

..Title

SECOND AND FINAL READING OF AN ORDINANCE AMENDING THE LAND DEVELOPMENT CODE OF THE CITY OF COMMERCE CITY BY UPDATING THE ROAD IMPACT FEES BASED ON THE RECENT IMPACT FEE STUDY

..Body

Summary & Background

The original Road Impact Fee study was completed in 1999 and the *Road Impact Fee Ordinance* was adopted on August 21, 2000. In 2004, the City completed an update to the *Road Impact Fee Study*, but this was never adopted by the City. Despite significant increase in population and construction costs, the 2000 road impact fees are still used today.

Recently, a *Roadway Impact Fee Study* was completed by Michael Baker International. The current fund balance for all road impact fee districts is approximately \$3M and the City has a capital need of approximately \$633M in (2021 estimates) to build out the rest of the City's arterial roadways. However, if this estimate is escalated using CDOT's Construction Cost Index (CCI) of 29.99% to get 2022 dollars, the estimate increases to \$823.9M, leaving a funding gap of about \$820M.

Options for implementing changes/increases to roadway impact fees were presented/discussed at a Study Session held on April 11, 2022 (See Attachment 1 for its presentation). At which time, City Council directed staff to charge 50% the maximum calculated fee for development within the C-1, C-2, & C-3 drainage districts. Furthermore based on October 24, 2022 discussions (See Attachment 2 for presentation), Council directed staff to further investigate incentivizing certain uses the City Council has targeted and recruited by the Economic Development Department by not charging a roadway impact fee. At the January 9, 2023 City Council Study Session, Council directed staff to bring forward an ordinance to consider on the February 6, 2023 City Council agenda. The staff presentation is attached as Attachment 3 for reference.

This ordinance and the updated *Directory of City Fees and Charges* reflects those recommendations made by the *Impact Fee Study* and by City Council. The table below illustrates the current fee being assessed, the maximum calculated fee, and the proposed fee for the Northern Range and Core City areas based on City Council input:

The Northern Range road impact fee schedule shall be calculated as shown on the table below.

| Land Use Type | Development Unit | Current Fee per Development Unit | New Calculated Maximum Fee per Development Unit | Proposed Fee per Development Unit Based on Council Direction |
|--|------------------|----------------------------------|---|--|
| Industrial ⁽¹⁾ | | | | |
| 110 General Light Industrial | 1000 Sq. Ft. | \$1,146 | \$3,393 | \$3,393 |
| 130 Industrial Park | 1000 Sq. Ft. | n/a | \$2,173 | \$2,173 |
| 150 Warehouse | 1000 Sq. Ft. | \$595 | \$1,067 | \$1,067 |
| 151 Mini-Warehouse | 1000 Sq. Ft. | \$306 | n/a | n/a |
| 030 Transportation Terminal | Per 1 acre | \$18,468 | n/a | n/a |
| Residential | | | | |
| 210 Single-Family Detached Housing | Dwelling Units | \$1,181 | \$4,842 | \$4,842 |
| 220 Multifamily Housing (low-rise) | Dwelling Units | \$726 | \$2,745 | \$2,745 |
| 221 Multifamily Housing (Mid-Rise) | Dwelling Units | n/a | \$2,173 | \$2,173 |
| 240 Mobile Home Park | Per site | \$656 | n/a | n/a |
| 265 Lodging Establishment, including extended stay | Per room | \$674 | n/a | n/a |
| Lodging | | | | |
| 310 Hotel | Rooms | \$674 | \$2,935 | \$0** |
| 311 All Suites Hotel | Rooms | n/a | n/a | \$0** |
| 312 Business Hotel | Rooms | n/a | n/a | \$0** |
| 330 Resort Hotel | Rooms | n/a | n/a | \$0** |
| Recreational | | | | |
| 495 Recreational Community Center | 1000 Sq. Ft. | n/a | \$11,322 | \$11,322 |
| 431 Miniature Golf Course | 1000 Sq. Ft. | n/a | n/a | \$0** |
| 436 Trampoline Park | 1000 Sq. Ft. | n/a | n/a | \$0** |
| 437 Bowling Alley | 1000 Sq. Ft. | n/a | n/a | \$0** |
| 444/445 Movie Theater | 1000 Sq. Ft. | n/a | n/a | \$0** |
| 480 Amusement Park | 1000 Sq. Ft. | n/a | n/a | \$0** |
| 482 Water Slide Park | 1000 Sq. Ft. | n/a | n/a | \$0** |
| Institutional | | | | |
| 520 Elementary School | 1000 Sq. Ft. | \$656 | \$5,032 | \$5,032 |
| 522 Middle School/Junior High School | 1000 Sq. Ft. | \$656 | \$4,384 | \$4,384 |
| 530 High School | 1000 Sq. Ft | \$656 | \$3,584 | \$3,584 |
| 620 Nursing Home/Assisted Living | 1000 Sq. Ft. | \$420 | n/a | n/a |
| 560 Church | 1000 Sq. Ft. | \$770 | \$2,402 | \$2,402 |
| 565 Day Care Center | 1000 Sq. Ft. | \$3,701 | \$13,076 | \$13,076 |
| 575 Fire and Rescue Station | 1000 Sq. Ft. | n/a | \$2,364 | \$2,364 |
| Medical | | | | |
| 610 Hospital | 1000 Sq. Ft. | \$1,076 | n/a | \$0** |
| 650 Free-Standing Emergency Room | 1000 Sq. Ft. | n/a | \$7,472 | \$0** |

