agree to pay the lesser of the actual construction cost or the estimated cost used in the impact fee analysis. If the City pays more than the cost used in the fee analysis, there will be insufficient fee revenue for other capital improvements. Reimbursement agreements should only obligate the City to reimburse developers annually according to actual fee collections from the applicable Benefit District.

Citywide Service Area

The TCEF service area is defined as the entire incorporated area within Fort Collins. The infrastructure funded through the TCEF is citywide benefiting and can be attributed to demand throughout the city.

Expenditure Guidelines

Fort Collins will distinguish system improvements (funded by transportation capital expansion fees) from project-level improvements, such as local streets within a residential subdivision. TischlerBise

recommends limiting transportation fee expenditures to arterials and collectors, and should be consistent with Fort Collins City Code. System improvements that are eligible for transportation fee funding could include:

- Constructing an arterial or collector street.
- A carrying-capacity enhancement to existing arterials or collectors, such reconstruction to add greater street width, including additional vehicular travel lanes, bike lanes, and/or shoulders.
- Adding turn lanes, traffic signals, or roundabouts at the intersection of a State Highway with a City arterial or collector, or a City arterial with another City arterial or collector.

Development Categories

Proposed transportation fees for residential development are by square feet of finished living space, excluding unfinished basement, attic, and garage floor area. Appendix A provides further documentation of demographic data by size threshold.

The three general nonresidential development categories in the proposed TCEF schedule can be used for all new construction within the Service Area. Nonresidential development categories represent general groups of land uses that share similar average weekday vehicle trip generation rates, as documented in Appendix A.

- "Industrial" includes the processing or production of goods, along with warehousing, transportation, communications, and utilities.
- "Commercial" includes retail development and eating/drinking places, along with entertainment uses often located in a shopping center (i.e., movie theater).
- "Office & Other Services" includes offices, health care and personal services, business services (i.e., banks) and lodging. Public and quasi-public buildings that provide educational, social assistance, or religious services are also included in this category.

An applicant may submit an independent study to document unique demand indicators for a particular development. The independent study must be prepared by a professional engineer or certified planner and use the same type of input variables as those in this transportation capital expansion fee update. For residential development, the fees are based on average weekday vehicle trip ends per housing unit. For nonresidential development, the fees are based on average weekday vehicle trips ends per 1,000 square feet of floor area. The independent fee study will be reviewed by City staff and can be accepted as the basis for a unique fee calculation. If staff determines the independent fee study is not reasonable, the applicant may appeal the administrative decision to City elected officials for their consideration.

APPENDIX A – LAND USE ASSUMPTIONS

Development-related capital expansion fees often use per capita standards and persons per housing unit or persons per household to derive proportionate share fee amounts. Housing types have varying household sizes and, consequently, a varying demand on City infrastructure and services. Thus, it is important to differentiate between housing types and size.

When persons per housing unit (PPHU) is used in the development impact fee calculations, infrastructure standards are derived using year-round population. In contrast, when persons per household (PPHH) is used in the development impact fee calculations, the fee methodology assumes all housing units will be occupied, thus requiring seasonal or peak population to be used when deriving infrastructure standards. Thus, TischlerBise recommends that fees for residential development in Fort Collins be imposed according to persons per housing unit.

Based on housing characteristics, TischlerBise recommends using two housing unit categories for the TCEF study: (1) Single Family and (2) Multifamily. Each housing type has different characteristics which results in a different demand on City facilities and services. Figure 12 shows the US Census American Community Survey 2021 5-Year Estimates data for the City of Fort Collins. Single family units have a household size of 2.54 persons and multifamily units have a household size of 1.73 persons

Figure 12. Fort Collins Persons per Housing Unit

Units in Structure	Persons	House-holds	Persons per Household	Housing Units	Persons per Housing Unit	Housing Mix	Vacancy Rate
Single Family	115,988	44,342	2.62	45,625	**2.54**	65%	3%
Multifamily	42,457	22,862	1.86	24,496	**1.73**	35%	7%
Subtotal	158,445	67,204	2.36	70,121	2.26		4%
Group Quarters	8,197						
TOTAL	166,642						

Source: U.S. Census Bureau, 2021 5-Year Estimate American Community Survey
Single unit includes detached and attached (i.e. townhouse) and mobile homes

Base Year Population and Housing Units

The City of Fort Collins has provided its own 2023 base year household population estimate which is what will be used to calculate base year housing units.

Figure 13. Base Year Household Population

Fort Collins, CO	Base Year 2023
Household Population [1]	164,053

[1] Source: City of Fort Collins Population Estimate

In 2023, there are an estimated 72,590 housing units in Fort Collins. The housing mix and PPHU factors in Figure 12 are applied to the household population to estimate single family and multifamily units. Overall, single family housing is 65 percent of the total, while multifamily is 35 percent.

Figure 14. Base Year Housing Units

Fort Collins, CO	2023 Housing Units [1]
Single Family	47,183
Multifamily	25,406
Total	72,590

[1] Source: City of Fort Collins Population Estimate; PPHU Factors

However, recent trends over the last three years show multifamily housing growing at a greater rate than single family at 54 percent vs 46 percent of total housing growth respectively as shown in Figure 15. This is the trend that will be used for housing and population growth projections.

Figure 15. Building Permit History

Fort Collins, CO	2020-2023 Building Permits	Percent of Total
Single Family	1,104	46%
Multifamily	1,284	54%
Total	2,388	

Source: City of Fort Collins

In 2023, the household population in Fort Collins is estimated to be 164,053. To estimate the total residents, the group quarters population of 10,392 is applied to the household population. As a result, the 2023 population is estimated at 174,445 residents and will be used for housing and population projections.

Figure 16. Base Year Population

Fort Collins, CO	2023 Household Population	2023 Group Quarters Population	2023 Total Population
Population	164,053	10,392	174,445

Source: City of Fort Collins Population Estimate

Population and Housing Unit Projections

From the 2023 base year housing unit totals, there is a projected increase of 21 percent in housing stock over the next ten years. Following the trend that there is more multifamily development (54 percent) than single family development (46 percent), there is an estimated 8,243 multifamily units and 7,087 single family units projected. Population growth is assumed to continue with housing development based on the PPHU factors by housing type. As a result, there is a projected increase of 32,262 residents over the next ten years. This is an 18.5 percent increase from the base year, slightly lower than housing development at 21 percent since there is a shift in multifamily development and smaller household sizes.

Figure 17. Residential Development Projections

City of Fort Collins, CO	Base Year 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total Increase
Population [1]	174,445	177,109	179,774	182,753	185,733	188,713	191,693	194,673	198,684	202,696	206,707	32,262
Percent Increase		*1.5%*	*1.5%*	*1.7%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*2.1%*	*2.0%*	*2.0%*	*18.5%*
Housing Units [2]												
Single Family	47,183	47,769	48,354	49,009	49,663	50,318	50,972	51,627	52,508	53,389	54,271	7,087
Multifamily	25,406	26,087	26,768	27,529	28,291	29,052	29,813	30,575	31,599	32,624	33,649	8,243
Total	72,590	73,856	75,122	76,538	77,954	79,370	80,786	82,202	84,108	86,014	87,920	15,330

[1] Source: City of Fort Collins Population Estimate; Population growth is projected based on housing development and PPHU factors by type of home

[2] Source: Housing growth is projected based on housing development and PPHU factors

Current Employment and Nonresidential Floor Area

The impact fee study will include nonresidential development as well. Job estimates are from North Front Range MPO Traffic TAZ database. The model forecasts employment growth for the entire city from 2020 to 2045 in five-year increments. To find the total employment in the base year, 2023, a straight-line approach from 2020 to 2025 was used. Listed in Figure 18, 107,677 jobs are estimated in the City of Fort Collins. Nearly half the employment is in the office industry. However, retail, industrial, and institutional industries have a significant presence as well.

Figure 18. Base Year Employment by Industry

Employment Industries	Base Year 2023	Percent of Total
Industrial	17,181	16%
Institutional	17,433	16%
Retail	21,282	20%
Office	51,782	48%
Total Jobs	107,677	100%

Source: North Front Range MPO TAZ employment database

The base year nonresidential floor area for the industry sectors is calculated with the Institution of Transportation Engineers' (ITE) square feet per employee averages, Figure 19. For industrial the Light Industrial factors are used; for institutional the Hospital factors are used; for retail the Shopping Center factors are used; for office the General Office factors are used.

Figure 19. Institute of Transportation Engineers (ITE) Employment Density Factors

Employment Industry	ITE Code	Land Use	Demand Unit	Emp Per Dmd Unit	Sq Ft Per Emp
Industrial	110	Light Industrial	1,000 Sq Ft	1.57	637
Institutional	610	Hospital	1,000 Sq Ft	2.86	350
Retail	820	Shopping Center	1,000 Sq Ft	2.12	471
Office	710	General Office	1,000 Sq Ft	3.26	307

Source: *Trip Generation* , Institute of Transportation Engineers, 11th Edition (2021)

By combining the base year job totals and the ITE square feet per employee factors, the nonresidential floor area is calculated in Figure 20. There is an estimated total of 43 million square feet of nonresidential floor area in Fort Collins. The office and industrial industries account for almost two-thirds of the total floor area at 37 percent and 25 percent respectively, while retail accounts for 23 percent and institutional accounts for 14 percent of the total.

Figure 20. Base Year Nonresidential Floor Area

Employment Industries	Base Year Jobs [1]	Sq. Ft. per Job [2]	Base Year Floor Area (Sq. Ft.)
Industrial	17,181	637	10,944,355
Institutional	17,433	350	6,101,592
Retail	21,282	471	10,023,588
Office	51,782	307	15,896,963
Total	107,677		42,966,498

[1] Source: North Front Range MPO TAZ employment database
[2] Source: Trip Generation, Institute of Transportation Engineers, 11th Edition (2021)

Employment and Nonresidential Floor Area Projections

Based on the TAZ employment database, over the ten-year projection period, it is estimated that there will be an increase of 7,580 jobs. The majority of the increase comes from the office sector (58 percent); however, the institutional sector (23 percent) has a significant impact as well.

The nonresidential floor area projections are calculated by applying the ITE square feet per employee factors to the job growth. In the next ten years, the nonresidential floor area is projected to increase by 2.8 million square feet, a 6 percent increase from the base year. The office and institutional sectors have the greatest increase.

Figure 21. Employment and Nonresidential Floor Area Projections

City of Fort Collins, CO	Base Year 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total Increase
Jobs [1]												
Industrial	17,181	17,236	17,291	17,345	17,399	17,453	17,507	17,560	17,661	17,762	17,862	681
Institutional	17,433	17,621	17,809	17,980	18,152	18,323	18,495	18,666	18,832	18,999	19,165	1,732
Retail	21,282	21,359	21,437	21,518	21,599	21,680	21,760	21,841	21,916	21,991	22,066	785
Office	51,782	52,271	52,760	53,204	53,648	54,091	54,535	54,979	55,374	55,768	56,163	4,381
Total Jobs	107,677	108,487	109,297	110,047	110,797	111,547	112,297	113,047	113,784	114,520	115,257	7,580
Nonresidential Floor Area (1,000 square feet) [2]												
Industrial	10,944	10,979	11,014	11,049	11,083	11,117	11,152	11,186	11,250	11,314	11,378	434
Institutional	6,102	6,167	6,233	6,293	6,353	6,413	6,473	6,533	6,591	6,650	6,708	606
Retail	10,024	10,060	10,097	10,135	10,173	10,211	10,249	10,287	10,323	10,358	10,393	370
Office	15,897	16,047	16,197	16,334	16,470	16,606	16,742	16,879	17,000	17,121	17,242	1,345
Total Floor Area	42,966	43,254	43,542	43,810	44,079	44,348	44,616	44,885	45,164	45,443	45,721	2,755

[1] Source: North Front Range MPO TAZ employment database

[2] Source: Trip Generation, Institute of Transportation Engineers, 11th Edition (2021)

Vehicle Trip Generation

Residential Vehicle Trips by Housing Type

A customized trip rate is calculated for the single family and multifamily units in Fort Collins. In Figure 22, the most recent data from the US Census American Community Survey is inputted into equations provided by the ITE to calculate the trip ends per housing unit factor. A single family unit is estimated to generate 12.70 trip ends and a multifamily unit is estimated to generate 6.00 trip ends on an average weekday.

Figure 22. Customized Residential Trip End Rates by Housing Type

		Households by Structure Type (2)			
Tenure by Units in Structure	Vehicles Available (2)	Single Family	Multifamily	Total	Vehicles per HH by
Owner-occupied	74,579	33,116	2,493	35,609	2.09
Renter-occupied	55,237	11,226	20,369	31,595	1.75
Total	**129,816**	**44,342**	**22,862**	**67,204**	**1.93**
Housing Units (3) =>		45,625	24,496	70,121	
Persons per Housing Unit =>		2.54	1.73	2.26	

Housing Type	Persons in Households (4)	Trip Ends (5)	Vehicles by Type of Unit	Trip Ends (6)	Average Trip Ends	Local Trip Ends per Unit	National Trip Ends per Unit (7)	Difference from ITE
Single Family	115,988	323,073	88,984	832,918	577,996	**12.70**	9.43	35%
Multifamily	42,457	97,146	40,832	194,723	145,934	**6.00**	4.54	32%
Total	**158,445**	**420,219**	**129,816**	**1,027,640**	**723,930**	**10.80**		

1. Vehicles available by tenure from Table B25046, 2020 American Community Survey 5-Year Estimates.
2. Households by tenure and units in structure from Table B25032, 2020 American Community Survey 5-Year Estimates.
3. Housing units from Table B25024, 2020 American Community Survey 5-Year Estimates.
4. Total population in households from Table B25033, 2020 American Community Survey 5-Year Estimates.
5. Vehicle trips ends based on persons using formulas from Trip Generation (ITE 2021). For single-family housing (ITE 210), the fitted curve equation is EXP(0.89*LN(persons)+1.72). To approximate the average population of the ITE studies, persons were divided by 12 and the equation result multiplied by 558. For multi-family housing (ITE 221), the fitted curve equation is (2.29*persons)-64.48 (ITE 2017).
6. Vehicle trip ends based on vehicles available using formulas from Trip Generation (ITE 2021). For single-family housing (ITE 210), the fitted curve equation is EXP(0.92*LN(vehicles)+2.68). To approximate the average number of vehicles in the ITE studies, vehicles available were divided by 21 and the equation result multiplied by 256. For multi-family housing (ITE 221), the fitted curve equation is (4.77*vehicles)-46.46 (ITE 2021).
7. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).

RESIDENTIAL VEHICLE TRIPS ADJUSTMENT FACTORS

A vehicle trip end is the out-bound or in-bound leg of a vehicle trip. As a result, so to not double count trips, a standard 50 percent adjustment is applied to trip ends to calculate a vehicle trip. For example, the out-bound trip from a person's home to work is attributed to the housing unit and the trip from work back home is attributed to the employer.

However, an additional adjustment is necessary to capture City residents' work bound trips that are outside of the city. The trip adjustment factor includes two components. According to the National Household Travel Survey (2009), home-based work trips are typically 31 percent of out-bound trips (which are 50 percent of all trip ends). Also, utilizing the most recent data from the Census Bureau's web application "OnTheMap", 51 percent of Fort Collins workers travel outside the city for work. In combination, these factors account for 8 percent of additional production trips (0.31 x 0.50 x 0.51 = 0.08). Shown in Figure 23, the total adjustment factor for residential housing units includes attraction trips (50 percent of trip ends) plus the journey-to-work commuting adjustment (8 percent of production trips) for a total of 58 percent.

Figure 23. Residential Trip Adjustment Factor for Commuters

Employed Fort Collins Residents (2019)	73,469
Residents Working in the City (2019)	36,223
Residents Commuting Outside of the City for Work	37,246
Percent Commuting Out of the City	51%
Additional Production Trips	**8%**

Standard Trip Adjustment Factor	**50%**
Residential Trip Adjustment Factor	**58%**

Source: U.S. Census, OnTheMap Application, 2019

NONRESIDENTIAL VEHICLE TRIPS

Vehicle trip generation for nonresidential land uses are calculated by using ITE's average daily trip end rates and adjustment factors found in their recently published 11th edition of *Trip Generation*. To estimate the trip generation in Fort Colins, the weekday trip end per 1,000 square feet factors highlighted in Figure 24 are used.

Figure 24. Institute of Transportation Engineers Nonresidential Factors

Employment Industry	ITE Code	Land Use	Demand Unit	Wkdy Trip Ends Per Dmd Unit	Wkdy Trip Ends Per Employee
Industrial	110	Light Industrial	1,000 Sq Ft	4.87	3.10
Institutional	610	Hospital	1,000 Sq Ft	10.77	3.77
Retail	820	Shopping Center	1,000 Sq Ft	37.01	17.42
Office	710	General Office	1,000 Sq Ft	10.84	3.33

Source: *Trip Generation* , Institute of Transportation Engineers, 11th Edition (2021)

For nonresidential land uses, the standard 50 percent adjustment is applied to office, industrial, and institutional. A lower vehicle trip adjustment factor is used for retail because this type of development attracts vehicles as they pass-by on arterial and collector roads. For example, when someone stops at a convenience store on their way home from work, the convenience store is not their primary destination.

In Figure 25, the Institute for Transportation Engineers' land use code, daily vehicle trip end rate, and trip adjustment factor is listed for each land use.

Figure 25. Daily Vehicle Trip Factors

Land Use	ITE Codes	Daily Vehicle Trip Ends	Trip Adj. Factor
Residential (per housing unit)			
Single Family	210	12.70	58%
Multifamily	220	6.00	58%
Nonresidential (per 1,000 square feet)			
Industrial	110	4.87	50%
Institutional	610	10.77	50%
Retail	820	37.01	38%
Office	710	10.84	50%

Source: Trip Generation, Institute of Transportation Engineers, 11th Edition (2021); National Household Travel Survey, 2009

Residential Trip Generation by Housing Unit Size (sq. ft.)

As an alternative to simply using average trip generation rates for residential development by housing type, TischlerBise has derived custom trip rates using demographic data for Fort Collins. Key inputs needed for the analysis (i.e., average number of persons and vehicles available per housing unit) are available from the U.S. Census Bureau's American Community Survey (ACS).

Fort Collins Control Totals

As previously shown in Figure 12, Fort Collins averages 2.26 residents per housing unit. Single family includes detached and attached dwellings and manufactured housing. Duplexes and apartments are combined as multifamily. The average number of persons per housing unit in Fort Collins will be compared to national averages derived from traffic studies tabulated by the Institute of Transportation Engineers (ITE).

Trip generation rates are also dependent upon the average number of vehicles available per dwelling. Figure 26 indicates vehicles available by housing type within Fort Collins. As expected, single family housing has more vehicles available per dwelling (1.95) than multifamily housing (1.67).

Figure 26. Vehicles Available per Housing Unit

Tenure	Vehicles Available [1]	Households [2]			Vehicles per Household by Tenure
		Single Family	Multifamily	Total	
Owner-occupied	74,579	33,116	2,493	35,609	2.09
Renter-occupied	55,237	11,226	20,369	31,595	1.75
Total	129,816	44,342	22,862	67,204	1.93

Housing Type	Vehicles Available	Housing Units [3]	Vehicles per Housing Unit
Single Family	88,984	45,625	1.95
Multifamily	40,832	24,496	1.67
Total	129,816	70,121	**1.85**

[1] Vehicles available by tenure from Table B25046, American Community Survey, 2017-
[2] Households by tenure and units in structure from Table B25032, American Community Survey, 2021
[3] Housing units from Table B25024, American Community Survey, 2021

Demand Indicators by Dwelling Size

Custom tabulations of demographic data by bedroom range can be created from individual survey responses provided by the U.S. Census Bureau, in files known as Public Use Microdata Samples (PUMS). Because PUMS files are available for areas of roughly 100,000 persons, Fort Collins is included in Public Use Microdata Area (PUMA) 103 that covers the northern portion of Larimer County. At the top of Figure 27, cells with yellow shading indicate the survey results, which yield the unadjusted number of persons and vehicles available per dwelling. These multipliers are adjusted to match the control totals for Fort Collins, as documented in Figure 12 and Figure 26.

In comparison to the national averages based on ITE traffic studies, Fort Collins has fewer persons per dwelling, but a greater number of vehicles available per dwelling. Rather than rely on one methodology, the recommended multipliers shown below with grey shading and bold numbers are an average of trip rates based on persons and vehicles available (all types of housing units combined). In Fort Collins, the average housing unit is estimated to yield an 8.40 Average Weekday Vehicle Trip Ends (AWVTE).

Figure 27. Average Weekday Vehicle Trips Ends by Bedroom Range

Bedroom Range	Persons[1]	Vehicles Available[1]	Housing Units[1]	Housing Mix	Unadjusted Persons/HU	Adjusted Persons/HU[2]	Unadjusted VehAvl/HU	Adjusted VehAvl/HU[2]
0-1	457	386	388	8.6%	1.18	1.17	0.99	0.97
2	1,885	1,678	1,117	24.6%	1.69	1.68	1.50	1.47
3	3,585	3,217	1,542	34.0%	2.32	2.30	2.09	2.05
4+	4,410	3,630	1,487	32.8%	2.97	2.94	2.44	2.39
Total	10,337	8,911	4,534		2.28	2.26	1.97	1.93

National Averages According to ITE (Trip Generation Manual, 11th Edition, 2021)

ITE Code	AWVTE per Person	AWVTE per Vehicle Available	AWVTE per Household	Housing Mix	Persons per Household	Veh Avl per Household
221 Apt	1.84	5.10	4.54	35%	2.47	0.89
210 SFD	2.65	6.36	9.43	65%	3.56	1.48
Wgtd Avg	2.37	5.92	7.72		3.18	1.27

Recommended AWVTE per Dwelling Unit by Bedroom Range

Bedroom Range	AWVTE per HU Based on Persons[3]	AWVTE per HU Based on Vehicles Available[4]	AWVTE per Housing Unit[5]
0-1	2.77	5.74	**4.26**
2	3.98	8.70	**6.34**
3	5.45	12.14	**8.80**
4+	6.97	14.15	**10.56**
Total	5.36	11.43	**8.40**

1. American Community Survey, Public Use Microdata Sample for CO PUMA 00103 (2017-2021 5-Year).
2. Adjusted multipliers are scaled to make the average PUMS values match control totals for Fort Collins, based on American Community Survey (2017-2021 5-Year).
3. Adjusted persons per housing unit multiplied by national weighted average trip rate per person.
4. Adjusted vehicles available per housing unit multiplied by national weighted average trip rate per vehicle available.
5. Average of trip rates based on persons and vehicles available per housing unit.

AWVTE per Dwelling by House Type

ITE Code	AWVTE per HU Based on Persons[3]	AWVTE per HU Based on Vehicles Available[4]	AWVTE per Housing Unit[5]	Fort Collins Persons/HU	Fort Collins VehAvl/HU
221 Apt	4.10	9.89	7.00	1.73	1.67
210 SFD	6.02	11.54	8.78	2.54	1.95
All Types	5.36	11.44	8.40	2.26	1.93

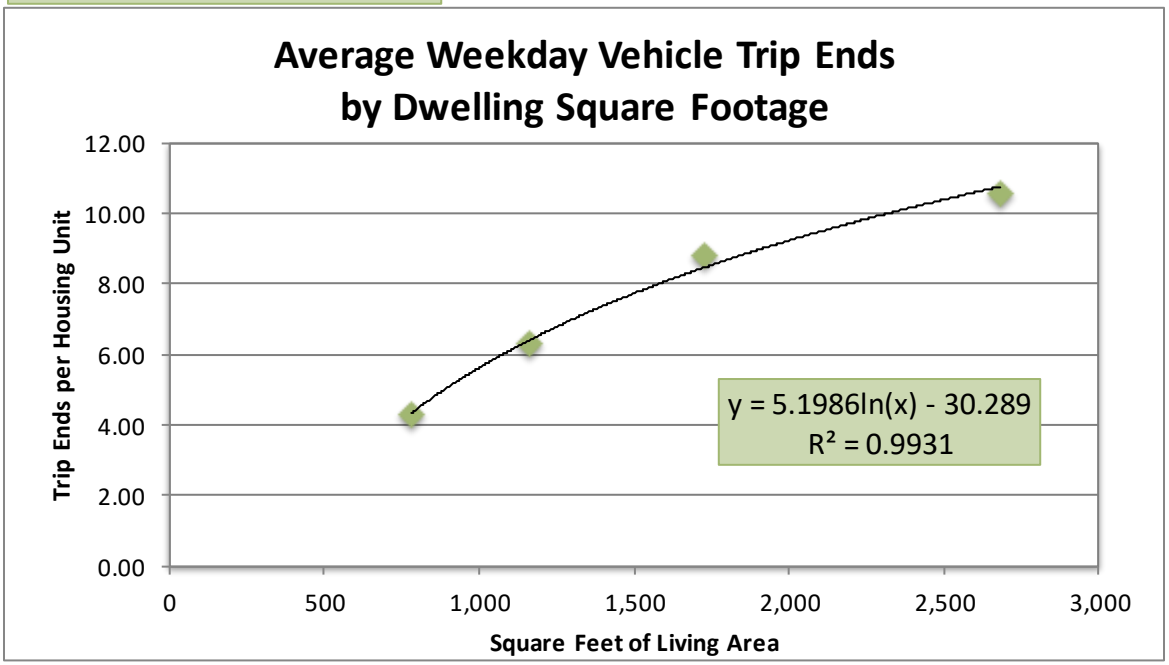
To derive average weekday vehicle trip ends by dwelling size, TischlerBise matched trip generation rates and average floor area, by bedroom range, as shown in Figure 28. Floor area averages were calculated with certificate of occupancies issued from 2020 through 2022. The logarithmic trend line formula is derived from the four actual averages in Fort Collins. The trend line is then used to derive estimated trip ends by dwelling size thresholds.

In 2017, TischlerBise completed the previous TCEF for Fort Collins. At that time, the average size home (1,701 to 2,200 square feet) was estimate to generate 8.92 daily vehicle trip ends. Compared to the updated average rate of 9.72 vehicle trip ends, the average size home has increased by 8 percent.

Figure 28. Residential Vehicle Trip Ends by Dwelling Size

Unit size ranges are based on current fee schedule and consistent with residential certificates of occupancy issued from 2020-2022. Average weekday vehicle trip ends per housing unit are derived from 2021 ACS PUMS data for the area that includes Fort Collins.

Actual Averages per Hsg Unit			*Fitted-Curve Values*	
Bedrooms	*Square Feet*	*Trip Ends*	*Sq Ft Range*	*Trip Ends*
0-1	781	4.26	up to 700	3.77
2	1,162	6.34	701 to 1,200	6.57
3	1,729	8.80	1,201 to 1,700	8.38
4+	2,684	10.56	1,701 to 2,200	9.72
			over 2,200	10.79



APPENDIX B – ACTIVE MODES PROJECT LISTS

Below are pages from the Fort Collins Active Modes Plan (2022) listing the high and medium priority/readiness projects.

Figure 29. High Priority/Readiness Projects

High Priority/Readiness Projects

In the near term, to achieve the goals of improving safety and increasing mode share, the focus is placed on quick wins—projects that can be readily implemented and will have immediate impact.