| Land Use Type | Development Unit | Current Fee per Development Unit | New Calculated Maximum Fee per Development Unit | Proposed Fee per Development Unit Based on Council Direction |
|--|------------------|----------------------------------|---|--|
| Office | | | | |
| 710 General Office Building | 1000 Sq. Ft. | \$1,741 | \$5,642 | \$0** |
| 720 Medical-Dental Office Building | 1000 Sq. Ft. | \$4,279 | \$16,965 | \$0** |
| 770 Business Park | 1000 Sq. Ft. | n/a | \$2,059 | \$0** |
| Retail/Commercial | | | | |
| 820 Shopping Center/Gen Retail (<100,000 sf) | 1000 Sq. Ft. | \$4,471 | \$10,446 | \$0** |
| 820 Shopping Center/Gen Retail (<500,000 sf) | 1000 Sq. Ft. | \$3,229 | \$10,446 | \$0** |
| 820 Shopping Center/Gen Retail (<1 million sf) | 1000 Sq. Ft. | \$2,695 | \$10,446 | \$0** |
| 820 Shopping Center/Gen Retail (1 million sf+) | 1000 Sq. Ft. | \$2,398 | \$10,446 | \$0** |
| 850 Supermarket | 1000 Sq. Ft. | n/a | \$29,011 | \$0** |
| 862 Building Materials/Hardware/Nursery | 1000 Sq. Ft. | \$3,771 | \$6,663 | \$0** |
| 863 Electronics Superstore | 1000 Sq.Ft. | n/a | n/a | \$0** |
| 872 Bed and Linen Superstore | 1000 Sq.Ft. | n/a | n/a | \$0** |
| 876 Apparel Store | 1000 Sq.Ft. | n/a | n/a | \$0** |
| 879 Arts and Crafts Store | 1000 Sq.Ft. | n/a | n/a | \$0** |
| 881 Pharmacy w/ drive thru window | 1000 Sq. Ft. | n/a | \$25,733 | \$0** |
| 882 Marijuana Dispensary | 1000 Sq. Ft. | n/a | \$27,296 | \$27,296 |
| 841 Auto Sales/Repair | 1000 Sq. Ft. | \$1,636 | n/a | n/a |
| 912 Bank | 1000 Sq. Ft. | \$5,250 | \$32,595 | \$16,298* |
| 960 Convenience Store | 1000 Sq. Ft. | \$4,725 | \$74,421 | \$37,360.50* |
| 857 Discount Store | 1000 Sq. Ft. | \$2,231 | n/a | \$0** |
| 890 Furniture Store | 1000 Sq. Ft. | \$420 | n/a | \$0** |
| 444/445 Movie Theater | 1000 Sq. Ft. | \$3,553 | n/a | \$0** |
| 934 Fast-Food Restaurant with Drive Thru | 1000 Sq. Ft. | \$4,909 | \$40,067 | \$20,034* |
| 932 High Turnover (Sit Down) Restaurant | 1000 Sq. Ft. | \$3,325 | \$27,296 | \$0** |
| 930 Fast Casual Restaurant | 1000 Sq. Ft. | n/a | \$37,055 | \$0** |
| 931 Quality Restaurant | 1000 Sq. Ft. | n/a | n/a | \$0** |
| 937 Coffee/Donut Shop w/ drive thru | 1000 Sq. Ft. | n/a | \$11,704 | \$5,582* |
| 940 Bread/Donut/Bagel w/ drive thru | 1000 Sq. Ft. | n/a | \$10,255 | \$5,127.50* |
| 943 Automobile Parts & Service Center | 1000 Sq. Ft. | n/a | \$6,328 | \$3,164* |
| 949 Car Wash & Detail Center | 1000 Sq. Ft. | n/a | \$22,683 | \$11,341.50* |
| 971 Brewery Tap Room | 1000 Sq. Ft. | n/a | n/a | \$0** |