Project Focus	PID	Street	Cross-Street or Extents	Treatment	Length (mi)	Outcomes Score	Imple. Score	Cost Opinion (2022)
Pedestrian	7	Drake	Timberline	Signal Operations	Spot	44	8	$ 206,000
			Lemay	Geometric Redesign	Spot			
			Shields	Signal Operations	Spot			
		Shields St	Casa Grande	Signal Operations	Spot			
Pedestrian	46	Harmony Rd	Mason	Signal Operations	Spot	44	8	$ 206,000
			Boardwalk	Signal Operations	Spot			
			Lemay	Signal Operations	Spot			
			Starflower	Geometric Redesign	Spot			
Pedestrian	1	College Ave	Willow	Signal Operations	Spot	44	7	$ 109,000
			Laporte	Signal Operations	Spot			
			Mountain	Signal Operations	Spot			
			Olive	Signal Operations	Spot			
			Magnolia	Signal Operations	Spot			
Pedestrian	4	Mulberry St	College	Signal Operations	Spot	44	7	$ 453,000
			Mason	Signal Operations	Spot			
			Loomis	Geometric Redesign	Spot			
			Shields	Signal Operations	Spot			
			Taft Hill	Signal Operations	Spot			
			Whitcomb / Canyon	Geometric Redesign	Spot			
Pedestrian	11	Willow St	Linden	High-Visibility Crosswalk	Spot	46	3	$ 50,000
			Lincoln	Beacon / RRFB	Spot			
Pedestrian	29	Taft Hill Rd	Prospect	Signal Operations	Spot	40	8	$ 153,000
			Valley Forge	Geometric Redesign	Spot	40	8	
Pedestrian	3	College Ave	Monroe	Signal Operations	Spot	42	6	$ 303,000
			Rutgers	Geometric Redesign	Spot			
			Columbia	Geometric Redesign	Spot			
Pedestrian	9*	Shields St	Plum	Geometric Redesign	Spot	44	4	$ 600,000
		Elizabeth St	Shields	Geometric Redesign	Spot			
			Taft Hill	Geometric Redesign	Spot			
			Constitution	Geometric Redesign	Spot			
Bicycle	61	Taft Hill Rd	Glenmoor	Signals	Spot	45	2	$ 600,000
Pedestrian	2	College Ave	Laurel	Signal Operations	Spot	44	3	$ 343,000
			Prospect	Geometric Redesign	Spot			
		Mason Trail	Prospect	Geometric Redesign	Spot			
Pedestrian	10	Mason St	Mountain	Signal Operations	Spot	38	7	$ 6,000
			Olive	Signal Operations	Spot			
Bicycle	51	W Prospect Rd	Sheely Dr	Signals	Spot	40	5	$ 600,000
Bicycle	33	E Magnolia St	Remington St	Signs & Markings	Spot	40	4	$ 3,000

*Project includes a partner such as Colorado DOT, Larimer County, or Colorado State University

Figure 30. High Priority/Readiness Projects cont.

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Project Focus	PID	Street	Cross-Street or Extents	Treatment	Length (mi)	Outcomes Score	Imple. Score	Cost Opinion (2022)
Pedestrian	5	Mulberry St	Stover	Beacon / RRFB	Spot	40	4	$ 1,302,000
			Remington	Median / Diverter	Spot			
			Peterson	New Crossing	Spot			
Bicycle	30	Mountain Ave, Lincoln Ave	N Howes St - Willow St	Buffered Bike Lane, Separated Bike Lane	0.5	38	6	$ 193,000
Pedestrian	31	Harmony Rd	Corbett	Geometric Redesign	Spot	37	7	$ 200,000
			Timberline	Signal Operations	Spot			
Bicycle	52	W Lake St	S Shields St - S Mason St	Separated Bike Lane	1.2	39	5	$ 251,000
Bicycle	50	E Vine Dr	Jerome St	Signals	Spot	42	2	$ 600,000
Pedestrian	22	Lemay Ave	Prospect	Signal Operations	Spot	36	7	$ 100,000
			Stuart	Signal Operations	Spot			
Bicycle	39	S Shields St	W Mulberry St - Davidson Dr	Separated Bike Lane	1.6	38	5	$ 1,489,000
Bicycle	32	Magnolia St	S Sherwood St - Whedbee St	Bike Boulevard	0.8	37	5	$ 29,000
Bicycle	41	S Shields St	W Lake St	Two-Way Sidepath	Spot	34	8	$ 29,000
Pedestrian	21	Lemay	Mulberry	Geometric Redesign	Spot	39	3	$ 150,000
Bicycle	2	E Elizabeth St	S College Ave	Intersection redesign	Spot	37	4	$ 585,000
Bicycle	7	S Taft Hill Rd	W Elizabeth St - W Horsetooth Rd	Separated Bike Lane	2.5	34	7	$ 707,000
Bicycle	52	City Park Ave	W Mulberry St	Signals	Spot	35	6	$ 600,000
Bicycle	6	S Taft Hill Rd	Laporte Ave - W Elizabeth St	Separated Bike Lane	1.1	34	6	$ 279,000
Bicycle	12	Birch St	S Shields St	Signs & Markings	Spot	34	6	$ 3,000
Bicycle	28	Jefferson St	N College Ave - E Mountain Ave	Separated Bike Lane	0.5	35	5	$ 116,000
Pedestrian	40	Shields	Stuart	Geometric Redesign	Spot	36	4	$ 150,000
Pedestrian	15	Mason	Maple	Geometric Redesign	Spot	38	2	$ 150,000
Bicycle	35	Birch St, Crestmore Pl, Skyline Dr	Orchard Pl - City Park Ave	Bike Boulevard	1.4	32	7	$ 6,000
Bicycle	36	Glenmoor Dr, W Plum St	S Taft Hill Rd - Skyline Dr	Bike Boulevard	1.1	32	7	$ 3,000
Bicycle	50	Springfield Dr	Castlerock Dr - S Shields St	Bike Boulevard	0.6	32	7	$ 6,000
Bicycle	12	S Shields St	W Mountain Ave - W Mulberry St	Separated Bike Lane	2.2	31	7	$ 111,000
Pedestrian	67	Horsetooth	Platte	Median / Diverter	Spot	33	6	$ 234,000
			Auntie Stone	Median / Diverter				
Bicycle	47	Castlerock Dr, Lake St, Skyline Dr, Clearview Ave	S Taft Hill Rd - W Elizabeth St	Bike Boulevard	3.5	34	5	$ 5,000
Bicycle	58*	Gillette Dr	Phemister Rd - W Drake Rd	Separated Bike Lane	3.0	34	5	$ 135,000
Bicycle	76	E Horsetooth Rd	S Lemay Ave - Ziegler Rd	Separated Bike Lane	0.7	34	5	$ 561,000
Bicycle	11	Conifer St	N College Ave	Intersection redesign	Spot	34	5	$ 585,000
Bicycle	57	Centre Ave	S Shields St - Phemister Rd	Separated Bike Lane	1.0	35	4	$ 347,000
Bicycle	40	S Shields St	Davidson Dr - Hilldale Dr	Separated Bike Lane	0.1	32	6	$ 777,000

*Project includes a partner such as Colorado DOT, Larimer County, or Colorado State University

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Figure 31. High Priority/Readiness Projects cont.

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Project Focus	PID	Street	Cross-Street or Extents	Treatment	Length (mi)	Outcomes Score	Imple. Score	Cost Opinion (2022)
Bicycle	11	Laporte Ave	Fishback Ave - N Washington Ave	Bike Lane	1.7	33	5	$ 61,000
Bicycle	104	Boardwalk Dr	JFK - Harmony	Buffered Bike Lane	0.3	33	5	$ 51,000
Pedestrian	72	Riverside Ave	Prospect Rd	Geometric Redesign	Spot	33	5	$ 150,000
Bicycle	64	Drake Rd	S Taft Hill Rd - Tulane Dr	Separated Bike Lane	0.3	34	3	$ 1,312,000
Bicycle	74	W Horsetooth Rd	Richmond Dr - S Mason St	Sidepath (both sides)	0.8	34	3	$ 2,594,000
Bicycle	51*	W Pitkin St	S Shields St - S College Ave	Separated Bike Lane	0.7	33	4	$ 1,314,000
Pedestrian	13	Magnolia	Sherwood	Geometric Redesign	Spot	33	3	$ 903,000
			Loomis	Geometric Redesign	Spot			
			Meldrum	Geometric Redesign	Spot			
			Washington	High-Visibility Crosswalk	Spot			
Pedestrian	12	Olive	Remington	Geometric Redesign	Spot	34	2	$ 300,000
			Mathews	Geometric Redesign	Spot			
Bicycle	40	N Roosevelt Ave	Laporte Ave	Signals	Spot	30	5	$ 600,000
Pedestrian	60	Ziegler	Saber Cat	Beacon / RRFB	Spot	29	6	$ 32,000
Bicycle	44	Centre Ave	W Lake St	Intersection redesign	Spot	35	0	$ 585,000
Bicycle	59	Booth Rd	Tietz Dr - Bay Rd	Sidepath (one side)	0.5	32	3	$ 130,000
Bicycle	62	S Lemay Ave	E Stuart St - E Horsetooth Rd	Sidepath (both sides)	0.2	32	3	$ 4,439,000
Bicycle	62	Spring Creek Trail	Taft Hill Rd	New connection	Spot	32	3	$ 320,000
Pedestrian	30	Taft Hill	Lake	New Crossing	Spot	32	2	$ 585,000
Bicycle	7	E Horsetooth Rd	Kingsley Dr	Signals	Spot	27	6	$ 600,000
Bicycle	1	E Prospect St	Stover St	Two-Way Sidepath	Spot	27	6	$ 29,000
Bicycle	48	S Howes St	W Laurel St	Signs & Markings	Spot	29	4	$ 3,000
Bicycle	39	S College Ave	Rutgers Ave	New connection	Spot	32	1	$ 320,000
Bicycle	26	W Stuart St	S Taft Hill Rd (Project #1)	Two-Way Sidepath	Spot	26	5	$ 29,000
Bicycle	34	Riverside Ave	E Mulberry St	Intersection redesign	Spot	29	2	$ 585,000
Bicycle	46	Jackson Ave	W Mulberry St	Two-Way Sidepath	Spot	23	6	$ 29,000
Pedestrian	48	Cinquefoil	Kechter	Median / Diverter	Spot	21	4	$ 32,000
Bicycle	20	S Timberline Rd	E Lincoln Ave	Intersection redesign	Spot	21	2	$ 585,000
Pedestrian	25	Frey	Laporte	Geometric Redesign	Spot	21	2	$ 150,000
Pedestrian	75	Mason Trail	Prospect Rd	Beacon / RRFB	Spot	18	3	$ 600,000
Pedestrian	34	Timberline	Horsetooth	Geometric Redesign	Spot	17	3	$ 150,000
Bicycle	8	E Horsetooth Rd	Caribou Dr	Signals	Spot	18	2	$ 600,000

High-Priority/Readiness Phase, Opinion of Probable Cost: $30,400,000 over five years (2022 costs)

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Figure 32. Medium Priority/Readiness Projects

Medium Priority/Readiness Projects

In the medium priority/readiness phase of implementation, program resources and capacity grow to deliver more and more complex projects.

Project Type	PID	Street	Cross-Street or Extents	Treatment	Length (mi)	Outcomes Score	Imple. Score	Cost Opinion (2022)
Bicycle	24	Timberline Rd	Annabel Ave - E Prospect Rd	Separated Bike Lane	1.8	31	6	$ 605,000
Bicycle	65	E Drake Rd	Tulane Dr - Rigden Pkwy	Sidepath (both sides)	0.5	34	2	$ 5,817,000
Bicycle	75	E Horsetooth Rd	Mitchell Dr - S Lemay Ave	Sidepath (both sides)	0.3	34	2	$ 2,941,000
Bicycle	46	Clearview Ave	Ponderosa Dr - Skyline Dr	Bike Boulevard	1.0	30	6	$ 4,000
Bicycle	48	W Lake St	S Overland Tr - S Taft Hill Rd	Bike Boulevard	1.1	30	6	$ 7,000
Bicycle	69	Worthington Ave	W Drake Rd - W Swallow Rd	Bike Boulevard	1.6	30	6	$ 4,000
Pedestrian	19	3rd St	Lincoln	Beacon / RRFB	Spot	30	6	$ 32,000
Pedestrian	20	Riverside	Lemay	Geometric Redesign	Spot	31	5	$ 150,000
Bicycle	67	Water Blossom Ln, Willow Fern Way	W Drake Rd - Marshwood Dr	Bike Boulevard	1.0	28	7	$ 2,000
Bicycle	56*	Rolland Moore Dr, Phemister Rd	S Shields St - Bay Rd	Separated Bike Lane, Bike Lane	1.7	30	5	$ 331,000
Bicycle	85	Harmony Rd	S Taft Hill Rd - S Lemay Ave	Separated Bike Lane	2.6	30	5	$ 1,218,000
Bicycle	29	Linden St	Walnut St - Jefferson St	Bike Route	1.0	30	5	$ 7,000
Bicycle	80	John F Kennedy Pkwy, E Troutman Pkwy	E Horsetooth Rd - E Harmony Rd	Separated Bike Lane, Buffered Bike Lane	1.2	26	8	$ 383,000
Bicycle	66	E Drake Rd, Ziegler Rd	Rigden Pkwy - William Neal Pkwy	Separated Bike Lane	1.4	27	7	$ 195,000
Bicycle	38	Laurel St	S Shields St - S Howes St	Separated Bike Lane, Buffered Bike Lane	0.2	28	6	$ 371,000
Bicycle	42	Pennock Pl	all	Bike Boulevard	1.4	28	6	$ 1,000
Pedestrian	65	Center	Phemister	Beacon / RRFB	Spot	28	6	$ 32,000
Bicycle	99	Howes St	W Mountain Ave - W Laurel St	Buffered Bike Lane	0.5	30	4	$ 58,000
Bicycle	14	Mcmurry Ave	E Harmony Rd	Intersection redesign	Spot	30	4	$ 585,000
Bicycle	60	East Spring Creek Trail	Lemay Ave	Two-Way Sidepath	Spot	30	4	$ 29,000
Bicycle	54	E Suniga Rd	Jerome St	Signs & Markings	Spot	31	3	$ 3,000
Bicycle	2	N Shields St	W Willox Ln - W Mountain Ave	Separated Bike Lane	0.9	27	6	$ 433,000
Bicycle	26	S Timberline Rd	Vermont Dr - Battlecreek Dr	Separated Bike Lane	2.0	27	6	$ 708,000
Bicycle	63	W Drake Rd	S Overland Tr - S Taft Hill Rd	Separated Bike Lane	1.1	27	6	$ 299,000
Bicycle	27	Skyline Dr	W Prospect Rd	Signals	Spot	28	5	$ 600,000
Pedestrian	16	College	Myrtle	Geometric Redesign	Spot	30	3	$ 117,000
Pedestrian	43	College	Willox	Signal Operations	Spot	30	3	$ 50,000

*Project includes a partner such as Colorado DOT, Larimer County, or Colorado State University

Figure 33. Medium Priority/Readiness Projects cont.