The Core City road impact fee schedule shall be calculated as shown on the table below.

| Land Use Type | Development Unit | Current Fee per Development Unit | New Calculated Maximum Fee per Development Unit | Proposed Fee per Development Unit Based on Council Direction |
|--|------------------|----------------------------------|---|--|
| Industrial ⁽¹⁾ | | | | |
| 110 General Light Industrial | 1000 Sq. Ft. | \$1,146 | \$1,899 | \$1,899 |
| 130 Industrial Park | 1000 Sq. Ft. | n/a | \$1,187 | \$1,187 |
| 150 Warehouse | 1000 Sq. Ft. | \$595 | \$593 | \$593 |
| 151 Mini-Warehouse | 1000 Sq. Ft. | \$306 | n/a | n/a |
| 030 Transportation Terminal | Per 1 acre | \$18,468 | n/a | n/a |
| Residential | | | | |
| 210 Single-Family Detached Housing | Dwelling Units | \$1,181 | \$2,670 | \$2,670 |
| 220 Multifamily Housing (low-rise) | Dwelling Units | \$726 | \$1,543 | \$1,543 |
| 221 Multifamily Housing (Mid-Rise) | Dwelling Units | n/a | \$1,187 | \$1,187 |
| 240 Mobile Home Park | Per site | \$656 | n/a | n/a |
| 265 Lodging Establishment, including extended stay | Per room | \$674 | n/a | n/a |
| Lodging | | | | |
| 310 Hotel | Rooms | \$674 | \$1,602 | \$0** |
| 311 All Suites Hotel | Rooms | n/a | n/a | \$0** |
| 312 Business Hotel | Rooms | n/a | n/a | \$0** |
| 330 Resort Hotel | Rooms | n/a | n/a | \$0** |
| Recreational | | | | |
| 495 Recreational Community Center | 1000 Sq. Ft. | n/a | \$6,290 | \$6,290 |
| 431 Miniature Golf Course | 1000 Sq.Ft. | n/a | n/a | \$0** |
| 436 Trampoline Park | 1000 Sq.Ft. | n/a | n/a | \$0** |
| 437 Bowling Alley | 1000 Sq.Ft. | n/a | n/a | \$0** |
| 444/445 Movie Theater | 1000 Sq.Ft. | n/a | n/a | \$0** |
| 480 Amusement Park | 1000 Sq.Ft. | n/a | n/a | \$0** |
| 482 Water Slide Park | 1000 Sq.Ft. | n/a | n/a | \$0** |
| Institutional | | | | |
| 520 Elementary School | 1000 Sq. Ft. | \$656 | \$2,789 | \$2,789 |
| 522 Middle School/Junior High School | 1000 Sq. Ft. | \$656 | \$2,433 | \$2,433 |
| 530 High School | 1000 Sq. Ft | \$656 | \$1,958 | \$1,958 |
| 620 Nursing Home/Assisted Living | 1000 Sq. Ft. | \$420 | n/a | n/a |
| 560 Church | 1000 Sq. Ft. | \$770 | \$1,306 | \$1,306 |
| 565 Day Care Center | 1000 Sq. Ft. | \$3,701 | \$7,240 | \$7,240 |
| 575 Fire and Rescue Station | 1000 Sq. Ft. | n/a | \$1,306 | \$1,306 |
| Medical | | | | |
| 610 Hospital | 1000 Sq. Ft. | \$1,076 | n/a | \$0** |
| 650 Free-Standing Emergency Room | 1000 Sq. Ft. | n/a | \$4,095 | \$0** |
| Office | | | | |
| 710 General Office Building | 1000 Sq. Ft. | \$1,741 | \$3,145 | \$0** |

| Land Use Type | Development Unit | Current Fee per Development Unit | New Calculated Maximum Fee per Development Unit | Proposed Fee per Development Unit Based on Council Direction |
|--|------------------|----------------------------------|---|--|
| 720 Medical-Dental Office Building | 1000 Sq. Ft. | \$4,279 | \$9,376 | \$0** |
| 770 Business Park | 1000 Sq. Ft. | n/a | \$1,127 | \$0** |
| Retail/Commercial | | | | |
| 820 Shopping Center/Gen Retail (<100,000 sf) | 1000 Sq. Ft. | \$4,471 | \$5,934 | \$0** |
| 820 Shopping Center/Gen Retail (<500,000 sf) | 1000 Sq. Ft. | \$3,229 | \$5,934 | \$0** |
| 820 Shopping Center/Gen Retail (<1 million sf) | 1000 Sq. Ft. | \$2,695 | \$5,934 | \$0** |
| 820 Shopping Center/Gen Retail (1 million sf+) | 1000 Sq. Ft. | \$2,398 | \$5,934 | \$0** |
| 850 Supermarket | 1000 Sq. Ft. | n/a | \$16,022 | \$0** |
| 862 Building Materials/Hardware/Nursery | 1000 Sq. Ft. | \$3,771 | \$3,679 | \$0** |
| 863 Electronics Superstore | 1000 Sq. Ft. | n/a | n/a | \$0** |
| 872 Bed and Linen Superstore | 1000 Sq. Ft. | n/a | n/a | \$0** |
| 876 Apparel Store | 1000 Sq. Ft. | n/a | n/a | \$0** |
| 879 Arts and Crafts Store | 1000 Sq. Ft. | n/a | n/a | \$0** |
| 881 Pharmacy w/ drive thru window | 1000 Sq. Ft. | n/a | \$14,242 | \$0** |
| 882 Marijuana Dispensary | 1000 Sq. Ft. | n/a | \$15,073 | \$15,073 |
| 841 Auto Sales/Repair | 1000 Sq. Ft. | \$1,636 | n/a | n/a |
| 912 Bank | 1000 Sq. Ft. | \$5,250 | \$18,040 | \$9,020* |
| 960 Convenience Store | 1000 Sq. Ft. | \$4,725 | \$41,361 | \$20,681* |
| 857 Discount Store | 1000 Sq. Ft. | \$2,231 | n/a | \$0** |
| 890 Furniture Store | 1000 Sq. Ft. | \$420 | n/a | \$0** |
| 444/445 Movie Theater | 1000 Sq. Ft. | \$3,553 | n/a | \$0** |
| 934 Fast-Food Restaurant with Drive Thru | 1000 Sq. Ft. | \$4,909 | \$22,134 | \$11,607* |
| 932 High Turnover (Sit Down) Restaurant | 1000 Sq. Ft. | \$3,325 | \$15,132 | \$0** |
| 930 Fast Casual Restaurant | 1000 Sq. Ft. | n/a | \$20,532 | \$0** |
| 931 Quality Restaurant | 1000 Sq. Ft. | n/a | n/a | \$0** |
| 937 Coffee/Donut Shop w/ drive thru | 1000 Sq. Ft. | n/a | \$6,468 | \$3,234* |
| 940 Bread/Donut/Bagel w/ drive thru | 1000 Sq. Ft. | n/a | \$5,697 | \$2,849* |
| 943 Automobile Parts & Service Center | 1000 Sq. Ft. | n/a | \$3,501 | \$1,751* |
| 949 Car Wash & Detail Center | 1000 Sq. Ft. | n/a | \$12,521 | \$6,261* |
| 971 Brewery Tap Room | 1000 Sq. Ft. | n/a | n/a | \$0** |