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Project Type	PID	Street	Cross-Street or Extents	Treatment	Length (mi)	Outcomes Score	Imple. Score	Cost Opinion (2022)
Bicycle	25	S Timberline Rd	E Prospect Rd - Vermont Dr	Separated Bike Lane	0.4	25	7	$ 414,000
Bicycle	10	West St, Maple St	N Roosevelt Ave - N Shields St	Bike Boulevard	0.5	26	6	$ 5,000
Bicycle	21	Redwood St, Linden St	Conifer St - Linden Center Dr	Buffered Bike Lane	0.8	26	6	$ 41,000
Bicycle	60	Purdue Rd, Tulane Dr, Mathews St, Rutgers Ave	S College Ave - E Swallow Rd	Bike Boulevard	0.6	26	6	$ 9,000
Pedestrian	55	Redwood	Conifer	High-Visibility Crosswalk	Spot	27	5	$ 36,000
			Suniga	High-Visibility Crosswalk	Spot			
Bicycle	37	W Elizabeth St	S Overland Tr - CSU Transit Center	Separated Bike Lane	6.8	28	4	$ 4,062,000
Bicycle	28	Heatheridge Rd	W Prospect Rd	Signals	Spot	28	4	$ 600,000
Pedestrian	14	Sherwood	Cherry	High-Visibility Crosswalk	Spot	30	2	$ 168,000
			Maple	Geometric Redesign	Spot			
Bicycle	58	Willox Ln	Blue Spruce	Signals	Spot	31	1	$ 600,000
Pedestrian	41	Timberline	Mulberry	Geometric Redesign	Spot	31	1	$ 150,000
Bicycle	44	S Lemay Ave	Riverside Ave - E Stuart St	Separated Bike Lane	1.6	25	6	$ 740,000
Bicycle	45	E Elizabeth St	S College Ave - S Lemay Ave	Buffered Bike Lane, Bike Lane	1.9	26	5	$ 90,000
Bicycle	98	Loomis Ave	Laporte Ave - W Mulberry St	Buffered Bike Lane	0.6	26	5	$ 31,000
Pedestrian	61	Timberline	International	New Crossing	Spot	26	5	$ 632,000
			Sykes	Beacon / RRFB	Spot			
Pedestrian	56	Willox	Bramblebush	Beacon / RRFB	Spot	27	4	$ 32,000
Bicycle	43*	Phemister Rd	Mason Trail	New connection	Spot	28	3	$ 320,000
Bicycle	103	E Lincoln Ave	Lemay - Timberline	Separated Bike Lane	0.9	30	1	$ 3,019,000
Bicycle	27	N Loomis Ave	Cherry St - Laporte Ave	Bike Boulevard	1.0	24	6	$ 2,000
Bicycle	34	Ponderosa Dr, Fuqua Dr, Clearview Ave	W Mulberry St - W Prospect Rd	Bike Boulevard	0.6	24	6	$ 8,000
Bicycle	49	Underhill Dr, Skyline Dr	Springfield Dr - Westbridge Dr	Bike Boulevard	1.4	24	6	$ 3,000
Bicycle	53	Emigh St, McHugh St, Welch St	E Elizabeth St - E Prospect Rd	Bike Boulevard	1.0	24	6	$ 4,000
Bicycle	61	Brookwood Dr, Rollingwood Ln, Silverwood Dr, Oxborough Ln	E Stuart St - Centennial Rd	Bike Boulevard	3.1	24	6	$ 10,000
Bicycle	89	S Lemay Ave	E Harmony Rd - Carpenter Rd	Separated Bike Lane	1.1	25	5	$ 830,000
Bicycle	49*	S College Ave	W/E Swallow Rd	Signs & Markings	Spot	25	5	$ 3,000
Bicycle	41*	Meridian Ave	W Plum St - Hughes Way	Separated Bike Lane	2.5	26	4	$ 682,000

*Project includes a partner such as Colorado DOT, Larimer County, or Colorado State University

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Figure 34. Medium Priority/Readiness Projects cont.

Project Type	PID	Street	Cross-Street or Extents	Treatment	Length (mi)	Outcomes Score	Imple. Score	Cost Opinion (2022)
Pedestrian	53	JFK	Monroe	Geometric Redesign	Spot	26	4	$ 150,000
Pedestrian	74	Troutman Pkwy	Boardwalk	Geometric Redesign	Spot	26	4	$ 150,000
Bicycle	73	W Horsetooth Rd	Horsetooth Ct - Richmond Dr	Sidepath (both sides)	3.6	28	2	$ 3,599,000
Bicycle	20	Conifer St	N College Ave - N Lemay Ave	Buffered Bike Lane	0.4	24	5	$ 97,000
Bicycle	18*	Turnberry Rd	Country Club Rd - Mountain Vista Dr	Separated Bike Lane	0.9	25	4	$ 1,254,000
Pedestrian	63	Lake	West of Whitcomb	Beacon / RRFB	Spot	25	4	$ 32,000
Pedestrian	66	Prospect	Whedbee	New Crossing	Spot	25	4	$ 600,000
Bicycle	23	E Vine Dr	Linden St - I-25	Sidepath (one side)	0.1	27	2	$ 4,447,000
Bicycle	83	S Lemay Ave	E Horsetooth Rd - E Harmony Rd	Sidepath (both sides)	3.0	27	2	$ 2,689,000
Pedestrian	44*	College Ave	Palmer	Beacon / RRFB	Spot	27	2	$ 1,200,000
			Saturn	Beacon / RRFB	Spot			
Bicycle	45	Red St	Canal Crossing	New connection	Spot	28	1	$ 320,000
Bicycle	56	Horsetooth	Seneca	Signals	Spot	24	4	$ 600,000
Pedestrian	69	Mason	Boardwalk	High-Visibility Crosswalk	Spot	24	4	$ 18,000
Bicycle	81	W County Road 38E	Red Fox Rd - S Taft Hill Rd	Sidepath (both sides)	0.4	25	3	$ 1,600,000
Bicycle	97	Overland Trail	W Vine Dr - W Drake Rd	Separated Bike Lane	0.3	25	3	$ 7,624,000
Pedestrian	71	JFK Pkwy	Pavilion	New Crossing	Spot	23	4	$ 585,000
Pedestrian	45*	College	Fossil Creek	Geometric Redesign	Spot	25	2	$ 190,000
Bicycle	64	Willox Ln	Lemay Ave	Intersection redesign	Spot	26	1	$ 585,000
Pedestrian	62	Shields	Laurel	Beacon / RRFB	Spot	21	5	$ 600,000
Pedestrian	6	Shields	Laporte	Geometric Redesign	Spot	17	8	$ 50,000
Pedestrian	33	Timberline	Vermont	Geometric Redesign	Spot	19	6	$ 117,000
Pedestrian	52	Harmony	Silvergate	Beacon / RRFB	Spot	21	4	$ 117,000
Pedestrian	59	Laporte	Impala	High-Visibility Crosswalk	Spot	19	5	$ 32,000
Pedestrian	42	Airpark	Lincoln	New Crossing	Spot	20	1	$ 585,000
Pedestrian	27	Overland Trail	Mulberry	Beacon / RRFB	Spot	16	4	$ 1,185,000
			Rampart	New Crossing	Spot			
Pedestrian	35	Miles House	Drake	New Crossing	Spot	11	6	$ 600,000
Pedestrian	49	Lemay	Brittany	New Crossing	Spot	17	2	$ 632,000
		Trilby		Beacon / RRFB	Spot			

Medium Priority/Readiness Projects, Opinion of Probable Cost: $57,100,000 over five years (2022 costs)

Draft Report

2023 Capital Expansion Fee Study

The Economics of Land Use

Prepared for:
City of Fort Collins, Colorado

Prepared by:
Economic & Planning Systems, Inc.

November 21, 2023

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1. Executive Summary

Introduction

This Report was prepared by Economic & Planning Systems (EPS) for the City of Fort Collins to update its Capital Expansion Fee (CEF) program. CEFs are the City's term for what are defined as impact fees under State of Colorado law. The Report documents costs and other supporting data to provide the nexus and proportionality requirements needed to adopt impact fees to comply with State of Colorado law and other case law regarding development charges. Capital Expansion fee calculations are provided for the following fee categories currently levied by the City on new development:

- Neighborhood Parks
- Community Parks
- Police
- Fire Protection
- General Government

Current Capital Expansion Fee Program

The City collects impact fees or CEFs for neighborhood parks, community parks, fire protection, police, general government, and transportation (**Table 1**). The transportation impact fee is known as the Transportation Capital Expansion Fee or TCEF. The TCEF is currently undergoing an update contained in a separate study.

Residential capital expansion fees are charged per dwelling unit with the fees varying by the size of the dwelling unit, as large units have larger average household sizes than smaller units. The current residential CEFs (including the TCEF) range from a total of $9,296 for dwelling units up to 700 square feet to $19,049 for units over 2,200 square feet. These fees apply to all dwelling unit types (e.g., single family and multifamily) and are applied based on the gross square feet in the building permit application.

In total, nonresidential CEFs are $12,737 per 1,000 sq. ft. ($12.74 per sq. ft.) for commercial buildings, $10,118 per 1,000 sq. ft. ($10.12 per sq ft.) for office/other service buildings, and $3,021 per 1,000 sq. ft. ($3.02 per sq. ft.) for industrial buildings. Capital expansion fees are collected typically at the time of building permit for building construction.

Table 1. Current Capital Expansion Fees

Land Use Type	Neighborhood Park	Community Park	Fire	Police	General Government	TCEF (Transportation)	Total
Residential (per dwelling)							
Up to 700 sq. ft.	$2,108.00	$2,977.00	$516.00	$289.00	$703.00	$2,703.00	**$9,296.00**
700 - 1,200 sq. ft.	$2,822.00	$3,985.00	$698.00	$391.00	$948.00	$5,020.00	**$13,864.00**
1,201 - 1,700 sq. ft.	$3,082.00	$4,351.00	$759.00	$425.00	$1,035.00	$6,518.00	**$16,170.00**
1,701 - 2,200 sq. ft.	$3,114.00	$4,396.00	$772.00	$431.00	$1,051.00	$7,621.00	**$17,385.00**
Over 2,200 sq. ft.	$3,470.00	$4,901.00	$859.00	$480.00	$1,170.00	$8,169.00	**$19,049.00**
Nonresidential (per 1,000 sq. ft.)							
Commercial	$0.00	$0.00	$650.00	$364.00	$1,777.00	$9,946.00	**$12,737.00**
Office and Other Services	$0.00	$0.00	$650.00	$364.00	$1,777.00	$7,327.00	**$10,118.00**
Industrial	$0.00	$0.00	$152.00	$85.00	$419.00	$2,365.00	**$3,021.00**

Source: City of Fort Collins; Economic & Planning Systems

Proposed Updated Capital Expansion Fee Program

This Report documents the calculations for a new capital expansion fee program with the following proposed changes.

New Fee Land Use Types

A new fee for land use comprised of offices and other services is proposed. Traditionally, office and other services impact fees have been charged at the same rate as retail/commercial developments. However, the TCEF fees have been charging office and other service impact fees at a different rate than retail/commercial developments. To create consistency between the CEF and TCEF fees, EPS is proposing that office and other services impact fees be added to the fee schedule to create more consistency with the TCEF fees.

Updated Capital Expansion Fees

This report provides calculations of the maximum capital expansion fees that the City may charge, supported by this nexus and proportionality analysis. The law allows City Council to adopt the full fees determined in this report, or to adopt lower fees for a variety of policy reasons determined to be in the interest of the City. The proposed maximum residential and nonresidential capital expansion fees are shown below in **Table 2**.

Updated residential fees range from $6,684 to $13,893 (**Table 2**). The range in residential fees is based on the average household size in each size category and dwelling unit type. Larger homes tend to have larger household sizes, creating more impact on public facilities. Increases in the residential fees range from 1.4 percent to 27.7 percent. For smaller residences, the fee percent increase is lower due to the proportionally larger decrease in average household size for smaller units. For example, the household size in housing units smaller than 700 square feet decreased from 1.78 in 2017 to 1.40 in 2023. Meanwhile, units over 2,200 square feet only decreased by 0.04 persons per dwelling unit from 2.95 in 2017 to 2.91 in 2023.

Fees vary according to the employment and customer/visitor generation factors for each land use type explained further in Chapter 2. Nonresidential fees range from $953.13 to $3,673.89 per 1,000 square feet. Changes in the nonresidential fees range from a decrease of 28.0 percent for office and other services to an increase of 45.3 percent for industrial land uses. The decrease in office and other services land uses is a result of updating the fee category to align with the TCEF fees as described in the previous section.

Table 2. Updated Residential and Nonresidential Capital Expansion Fees, 2023

Land Use Type	Parks Neighborhood Park	Parks Community Park	Fire	Police	General Government	Total
Update						
Residential (per dwelling)						
Up to 700 sq. ft.	$2,813.46	$2,140.12	$603.52	$381.89	$745.25	$6,684.24
700 - 1,200 sq. ft.	$4,260.38	$3,240.76	$913.90	$578.29	$1,128.52	$10,121.85
1,201 - 1,700 sq. ft.	$4,782.88	$3,638.21	$1,025.98	$649.21	$1,266.93	$11,363.21
1,701 - 2,200 sq. ft.	$5,144.61	$3,913.37	$1,103.58	$698.31	$1,362.74	$12,222.61
Over 2,200 sq. ft.	$5,847.97	$4,448.40	$1,254.46	$793.78	$1,549.06	$13,893.67
Nonresidential (per 1,000 sq. ft.)						
Retail/Commercial	$0.00	$0.00	$1,281.17	$810.68	$1,582.04	$3,673.89
Office and Other Services	$0.00	$0.00	$701.02	$443.58	$865.64	$2,010.24
Industrial	$0.00	$0.00	$332.38	$210.32	$410.43	$953.13
Current						
Residential (per dwelling)						
Up to 700 sq. ft.	$2,108.00	$2,977.00	$516.00	$289.00	$703.00	$6,593.00
700 - 1,200 sq. ft.	$2,822.00	$3,985.00	$698.00	$391.00	$948.00	$8,844.00
1,201 - 1,700 sq. ft.	$3,082.00	$4,351.00	$759.00	$425.00	$1,035.00	$9,652.00
1,701 - 2,200 sq. ft.	$3,114.00	$4,396.00	$772.00	$431.00	$1,051.00	$9,764.00
Over 2,200 sq. ft.	$3,470.00	$4,901.00	$859.00	$480.00	$1,170.00	$10,880.00
Nonresidential (per 1,000 sq. ft.)						
Retail/Commercial	$0.00	$0.00	$650.00	$364.00	$1,777.00	$2,791.00
Office and Other Services	$0.00	$0.00	$650.00	$364.00	$1,777.00	$2,791.00
Industrial	$0.00	$0.00	$152.00	$85.00	$419.00	$656.00
Percent Change						
Residential (per dwelling)						
Up to 700 sq. ft.	33.5%	-28.1%	17.0%	32.1%	6.0%	1.4%
700 - 1,200 sq. ft.	51.0%	-18.7%	30.9%	47.9%	19.0%	14.4%
1,201 - 1,700 sq. ft.	55.2%	-16.4%	35.2%	52.8%	22.4%	17.7%
1,701 - 2,200 sq. ft.	65.2%	-11.0%	43.0%	62.0%	29.7%	25.2%
Over 2,200 sq. ft.	68.5%	-9.2%	46.0%	65.4%	32.4%	27.7%
Nonresidential (per 1,000 sq. ft.)						
Retail/Commercial	--	--	97.1%	122.7%	-11.0%	31.6%
Office and Other Services	--	--	7.8%	21.9%	-51.3%	-28.0%
Industrial	--	--	118.7%	147.4%	-2.0%	45.3%

Source: City of Fort Collins; Economic & Planning Systems

Legal Standards for Impact Fees

Impact fees can be charged by local governments on new development to pay for capital facilities needed to serve growth. The State of Colorado has adopted a standard with the adoption of Senate Bill 15, codified as Section 29-20-104 and 104.5 of the Colorado Revised Statutes following a Colorado Supreme Court decision.

The Colorado Supreme Court ruled in Krupp v. Breckenridge Sanitation District (1999) that the District could assess an impact fee based on a set of development characteristics that reflect the general performance of a proposed use, rather than the specific conditions of an individual proposal. While traditional exactions are determined on an individual basis and applied on a case-by-case basis, an "impact fee" is calculated based on the impact of all new development and the same fee is shared to all new development in a particular class."[1] The finding of the Court distinguishes impact fees, as a legislatively adopted program applicable to a broad class of property owners, from traditional exactions, which are discretionary actions applicable to a single project or property owner.

In 2001, the State Legislature provided specific authority in adopting Senate Bill 15 that "provides that a local government may impose an impact fee or other similar development charge to fund expenditures by such local government on capital facilities needed to serve new development." The bill amended Title 29 of the Colorado statutes that govern both municipalities and counties and defines "local government" to include a county, home rule, or statutory city, city, or territorial charter city.

The law requires local governments to "quantify the reasonable impacts of proposed development on existing capital facilities and establish the impact fee or development charge at a level no greater than necessary to defray such impacts directly related to proposed development." The standard that must be met within the State of Colorado requires mitigation to be "directly related" to impacts.

[1] Colorado Municipal League, *Paying for Growth*, Carolynne C. White, 2002.

Impact Fee Requirements

- **Capital Facilities** – Fees may not be used for operations or maintenance. Fees must be spent on new or expanded capital facilities, which have been further defined as directly related to a government service, with an estimated useful life of at least five years and that are required based on the charter or a general policy.
- **Existing Deficiencies** – Fees are formally collected to mitigate impacts from growth and cannot be used to address existing deficiencies. In the analysis used to establish an impact fee program, the evaluation must distinguish between the impacts of growth and the needs of existing development.
- **Capital Maintenance** – Major "capital maintenance" projects are not typically eligible to be funded with impact fees unless it can be shown that the project increases the capacity of the community to accommodate growth. In that case, only the growth-serving element of the project is eligible to be funded with impact fees.
- **Credits** – In the event a developer must construct off-site infrastructure in conjunction with their project, the local government must provide credits against impact fees for the same infrastructure, provided that the necessary infrastructure serves the larger community. Credits may not apply if a developer is required to construct such a project as a condition of approval due to the direct impact on the capital facility created by the project. Credits are handled on a case-by-case basis.
- **Timing** – The City must hold revenues in accounts dedicated to the specific use. Funds must be expended within a reasonable period or returned to the developer. The State enabling legislation does not specify the maximum length of time to be used as a "reasonable period." This has been generally accepted or interpreted to be a 10-year period.
- **Accounting Practices** – The City must adopt stringent accounting practices as specified in the State enabling legislation. Funds generated by impact fees may not be commingled with any other funds.
- **Affordable Housing** – The law allows impact fees on affordable housing "as defined by the community" to be waived.

2. Methodology

This chapter describes common impact fee calculation techniques, the methodology used to calculate new impact fees, and important estimates and factors used in the calculations.

Impact Fee Methodologies

There are several methods that can be used to calculate impact fees. The two most common techniques are the Plan-Based Method and the Incremental Expansion Method. The method chosen needs to be appropriate for the local circumstances as described below. Colorado law does not specify the methodology to be used; these methods are commonly used in Colorado and in other states.

Plan-Based Method

This method uses a community's long-range comprehensive plan, capital improvement plan, or other adopted plan identifying capital facilities and infrastructure needed to serve growth. Projects identified in these plans are costed out and included in the fee program. A growth projection is made over the time period for which the defined projects are needed or planned to be built. The fee calculation is essentially the cost of the planned project(s) divided by the forecasted amount of growth. This method is best used when detailed capital project planning has been done.

The plan-based method has limitations. First, many communities are not able to conduct capital planning with the level of detail needed in an impact fee study. It can be difficult to tie future facility needs with expected growth, and growth can be unpredictable. The fee calculations are highly sensitive to the amount of forecasted growth, as growth is the denominator in the fee calculation.

Incremental Expansion Method

The Incremental Expansion Method is a more frequently used method for calculating impact fees. This method is also called the "level of service" method. This technique answers the question:

> *What should each new unit (increment) of development pay to maintain the city's current level of service?*

This approach takes a snapshot of the current level of service in the city and converts it typically to a value per unit of service demand (e.g. per capita or per service population). The current level of service is defined as the inventory of the city's existing facilities and capital assets, and the cost to replicate that level of service (replacement cost) as the city grows. The asset inventory or value is then converted to a cost per capita, per dwelling unit, or per nonresidential square foot that is the basis for the fee.

The Incremental Expansion Method was used in this study to calculate impact fees for Parks, Police, Fire, and General Government.

Level of Service Definition

Using the Incremental Expansion Method, this study defines the level of service (LOS) as the replacement cost of the existing facilities and capital equipment in the City in 2023. The fee calculations document the current inventories of parks facilities and land, police facilities and fleet/equipment, fire facilities and fleet/equipment, and general government facilities and fleet/equipment. The LOS is converted to a cost or value per service population that is used to calculate the impact fees for each major land use type.

Cost Allocations by Land Use Type

Many City services and related capital facilities are provided for residential and commercial (nonresidential) development. To ensure that impact fees are proportional to the impact by type of land use, it is necessary to allocate the level of service or facility costs to residential and nonresidential development. For all categories, the City's service population combined with person-occupancy factors are used to allocate costs as described in the next section.

Service Population

Under the incremental expansion method, the impact fee is based on the cost to maintain the current infrastructure standard expressed as the *replacement cost per service population*. Under this method, each new increment of development pays a fee that is designed to maintain the current level of service per unit of service population (replacement cost per service population). Service population is a metric that combines the resident population plus in-commuting workers for a total "daily" or "functional" population.

Capital expansion fee calculations use service population and person-occupancy factors by land use type as the basis for allocating costs to residential and nonresidential development (except for parks, which uses residential population). The calculation of service population is shown in **Table 3**.

The City of Fort Collins estimated its population to be 174,445 people in 2023. There are an estimated 107,677 jobs in Fort Collins and an estimated 102,037 employees (workers) after adjusting for people who hold multiple jobs. In-commuters account for 57.8 percent of the job holders and because they are present in the City for only part of a day, they are weighted at 50 percent of the impact of a full-time resident. These adjustments add 29,507 of equivalent population to the population resulting in a service population of 203,952.

Table 3. Fort Collins Service Population Calculation, 2023

Description		2023	Source
Service Population			
Population	***A***	174,445	City of Fort Collins, 2023
Jobs		107,677	North Front Range MPO TAZ, 2023
Jobs Per Employed Person		1.06	LEHD, 2020
Employees		102,037	Calculation
In-Commuters		57.8%	LEHD, 2020
Commuting Employee Weight		50.0%	EPS Estimate
In-Commuting Employee Impact	***B***	29,507	Calculation
Total Service Population	**= *A* + *B***	**203,952**	

Source: TischlerBise; North Front Range MPO TAZ, 2023; U.S. Census LEHD; Economic & Planning Systems

Residential Occupancy Factors

Occupancy factors are developed in this section to convert new development into increments of new service population. The occupancy factors also allocate service demand between residential and nonresidential land uses.

As shown in **Table 4**, people are estimated to spend approximately 71.3 percent of their day at home, which is equivalent to the residential service demand factor. The other 29.7 percent of the time spent away from home is accounted for in the nonresidential occupancy factors.

Table 4. Fort Collins Residential Service Demand Factor Calculation, 2023

Description		Factor	2023	Source
Residential Conditions				
Population			174,445	City of Fort Collins, 2023
Nonworking Residents		52.0%	90,711	LEHD, 2020
Working Residents		48.0%	83,734	LEHD, 2020
Out Commuter Residents		50.6%	42,369	LEHD, 2020
Work/Live Residents		49.4%	41,364	LEHD, 2020
Residential Service Demand				
Nonworking Residents		20 hours per day	1,814,228	person-hours per day
Out Commuter Residents		14 hours per day	593,169	person-hours per day
Work/Live Residents		14 hours per day	579,102	person-hours per day
Residential Total	*A*		2,986,498	person-hours per day
Total Person-Hours per Day	*B*	24	4,186,680	population X 24 hours
Residential Service Demand Factor	***=A/B***		**71.3%**	**percent of day spent at home** *(population's allocation to residential land uses)*

Source: U.S. Census Longitudinal Employer-Household Dynamics (LEHD); U.S. Census; Economic & Planning Systems

Next, the service population per dwelling unit is estimated using average household sizes and the time spent away from the home. The average household size for single family and multiple dwelling units was obtained from the U.S. Census *Public Use Microdata Sample* (PUMS), and the averages by household size ranges were calibrated from the American Housing Survey. The previously calculated residential service demand factor was then applied to generate the residential occupancy factors, as shown in **Table 5**. For example, a home with 1,890 square feet has an average household size of 2.56 persons and a 1.83-person occupancy factor. As highlighted in an analysis and memorandum sent to the City Council on March 30, 2023, an 1,890 square foot household in Fort Collins was used as a basis for residential comparative analysis. This report will also use the 1,890 square foot household as an example for each of the fee categories to help provide specific context to this study update.

Table 5. Fort Collins Residential Occupancy Factors

Description	Index	Average HH Size	% of Time in Unit	Impact Fee Factor
Fort Collins Average	**100.0%**	**2.36**	71.3%	1.68
By Square Feet				
Up to 700 sq. ft.	59.2%	1.40	71.3%	1.00
700 - 1,200 sq. ft.	90.0%	2.12	71.3%	1.51
1,201 - 1,700 sq. ft.	100.7%	2.38	71.3%	1.70
1,701 - 2,200 sq. ft.	108.4%	2.56	71.3%	1.83
Over 2,200 sq. ft.	123.3%	2.91	71.3%	2.08

Source: 2019 U.S. Census Bureau American Housing Survey, Division 8 (Mountain); Economic & Planning Systems

Nonresidential Occupancy Factors

Nonresidential occupancy factors were derived from trip rate factors, vehicle occupancy data, and employment generation factors, as shown in **Table 6**. Daily trip rates are one-half the average daily trip ends during a weekday and are sourced from the Institute of Transportation Engineers' (ITE) Trip Generation Manual. Employee density figures were from the TCEF study being prepared by TischlerBise. Using these factors, service population figures were derived for three general land use categories, ranging from 0.55 for industrial uses, to 2.12 for retail and commercial uses. This method accounts for on-site employment and customers or visitors that are comprised of the resident population as well as people coming into the city for shopping, leisure, or business activities.

Table 6. Fort Collins Nonresidential Occupancy Factors

Land Use	Unit Sq. Ft.	ITE Code	Daily Trip Ends	Daily Trips[1] (Trip ends / 2)	Persons/ Trip	Persons per 1,000 sq. ft. (8 hours/day)	Employees per 1,000 sq. ft. (8 hours/day)	Employee Hours in Day	Employee Hours
				A	*B*	*C = A * B*	*D*		*E*
Retail/Commercial	1,000	820	37.75	18.88	1.91	36.11	2.12	8	16.98
Office and Other Services	1,000	710	9.74	4.87	1.18	5.75	3.15	8	25.17
Industrial	1,000	110	4.87	2.44	1.18	2.87	1.57	8	12.56

Land Use	Vistors per 1,000 sq. ft. (8 hours/day)	Visitor Hour Factor	Vistor Hours	Total Hours	Total Hours in Day	Service Population per day
	F = C - D	*G*	*H = F * G*	*I = E + H*	*J*	*= I / J*
Retail/Commercial	33.99	1.00	33.99	50.97	24	2.12
Office and Other Services	2.60	1.00	2.60	27.77	24	1.16
Industrial	1.30	0.50	0.65	13.21	24	0.55

Source: Economic & Planning Systems

[1]The daily trips are the daily trip ends divided by 2 so that non-residential land uses are not charged for both ends of a trip (origin and destination)

3. Neighborhood and Community Parks Capital Expansion Fees

This chapter documents the level of service, replacement cost estimates, cost allocations, and other calculations used to determine the Parks CEF for neighborhood parks and community parks. Capital expansion fees are collected to fund facility construction, equipment purchases, and land acquisition. As the City grows, the space needed for these support functions also grows. Capital expansion fees will be used to maintain the current level of service, expressed as the replacement cost of its maintenance facilities, developed parkland, and land cost to replace such parkland. The City currently manages 573 acres of community parks and 384 acres of neighborhood parks.