Table Notes:

(1) Land Uses with anticipated peak hour truck generation are based on Passenger Car Equivalents (PCE) using 1/2 of the truck percentage value defined in the Institute of Transportation Engineers Trip Generation Manual.

n/a – Category was not included in the study

*Proposed fee is 50% maximum calculated per previous City Council Direction

** Targeted use for recruitment by Economic Development per City Council

| Land Use Type | Development Unit | Current Fee per Development Unit | New Calculated Maximum Fee per Development Unit | Proposed Fee per Development Unit Based on Council Direction |
|---------------|------------------|----------------------------------|---|--|
| Direction | | | | |

Attachment 4 shows the draft revisions to the *Directory of City Fees and Charges* (Section 17(K), p28). Attachment 5 is the final *Road Impact Fee Report* dated April 2022 completed by Michael Baker International. The updated *Directory of City Fees and Charges* will be approved by the City Council through a Resolution following the second reading of the Road Impact Fee Ordinance at the March 6, 2023 agenda. These proposed fees are planned to take effect on May 1, 2023.

The First Reading of this ordinance occurred on February 6, 2023. Subsequent to the First Reading, it was discovered one of the Whereas statements was inaccurate based on previous City Council direction related to the fees to be assessed. Also, it was discovered the effective date did not reflect May 1, 2023 as planned. Therefore, an amendment as follows needs to be made prior to the motion being made to approve the second and final reading:

Provide for an effective date of May 1, 2023 and strike the fourth Whereas statement and replace it with a Whereas statement which reads, "WHEREAS, the City desires to internalize part of the fee costs for commercial development in commercial districts in order to promote such development, which will not increase or effect in any way other fee amounts in the City;"

Attachment 6 is the Staff proposed revised Ordinance 2390 stating the May 1, 2023 effective date.

Staff Responsible (Department Head): Joe Wilson, Director of Public Works

Staff Presenting: Shawn Poe, PE, CFM, City Engineer
 Chris Hodyl, Development Review Manager
 Joe Wilson, Public Works Director

Financial Impact: Collecting road impact fees from the development community is an important mechanism for cities to pay for a portion or all of future arterial roadway improvements required due to the impact of future development.

Funding Source: N/A

Staff Recommendation: Staff recommends the City Council make an amendment to Ordinance 2390 providing an effective date of May 1, 2023 in addition to striking the fourth Whereas statement and replace it with a Whereas statement which reads,

"WHEREAS, the City desires to internalize part of the fee costs for commercial development in commercial districts in order to promote such development, which will not increase or effect in any way other fee amounts in the City;" and subsequently approving the second and final reading of an Ordinance amending the Land Development Code of the City of Commerce City by updating the Road Impact Fees based on the recent Impact Fee Study.

Suggested Motion: Motion to amend Ordinance 2390 providing for a May 1, 2023 effective date and striking the fourth whereas statement and replace it with a whereas statement which reads, "Whereas, the city desires to internalize part of the fee costs for commercial development in commercial districts in order to promote such development, which will not increase or effect in any way other fee amounts in the city;" followed by a motion to approve the second and final reading of an ordinance amending the Land Development Code of the City of Commerce City by updating the road impact fees based on the recent Impact Fee Study.