Level of Service Definition

The total estimated replacement cost of parks facilities is $350,566,728 for neighborhood parks and $266,667,038 for community parks, as shown in **Table 7**. The replacement cost, which is split into two fee categories, is $2,009.61 per residential population for neighborhood parks and $1,528.66 per residential population for community parks. This value includes the replacement cost estimates for all maintenance facilities, all parkland, and the land cost estimates for all parklands.

Table 7. Parks Cost per Service Unit, 2023

Description		Neighborhood Parks	Community Parks
Development Cost per Acre	***A***	$580,708	$215,342
Developed Acres	***B***	422	573
Existing Park Replacement Cost	***= A x B***	$245,058,961	$123,390,913
Land Cost per Acre	***A***	$250,000	$250,000
Developed Acres	***B***	422	573
Existing Land Cost	***= A x B***	$105,500,000	$143,250,000
Maintenance Facility Cost per Acre	***A***	$7,767	$26,124
Developed Acres	***B***	422	573
Maintenance Facility Need	***= A x B***	$3,277,656	$14,969,230
Total Park Replacement Cost		**$350,566,728**	**$266,667,038**
Cost per Residential Population	**174,445**	**$2,009.61**	**$1,528.66**

Source: City of Fort Collins; Economic & Planning Systems

To determine the development cost of the maintenance facilities, East District, Spring Canyon, and Fossil Creek maintenance facility development costs were used to estimate a replacement cost per acre based on community and neighborhood park acres served by each facility, as shown in **Table 8**. As previously determined by the City, the cost allocation of maintenance facilities is 80 percent for community parks and 20 percent for neighborhood parks.

Table 8. Parks Maintenance Facility per Capita Cost, 2023

Description	Replacement Cost
Maintenance Facilites	
East District	**$7,325,000**
Community Park Share (80%)	$5,860,000
Community Park Acres Served	118
Community Park Cost/Acre	$49,493
Neighborhood Park Share (20%)	$1,465,000
Neighborhood Park Acres Served	84
Neighborhood Park Cost/Acre	$17,399
Spring Canyon	**$1,815,147**
Community Park Share (80%)	$1,452,117
Maintenance Facility Need	103
Community Park Cost/Acre	$14,098
Total Park Replacement Cost	$363,029
Neighborhood Park Acres Served	132
Neighborhood Park Cost/Acre	$2,750
Fossil Creek	**$2,623,710**
Community Park Share (80%)	$2,098,968
Community Park Acres Served	142
Community Park Cost/Acre	$14,781
Neighborhood Park Share (20%)	$524,742
Neighborhood Park Acres Served	167
Neighborhood Park Cost/Acre	$3,152
Total Replacement Cost	**$11,763,856**
Maintenance Facility Need	
Community Park Average Cost/Acre	**$26,124**
Neighborhood Park Average Cost/Acre	**$7,767**

Source: City of Fort Collins; Economic & Planning Systems

Residential Capital Expansion Fee Calculation

The replacement cost per service population is multiplied by the household sizes for each housing unit size range. Park fees are charged only on residential development and full household size factors are used. For a single-family home or multifamily unit that is 1,890 square feet, the fee per unit is $5,144.61 for neighborhood parks (**Table 9**) and $3,913.37 for community parks (**Table 10**), which equates to $9,057.88 per unit. This is based on an average household size of 2.56 people. The capital expansion fee was calculated for a range of unit sizes as currently permitted in the City of Fort Collins fee schedule.

Table 9. Neighborhood Parks Residential Capital Expansion Fee, 2023

Description	Avg. HH Size	Updated Fee *per unit*	Current Fee *per unit*
Cost per Service Population	**$2,009.61**		
Residential			
Up to 700 sq. ft.	1.40	$2,813.46	$2,108.00
700 - 1,200 sq. ft.	2.12	$4,260.38	$2,822.00
1,201 - 1,700 sq. ft.	2.38	$4,782.88	$3,082.00
1,701 - 2,200 sq. ft.	2.56	$5,144.61	$3,114.00
Over 2,200 sq. ft.	2.91	$5,847.97	$3,470.00

Source: Economic & Planning Systems

Table 10. Community Parks Residential Capital Expansion Fee, 2023

Description	Avg. HH Size	Updated Fee *per unit*	Current Fee *per unit*
Cost per Service Population	**$1,528.66**		
Residential			
Up to 700 sq. ft.	1.40	$2,140.12	$2,977.00
700 - 1,200 sq. ft.	2.12	$3,240.76	$3,985.00
1,201 - 1,700 sq. ft.	2.38	$3,638.21	$4,351.00
1,701 - 2,200 sq. ft.	2.56	$3,913.37	$4,396.00
Over 2,200 sq. ft.	2.91	$4,448.40	$4,901.00

Source: Economic & Planning Systems

4. Police Capital Expansion Fee

This chapter documents the level of service, replacement cost estimates, cost allocations, and other calculations used to determine the Police Capital Expansion Fee. Fees are collected to fund facility expansions, fleet replacement, and equipment replacement. These fees will be used to maintain the current level of service, expressed as the replacement cost of police facilities, fleet, and capital equipment. The police department currently has 3 primary facilities and 430 fleet vehicles.

Level of Service Definition

The total replacement cost of police facilities, fleet, and equipment is $77,990,689, as shown in **Table 11**. The replacement cost is $382.40 per service population. This value accounts for debt owed and an estimated 90 percent capacity factor based on current utilization.

Table 11. Police Inventory and Replacement Cost per Capita, 2023

Description	Quantity	Cost Factor	Capacity Factor	Bldg. Cost	Land Cost	Replacement Cost
Police Facilities		**Per SF**				
Police Facilities	3	$517	90%	$60,753,240	$3,421,110	$58,099,026
IT Capital Equipment	--	--		--	--	18,414,943
Subtotal		**$517**		**$60,753,240**	**$3,421,110**	**$76,513,969**
Police Fleet Inventory		**Per Unit**				
Admin Vehicle	29	$33,916				$983,559
Drug Task Force	11	31,842				350,258
Equipment	4	209,137				836,549
Investigation	83	37,400				3,104,223
Mobile Command Vehicle	1	440,929				440,929
Patrol	296	41,644				12,326,696
Public Safety	6	97,887				587,323
Subtotal	**430**	**$43,325**				**$18,629,537**
Debt						**Principal**
2012 COPS						-$7,430,000
2019 COPS						-6,604,740
Vehicle Equipment						-3,118,078
Subtotal						**-$17,152,818**
Total						**$77,990,689**
Cost per Service Population	Functional Population:		203,952			**$382.40**

Source: City of Fort Collins; Economic & Planning Systems

Residential Capital Expansion Fee Calculation

For a single-family home or multi-family unit that is 1,890 square feet, the fee per unit is $698.31. This is based on an occupancy factor of 1.83 people adjusted for time spent at home, as shown in **Table 12**. The capital expansion fee was calculated for a range of unit sizes as currently permitted in the City of Fort Collins fee schedule.

Table 12. Police Residential Capital Expansion Fee, 2023

Description	Factor	Updated Fee *per unit*	Current Fee *per unit*
Cost per Service Population	**$382.40**		
Residential			
Up to 700 sq. ft.	1.00	$381.89	$289.00
700 - 1,200 sq. ft.	1.51	$578.29	$391.00
1,201 - 1,700 sq. ft.	1.70	$649.21	$425.00
1,701 - 2,200 sq. ft.	1.83	$698.31	$431.00
Over 2,200 sq. ft.	2.08	$793.78	$480.00

Source: Economic & Planning Systems

Nonresidential Capital Expansion Fee

Using the previously derived service population and occupancy factors, the proposed nonresidential impact fee was calculated for three major land uses as shown in **Table 13**. Proposed capital expansion fees range from $0.21 per square foot for industrial uses to $0.81 per square foot for retail/commercial uses.

Table 13. Police Nonresidential Capital Expansion Fee, 2023

Description	Service Pop. *per 1,000 sq. ft.*	Updated Fee *per 1,000 sq. ft.*	Updated Fee *per sq. ft.*	Updated Fee *per 1,000 sq. ft.*	Current Fee *per 1,000 sq. ft.*
Cost per Service Population		$382.40			
Nonresidential					
Retail/Commercial	2.12	$810.68	$0.81	$810.68	$364.00
Office	1.16	$443.58	$0.44	$443.58	$364.00
Industrial	0.55	$210.32	$0.21	$210.32	$85.00

Source: Economic & Planning Systems

5. Fire Protection Capital Expansion Fee

This chapter documents the current Fire Protection Capital Expansion fee structure, replacement cost estimates, cost allocations, and other factors used to calculate the proposed Fire Protection Capital Expansion Fees. The Poudre Fire Authority (PFA) consists of eleven staffed fire stations, two volunteer fire stations, one headquarters, and one training facility, which serve a variety of emergency response needs. These include fire suppression, emergency medical response, hazardous materials response, technical rescue, fire prevention, public outreach and education, and wildland preparedness planning and response. PFA is the overarching authority that serves a large portion of Larimer County including Fort Collins. The Poudre Valley Fire Protection District (PVFPD) collects separate impact fees for its service area outside of the City of Fort Collins.

Level of Service Definition

The total replacement cost of Fire Protection facilities, fleet, and equipment is $145,020,455, as shown in **Table 14**. The total replacement cost is for the entire PFA district including areas outside of Fort Collins. The asset inventory needs to be allocated to Fort Collins for its CEF calculation, which is shown in **Table 15**.

Table 14. Fire Protection Inventory and Replacement Cost per Capita, 2023

Description	Location	Factor	Cost Factor	Bldg. Cost	Land Cost	Replacement Cost
Fire Facilities		**SF**	**Cost per SF**			
Burn Building (Training)	3400 W. Vine Drive	1,560	$650	$1,014,000	$0	$1,014,000
Fire Stations	--	111,630	650	72,559,500	4,987,466	77,546,966
Vacant Land (Future Station #18)	4500 E. Mulberry	--	--	0	675,000	675,000
Fit Tower Training	3400 W. Vine	3,764	650	2,446,600	0	2,446,600
Offices	--	25,974	650	16,883,100	831,307	17,714,407
Training Center A	3400 W. Vine Drive	13,970	650	9,080,500	698,298	9,778,798
Subtotal		**156,898**	**$650**	**$101,983,700**	**$7,192,071**	**$109,175,771**
Fire Fleet Inventory		**Units**	**Cost per Unit**			
Fleet		22	$44,214			$972,713
Battalion Chiefs		8	41,552			332,413
Frontline Apparatus		45	465,978			20,968,995
Reserves		5	760,000			3,800,000
Training		13	196,521			2,554,774
Support		6	28,570			171,420
Antiques		3	38,499			115,496
Lawn Mowers		25	5,960			149,000
Equipment		92	48,541			4,465,734
Misc.		15	154,276			2,314,139
Subtotal		**189**	**$189,654**			**$35,844,684**
Total						**$145,020,455**

Source: City of Fort Collins; Poudre Fire Authority; Economic & Planning Systems

The City of Fort Collins generates 84.99 percent of PFA calls. The replacement cost attributable to the City is therefore $123,252,885, or $604.32 per service population, as shown in **Table 15**.

Table 15. Fire Protection Asset Cost by Service Area, 2023

Description	Call Volume	Total Replacement Cost	Functional Population	Cost per Service Population
		A	*B*	*= A / B*
Total	100.00%	$145,020,455		
PFA Fort Collins	**84.99%**	**$123,252,885**	**203,952**	**$604.32**

Source: City of Fort Collins; Poudre Valley Fire Authority; Economic & Planning Systems

Residential Capital Expansion Fee Calculation

For a single-family home or multifamily unit that is 1,890 square feet, the fee per unit with the City of Fort Collins is $1,103.58. This is based on an occupancy factor of 1.83 people adjusted for time spent at home. The capital expansion fee was calculated for a range of unit sizes as currently permitted in the City of Fort Collins fee schedule (as shown in **Table 16**).

Table 16. Fire Residential Capital Expansion Fee, 2023

Description	Factor	Updated Fee *per unit*	Current Fee *per unit*
Cost per Service Population	**$604.32**		
Residential			
Up to 700 sq. ft.	1.00	$603.52	$516.00
700 - 1,200 sq. ft.	1.51	$913.90	$698.00
1,201 - 1,700 sq. ft.	1.70	$1,025.98	$759.00
1,701 - 2,200 sq. ft.	1.83	$1,103.58	$772.00
Over 2,200 sq. ft.	2.08	$1,254.46	$859.00

Source: Economic & Planning Systems

Nonresidential Capital Expansion Fee

Using the previously derived service population and occupancy factors, the proposed nonresidential capital expansion fee was calculated for three major land uses as shown in **Table 17**. Proposed fees range from $0.33 per square foot for industrial uses to $1.28 per square foot for retail/commercial uses.

Table 17. Fire Protection Nonresidential Capital Expansion Fee, 2023

Description	Service Pop. *per 1,000 sq. ft.*	Updated Fee *per 1,000 sq. ft.*	Updated Fee *per sq. ft.*	Updated Fee *per 1,000 sq. ft.*	Current Fee *per 1,000 sq. ft.*
Cost per Service Population		$604.32			
Nonresidential					
Retail/Commercial	2.12	$1,281.17	$1.28	$1,281.17	$650.00
Office	1.16	$701.02	$0.70	$701.02	$650.00
Industrial	0.55	$332.38	$0.33	$332.38	$152.00

Source: Economic & Planning Systems

6. General Government Capital Expansion Fee

This chapter documents the level of service, replacement cost estimates, cost allocations, and other calculations used to determine the General Government Capital Expansion Fee. These fees are collected to fund facility expansions for general government purposes such as office space for city staff, facilities maintenance buildings, city fleet, equipment, and courts and justice functions. As the city grows, the space needs for these support functions also grows. Capital Expansion fees will be used to maintain the current level of service, expressed as the replacement cost of its major facilities and fleet.

Level of Service Definition

The total replacement cost of general government is estimated at $152,198,009, as shown in **Table 18**. The replacement cost for general government is $746.25 per service population. This value includes all facilities owned by the City of Fort Collins including City Hall and other administrative buildings, streets and traffic operations, IT equipment, general governmental vehicles, and heavy equipment.

Table 18. General Government Inventory and Replacement Cost, 2023

Description	Location	Factor	Cost Factor	Bldg. Cost	Land Cost	Replacement Cost
Facilities		**SF**	**Cost per SF**			
281 North College	281 N College Ave	37,603	$513	$19,290,339	$855,000	$20,145,339
City Hall	300 LaPorte Ave	31,553	583	18,401,710	1,306,358	19,708,068
215 N Mason Office	215 N Mason St	72,000	518	37,324,800	1,238,000	38,562,800
300 LaPorte (OPS Services)	300 LaPorte Ave	26,564	540	14,344,560	0	14,344,560
Streets Building	625 9th St	51,314	513	26,324,082	1,817,640	28,141,722
Traffic Operations Building	626 Linden St	9,500	540	5,130,000	424,440	5,554,440
Fleet / FACs Warehouse - Loomis	518 N Loomis Ave	10,122	432	4,372,704	22,050	4,394,754
IT Equipment	--	--	--	--	--	9,706,551
Subtotal		**238,656**	**$525**	**$125,188,195**	**$5,663,488**	**$140,558,234**
Fleet		**Quantity**	**Cost per Unit**			
Heavy Equipment		180	$112,554			$20,259,649
Misc. Maintenance Equipment		67	43,531			2,916,571
Vehicles, Trucks, and Trailers		96	52,782			5,067,109
Subtotal		**343**	**$82,342**			**$28,243,329**
Debt						**Principal**
2012 COPS						-$280,000
2019 COPS						-13,780,260
Vehicle Equipment						-2,543,294
Subtotal						**-$16,603,554**
Total						**$152,198,009**
Cost per Service Population	Functional Population:		203,952			**$746.25**

Source: City of Fort Collins; Economic & Planning Systems

Residential Capital Expansion Fee Calculation

For a single-family home or multifamily unit that is 1,890 square feet, the fee per unit is $1,362.74. This is based on an occupancy factor of 1.83 people adjusted for time spent at home, as shown in **Table 19**. The capital expansion fee was calculated for a range of unit sizes as currently permitted in the City of Fort Collins fee schedule.

Table 19. General Government Residential Capital Expansion Fee, 2023

Description	Factor	Updated Fee *per unit*	Current Fee *per unit*
Cost per Service Population	**$746.25**		
Residential			--
Up to 700 sq. ft.	1.00	$745.25	$703.00
700 - 1,200 sq. ft.	1.51	$1,128.52	$948.00
1,201 - 1,700 sq. ft.	1.70	$1,266.93	$1,035.00
1,701 - 2,200 sq. ft.	1.83	$1,362.74	$1,051.00
Over 2,200 sq. ft.	2.08	$1,549.06	$1,170.00

Source: Economic & Planning Systems

Nonresidential Impact Fee

Using the previously derived service population and occupancy factors, the proposed nonresidential impact fee was calculated for three major land uses as shown in **Table 20**. Proposed capital expansion fees range from $0.41 per square foot for industrial uses to $1.58 per square foot for retail/commercial uses.

Table 20. General Government Nonresidential Capital Expansion Fee, 2023

Description	Service Pop. *per 1,000 sq. ft.*	Updated Fee *per 1,000 sq. ft.*	Updated Fee *per sq. ft.*	Updated Fee *per 1,000 sq. ft.*	Current Fee *per 1,000 sq. ft.*
Cost per Service Population		$746.25			
Nonresidential					
Retail/Commercial	2.12	$1,582.04	$1.58	$1,582.04	$1,777.00
Office	1.16	$865.64	$0.87	$865.64	$1,777.00
Industrial	0.55	$410.43	$0.41	$410.43	$419.00

Source: Economic & Planning Systems

APPENDIX:
Peer Communities Impact Fee Comparisons

Table A-1. Comparison of Major Inputs: 2017 vs. 2023 Study

Description	2017	2023 Update	Difference	% Change
Household Size				
Up to 700 sq. ft.	1.78	1.40	-0.38	-21.3%
700 - 1,200 sq. ft.	2.40	2.12	-0.28	-11.7%
1,201 - 1,700 sq. ft.	2.61	2.38	-0.23	-8.8%
1,701 - 2,200 sq. ft.	2.65	2.56	-0.09	-3.4%
Over 2,200 sq. ft.	2.95	2.91	-0.04	-1.4%
Non-Residential Occupancy Factors				
(Employees per 1,000 sq. ft. + Visitors)				
Retail/Commercial	2.25	2.12	-0.13	-5.8%
Office and Other Services	--	1.16	--	--
Industrial	0.53	0.55	0.02	3.8%
Service Population				
Population	--	174,445	--	--
Functional Population	157,626	203,952	46,326	29.4%
Asset Value				
Neighborhood Parks	$153,272,704	$350,566,728	$197,294,024	128.7%
Community Parks	216,422,189	266,667,038	50,244,849	23.2%
PFA Fort Collins	55,846,482	123,252,885	67,406,403	120.7%
Police	31,264,546	77,990,689	46,726,143	149.5%
General Government	100,991,253	152,198,009	51,206,756	50.7%
Total	**$557,797,174**	**$970,675,349**	**$412,878,175**	**74.0%**

Source: Duncan Associates; Economic & Planning Systems

Table A-2. Current Residential Impact Fee Comparisons

Land Use Type	Fort Collins Current	Boulder	Cheyenne	Greeley	Loveland	Longmont
Parks						
Residential (per dwelling)						
Single Family - 1,890 sq. ft	$7,510.00	$5,918.00	$400.00	$6,213.00	$8,299.00	$8,325.17
Multi Family - 1,890 sq. ft.	$7,510.00	$5,918.00	$400.00	$6,213.00	$5,721.00	$4,792.93
Police						
Residential (per dwelling)						
Single Family - 1,890 sq. ft	$431.00	$482.00	$949.37	$280.00	$1,104.00	--
Multi Family - 1,890 sq. ft.	$431.00	$482.00	$949.37	$280.00	$769.00	--
Fire						
Residential (per dwelling)						
Single Family - 1,890 sq. ft	$772.00	$430.00	--	$728.00	--	--
Multi Family - 1,890 sq. ft.	$772.00	$430.00	--	$728.00	--	--
General Government						
Residential (per dwelling)						
Single Family - 1,890 sq. ft	$1,051.00	$759.00	--	--	$1,370.00	--
Multi Family - 1,890 sq. ft.	$1,051.00	$759.00	--	--	$953.00	--
Transportation						
Residential (per dwelling)						
Single Family - 1,890 sq. ft	$7,621.00	$228.00	$1,514.25	$7,213.00	--	$2,060.56
Multi Family - 1,890 sq. ft.	$7,621.00	$228.00	$1,211.40	$7,213.00	--	$2,060.56
Total						
Residential (per dwelling)						
Single Family - 1,890 sq. ft	$17,385.00	$7,817.00	$2,863.62	$14,434.00	$10,773.00	$10,385.73
Multi Family - 1,890 sq. ft.	$17,385.00	$7,817.00	$2,560.77	$14,434.00	$7,443.00	$6,853.49

Source: City of Boulder; City of Cheyenne; City of Greeley; City of Loveland; City of Longmont; City of Fort Collins; Economic & Planning Systems

Table A-3. Current Nonresidential Impact Fee Comparisons

Land Use Type	Fort Collins Current	Boulder	Cheyenne	Greeley	Loveland	Longmont
Police						
Nonresidential (per 1,000 sq. ft.)						
Commercial	$364.00	$790.00	$603.42	$841.00	$489.10	--
Office and Other Services	$364.00	$320.00	$295.00	$452.00	--	--
Industrial	$85.00	$190.00	$518.63	$230.00	$62.70	--
Fire						
Nonresidential (per 1,000 sq. ft.)						
Commercial	$650.00	$680.00	--	$1,872.00	--	--
Office and Other Services	$650.00	$980.00	--	$1,006.00	--	--
Industrial	$152.00	$630.00	--	$513.00	--	--
Transportation						
Nonresidential (per 1,000 sq. ft.)						
Commercial	$9,946.00	$600.00	$2,422.81	$8,347.00	--	$3,340.00
Office and Other Services	$7,327.00	$240.00	$1,817.11	$5,383.00	--	$1,450.00
Industrial	$2,365.00	$150.00	$1,817.11	$2,742.00	--	$450.00
General Government						
Nonresidential (per 1,000 sq. ft.)						
Commercial	$1,777.00	$430.00	--	--	$526.70	--
Office and Other Services	$1,777.00	$620.00	--	--	--	--
Industrial	$419.00	$400.00	--	--	$75.20	--
Total						
Nonresidential (per 1,000 sq. ft.)						
Commercial	$12,737.00	$2,500.00	$3,026.23	$11,060.00	$1,015.80	$3,340.00
Office and Other Services	$10,118.00	$2,160.00	$2,112.11	$6,841.00	$0.00	$1,450.00
Industrial	$3,021.00	$1,370.00	$2,335.74	$3,485.00	$137.90	$450.00

Source: City of Boulder; City of Cheyenne; City of Greeley; City of Loveland; City of Longmont; City of Fort Collins; Economic & Planning Systems

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MEMORANDUM

Date: Oct. 25, 2023

To: Mayor and City Councilmembers

Through: Tyler Marr, Deputy City Manager
Kendall Minor, Utilities Executive Director
Jason Graham, Director of Water Utilities

From: Jen Dial, Water Resources Manager

Subject: August 8 City Council Work Session Update – Water Supply Fees, Excess Water Use, and Water Allotments

Bottom Line
In August 2023, staff presented updated consultant work regarding Water Supply Requirement (WSR) and Excess Water Use (EWU) fees. Based on the conversation and feedback, staff is convening an internal team to review and develop options that balance the values and goals of the community along with the needs of the water utility. Staff anticipates this work occurring throughout 2024 and targeting2025 implementation.

Background
The WSR is a development fee collected to pay for the water necessary to serve either a new development or redeveloped commercial properties that require a larger tap. These fees generate revenue to provide reliable water resources, including water rights and storage, to ensure future growth is not paid for by existing rate payers. The WSR pays for a defined amount of water, which is translated into an annual water allotment.

Utilities also charge EWU fees to customers who exceed their water allotment. Customers may increase their water allotment at any time by paying WSR fees or by providing City water certificates and credits. However, most customers who exceed their water allotment choose to pay EWU fees as opposed to a much larger, one-time WSR fee.

Both fees are typically reviewed and updated every 2-3 years. Unlike other water utility fees and rates (plant investment fees, water rates, and wastewater rates), which are based on planned capital improvement projects, the WSR and EWU fees are based on the cost of water and infrastructure which has been, and continues to be, very dynamic.

Next Steps
Because of the complexity and potential scale of proposed increases, staff will be developing separate work streams to work in parallel to develop options for assigning new water allotments as well as determining appropriate WSR and EWU fees for Utilities customers.

A staff core team with expertise in water resources, conservation, finance, utility fees, customer community relations, communications, marketing, development review, and water law will spend the next several months exploring various methods to determine the appropriate fee structures that align with City and community needs. This work will include looking at internal process improvements, developing alternatives, and outreach.

A project plan has been developed to ensure the core team applies a community-wide lens to the process and options to be provided to Council. The project plan focuses on a balanced approach to ensure the water utility can provide the water needs of our customers without putting an unnecessary burden on development, especially affordable housing and small businesses.

Staff anticipates scheduling Council work sessions in Q2 and Q3 of 2024 leading up to potential code adoption in Nov. 2024. Any fee increases would go into effect Jan. 1, 2025.

Engagement efforts will include outreach to:

- Existing allotment customers
- Relevant Boards and Commissions
- Developments far along in the review process that would be affected by a WSR increase.
- Other impacted groups such as developers, commercial real estate brokers, and Homeowner's Associations
- The public through engagement opportunities such as listening sessions and open houses
- The public through information on the City's website, including an OurCity page to better drive and track engagement.

Allotment Changes
While most Utilities water customers already have an assigned allotment that is subject to EWU fees, about 1,720 Utilities commercial customers do not have an allotment because they received a water tap before the allotment program began in 1984. This disparity leads to less equitable administration of EWU fees and is related to a potential EWU fee increase. Beginning in the 4th quarter of 2023, staff will develop a timeline for seeking input from impacted customers, calculating allotments, assigning allotments, and implementing a communications plan, which would include work sessions with Council.

Summary
The cost of delivering safe and reliable water to our community continues to rise. Fort Collins' population is expected to keep growing, and Utilities must find a way to pay for future water demands and infrastructure, including storage, while supporting our community values as a municipal-owned Utility. Challenging factors include managing higher costs for construction, permitting, and infrastructure, much of which is outside the City's control. The City is committed to working with the community, staff and Council to develop options that balance the values and goals of the community along with the needs of the water utility.

COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY

Staff:
Jennifer Poznanovic, Sr. Revenue Manager
Nina Bodenhamer, City Give Director

Date:
December 14, 2023

SUBJECT FOR DISCUSSION
Sales Tax Rebate on Groceries

EXECUTIVE SUMMARY
In October 2022, City Council amended City Code to align income eligibility from 50 percent area median income (AMI) for the applicable household size to 60 percent AMI. In collaboration with the City-wide consolidation of income-qualified programs and the Get FoCo application, staff committed to returning to Council Finance Committee to discuss the effectiveness of the updates on program participation after approximately a year.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED
1. Does Council Finance Committee support offering a benefited position for the Grocery Tax Rebate Coordinator position starting in 2024?

BACKGROUND/DISCUSSION
Established in 1972, the Grocery Tax Rebate is intended to provide financially insecure residents relief from City sales tax charged on purchased food.

Over the past years, revisions to the Code language which govern the Grocery Tax Rebate have been made to demonstrate responsiveness to resident input and program design:
- Expanded to include residents within the City's Growth Management Area in 2017
- Property tax and utilities rebates sunset in 2021
- Expanded window of service: from seasonal to annual (2023 first full year)
- Online applications available via Get FoCo in 2022
- Adjusted definition of "households"
- Removed Federal Income Tax as the sole income verification source
- Updated to the payment to allow future alternatives
- Increased eligibility from 50% AMI to 60% AMI

Outreach & promotion:
- Leverage all City outreach platforms
- Spanish-language translation of outreach materials and application
- Direct mail, community promotion and marketing
    - Community-wide poster distribution
    - Two (2) ads per year, Coloradoan
- 50+ community partners: applications & promotion

Ongoing program design goals:

- Increase participation
- Reduced barriers to enrollment
- Improve the resident experience
- Leverage best-practices in program design for financially insecure residents
- Realize the potential of the city's investment in Get FoCo

Recent program results:

Year	Applications	Household Members	Grocery Rebate	Repeat	%	65+	%	Single HH	%	GetFoco	%
2020	**1006**	**1890**	**123,435**	886	**88%**	509	**51%**	641	**64%**	N/A	N/A
2021	**948**	**1758**	**117,987**	844	**89%**	446	**47%**	588	**62%**	N/A	N/A
2022	**1281**	**2626**	**181,186**	857	**67%**	486	**38%**	686	**54%**	614	**48%**
2023 YTD Nov	**1664**	**3986**	**303,353**	773	**46%**	405	**24%**	765	**46%**	1296	**78%**

- Second year partnering with Get FoCo
    - Nearly 80% of applications now online
- Record number of qualified applications - over 1600
- Greater reach to participants under 65 and household sizes greater than one
- Record high grocery rebate $304k (with one month to go)
    - 2023 budget $150k
    - Appropriation for additional expense will require Council approval

ATTACHMENTS (numbered Attachment 1, 2, 3,…)

1. 2023-11-01 CFC Sales Tax on Food (PDF)

12-14-2023

Sales Tax Rebate on Groceries

Jennifer Poznanovic
Nina Bodenhamer

Grocery Tax Rebate Recap

City Council October 2022

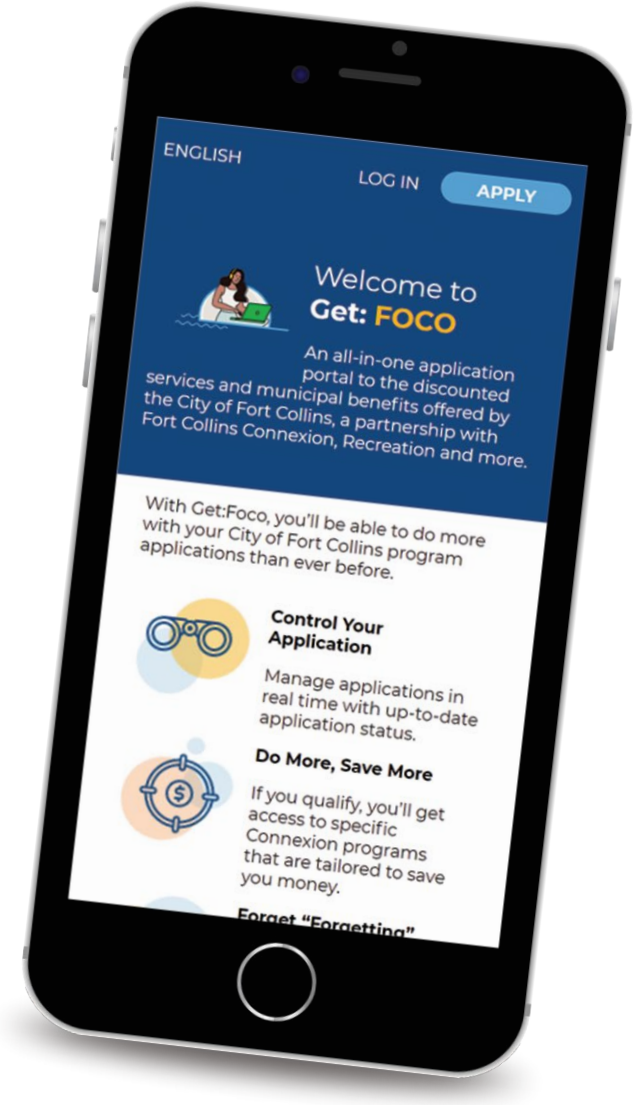
- Council Finance Committee and City staff amended City Code to align income eligibility from 50 percent annual median income (AMI) to 60 percent AMI

- In collaboration with the City-wide consolidation of income-qualified programs and the Get FoCo application, staff committed to returning to Council Finance Committee to discuss the effectiveness of the updates on program participation after approximately a year

Get FoCo: An Overview

Get FoCo is a simple online and mobile first platform serving residents of Fort Collins with a demonstrated financial need in 6 simple steps.

- Discounted **Connexion internet** at $20.00 per month
- An Annual **Grocery Tax Rebate**
- Reduced Fees for **Recreation Programs** and Access to City Facilities
- Discounted **SPIN** bikes & scooters
- Coming Soon: **Hazard Tree Removal Program**, Forestry



Grocery Rebate Program
Recent Results

Recent Program Results:

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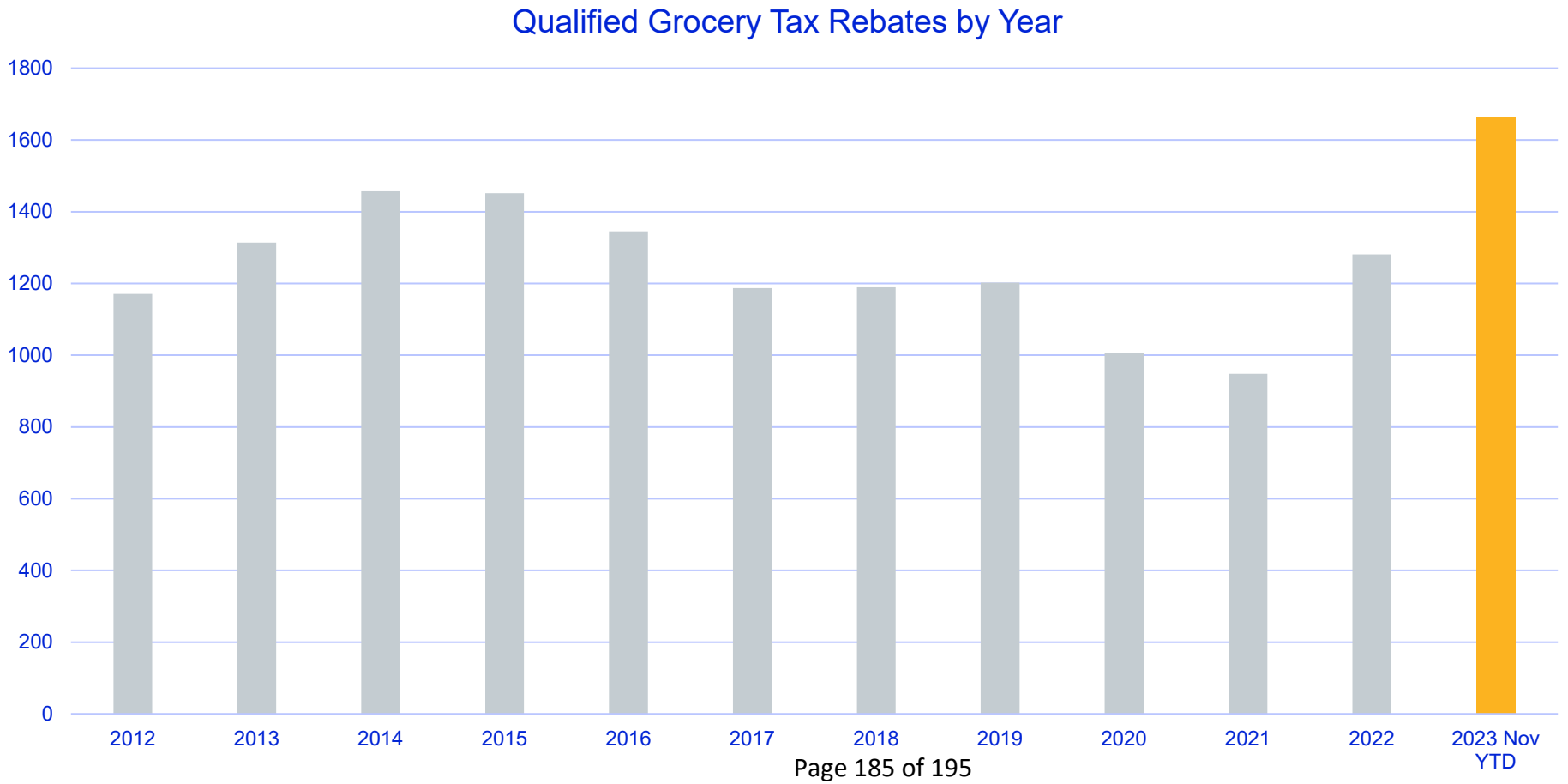
Grocery Rebate Program
Recommended Improvements

- First full year offering an extended window of service
  - From a seasonal to an annual program
- Recommendation:
  - Benefited position starting in 2024
    - Retention of the program coordinator
    - Increased workload

Backup

Grocery Tax Rebate Application History

- Flat growth over the past 10 years
- 2023 surpassing10-year application high



COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY

Staff: Tyler Marr, Deputy City Manager

Date: December 14, 2023

SUBJECT FOR DISCUSSION (a short title)

Appropriation request regarding change management resources for two digital transformation projects.

EXECUTIVE SUMMARY

Staff is recommending a one-time appropriation totaling $500,000 from General Fund Reserves to support dedicated change management resources for two digital transformation projects - Legislative Management Software and Recreation Registration Software replacements. The split is $375,000 for Legislative Management and $125,000 for The Recreation Registration project. These resources will go directly to contracted change management resources with PROSCI, whose methodology the City is using for a broader Enterprise Change Management effort.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Council Finance Committee recommend moving the appropriation to the full Council in January?

BACKGROUND/DISCUSSION:

The City organization is actively pursuing at various stages a number of projects that seek to modernize our digital footprint for the community and the internal operations of the organization. These projects span many city services, including:

- Customer information system for utility billing
- Licensing, permitting, and inspection software
- Recreation registration system
- Legislative management software - including council agenda packets
- Enterprise Resource Planning

Taken individually, each of these projects represent different degrees of resourcing, both in terms of dollars and staff time, complexities and process or operational changes that will be required to be successful. A critical component staff believes applies to each project is our ability to effectively manage the change from current state operations to the future state under new tools and systems. Previous examples where we have not invested in adequate change management support and a holistic project management approach have resulted in suboptimal outcomes. While the City has invested in staff capacity and in creating positions for change practitioners to some degree, it is leadership's opinion that

each of the projects above will require dedicated change management support which simply does not exist in the organization today.

Both the Recreation registration and legislative management systems are near term projects reaching critical milestones that have significant change requirements not currently able to be absorbed in the project costs that were originally budgeted primarily for software costs alone. Both projects are detailed below in addition to what the appropriation would provide for.

Recreation Registration (Daysmart)

The City's current recreation registration software – known as RecTrac – is a pain point in resident experience when it comes to accessing the City's class and program offerings across facilities and offering type. Council appropriated $89k in funds to replace the software in the 2023/2024 budget and staff has completed a Request for Proposals (RFP) and selected Daysmart as the new vendor who will provide that software.

Given the change a new system represents to the community and staff, and the vast amount of public interaction that our residents have with this particular system, executive staff selected the project as one that should receive dedicated change management support, especially to meet the timeline of working to launch for the April registration process. The appropriation request amount of $125,00 would cover dedicated support for a change practitioner provided through Prosci to assist in project execution alongside the City's project manager.

Legislative Management Software (LMS)

Legislative management software is a tool to improve efficiencies and transparency of the legislative process which includes Council agendas and minutes, in addition to materials for boards and commissions and Council subcommittees. Council approved a 2023-2024 Budget Offer for $300k ($150k in each '23 and '24) to fund implementation of a new LMS. This proposal was included in the larger Digital Transformation RFP to include a new citywide website. Staff wanted to consolidate multiple applications into a single, streamlined resident and community experience. Staff are currently in the final stages of selecting a vendor.

Executive leadership felt that this project was a critical one to provide dedicated change management support to; given the scale of the project, the number of staff that interact with the LMS, the critical functions pertaining to agenda management, record keeping, and the associated risks to public trust if the project does not go successfully.

The requested appropriation of $375,000 includes dedicated support for project execution, training in change management to upskill impacted groups across the organization, and building capability in change management execution for the organization more broadly.

For both projects, staff is planning on exercising an existing contract option with Prosci to provide these services. Prosci is a locally based global thought leader in the practice of organizational change management. With over twenty years of research backing its industry leading methodology, their advisors have extensive experience both leading change initiatives and developing organizational capabilities related to organizational change management to successfully deliver results for organizations. The proposals Prosci has provided the City offers project execution support to successfully implement solutions that will assist staff and the community in engaging with City organization. In addition, the experienced Prosci Change Advisors will develop staff's ability to manage

change on an ongoing basis through coaching and training. This additional service supports the City's enterprise wide capability in organizational change management.

ATTACHMENTS (numbered Attachment 1, 2, 3,…)

1. PowerPoint presentation

Appropriation for Change Management Resources

Tyler Marr, Deputy City Manager

12-14-2023

Direction Sought

- Does Council Finance Committee recommend moving forward with the $500k appropriation for supplemental change management resources for both the recreation registration and legislative management software projects?

Project Overviews

Legislative Management Software

- System for Council agenda/packets
- Also used for Board & Commissions and Council subcommittees
- $300k appropriation (split evenly between ‘23/’24)
- Combined with website RFP for single vendor.
- Staff working on selecting vendor

Recreation Registration

- System used for class, programming and sport registration
- Replaces an inefficient, difficult to use system (RecTrac)
- $89k appropriation for 2023
- Daysmart selected as new vendor
- Aiming for launch in April of 2024

Why Change Management

- Organization-wide need
- Concerted effort across ELT and key digital transformation efforts
- Assign dedicated change management resources to projects that:
  - Primarily change the way people work
  - Breadth of impact across the community or organization
  - Project failure risks breach of public trust
  - Are ready as a project in terms of project management and executive leadership
  - Chosen by senior leadership
- Using existing relationship with Prosci for this particular ask

Change Management Resources

Legislative Management

- $375k appropriation
- Dedicated support for project execution throughout 2024
  - Principal change advisor and supplemental support when needed
- Training for change management across sponsor group, impacted teams, and organization

Recreation Registration

- $125k appropriation
- Dedicated change advisor through May – including launch in April
- No additional training for this particular project

Bottom Line: This approach represents a change in philosophy for the City organization related to resourcing digital projects holistically

Direction Sought

- Does Council Finance Committee recommend moving forward with the $500k appropriation for supplemental change management resources for both the recreation registration and legislative management software projects?