CITY OF COMMERCE CITY

DEVELOPMENT IMPACT FEE NEXUS STUDY

FINAL

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TABLE OF CONTENTS

Executive Summary

This report summarizes an analysis of development impact fees needed to support future development in the City of Commerce City through 2042. It is the City's intent that the costs representing future development's share of public facilities and capital improvements be imposed on that development in the form of a development impact fee, also known as a public facilities fee. The public facilities and improvements included in this analysis are divided into the fee categories listed below:

- General Government Facilities
- Parks and Recreation Facilities
- Public Works Facilities
- Police Facilities

Background and Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. Although growth also imposes operating costs, there is not a similar system to generate revenue from new development for services. The primary purpose of this report is to calculate and present fees that will enable the City to expand its inventory of public facilities, as new development creates increases in service demands.

The portion of the state statute that pertains to municipalities is Colorado Revised Statute (CRS) §29-20.-104.5. The impact fee study prepared for the City has been conducted in accordance with the State Statute.

Facility Standards and Costs

This report uses two approaches to calculate impact fees in this report:

The **existing inventory** approach is based on a facility standard derived from the City's existing level of facilities and existing demand for services. This approach results in no facility deficiencies attributable to existing development. This approach is often used when a long-range plan for new facilities is not available. Future facilities to serve growth will be identified through the City's CIP and budget process and/or completion of a new facility master plan. This approach is used to calculate the general government and public works facilities fees in this report.

The **system plan** approach is based on a master facility plan in situations where specific needed facilities serve both existing and new development. This approach allocates existing and planned facilities across existing and new development to determine new development's fair share of facility needs. This approach is used when it is not possible to differentiate the benefits of new facilities between new and existing development. This approach is used to calculate the police facilities and park facilities fees this report.

Use of Fee Revenues

Impact fee revenue must be spent on new facilities or expansion of current facilities to serve new development. Facilities can be generally defined as capital acquisition items with a useful life greater than five years. Impact fee revenue can be spent on capital facilities to serve new development, including but not limited to land acquisition, construction of buildings, construction of infrastructure, the acquisition of vehicles or equipment, information technology, software licenses and equipment.

In that the City cannot predict with certainty how and when development within the City will occur during the planning horizon assumed in this study, the City may need to update and revise the

project lists funded by the fees documented in this study. Any substitute projects should be funded within the same facility category, and the substitute projects must still benefit and have a relationship to new development. The City could identify any changes to the projects funded by the impact fees when it updates the CIP. The impact fees could also be updated if significant changes to the projects funded by the fees are anticipated.

Service Areas

A key requirement of an impact fee study is the identification of the service area for which the fee will be applied. Accordingly, the City intends to assess all impact fees using one Citywide system that serves the entire City, rather than multiple individual service areas.

Development Impact Fee Schedule Summary

Table E.1 summarizes the maximum justified development impact fees. Residential fees are displayed on a per dwelling unit basis and nonresidential fees on a per 1,000 square foot basis.

Table E.1: Maximum Justified Development Impact Fee Schedule Summary

Land Use	General Government	Public Works	Parks	Police	Total
Residential - Fee Per Dwelling Unit					
Single Family Unit	$ 707	$ 612	$ 7,502	$ 2,175	**$ 10,996**
Multifamily Unit	538	465	5,698	1,651	**8,352**
Nonresidential - Fee per 1,000 Square Feet					
Commercial	$ 135	$ 117	$ 462	$ 416	**$ 1,130**
Office	206	180	707	638	**1,731**
Industrial	73	64	252	226	**615**

Sources: Tables 3.6, 4.6, 5.10 and 6.6.

Other Funding Needed

Impact fees cannot fund costs associated with remedying existing deficiencies in public facilities but may include the costs attributable to the increased demand for public facilities reasonably related to the development project. This means that the development impact fees levied within the City of Commerce City cannot fund the share of new projects needed to serve existing development or new development that is not subject to the fee.

As shown in **Table E.2,** approximately $83.8 million in additional funding is anticipated to be needed to complete the facilities the City currently plans to develop, if fees are adopted at the maximum justified fee level. The “Additional Funding Projected” column shows non-impact fee funding projected to be needed to complete the improvements partially funded by impact fees. These facilities are needed partially to remedy existing deficiencies and partly to accommodate new development.

To the extent that the City adopts fees that are lower than the maximum justified amount, the non-impact fee funding projections would increase. Potential sources of revenue include, but are not limited to, existing or new general fund revenues, existing or new taxes, special assessments, bond proceeds, and grants.

Table E.2: Non-Impact Fee Funding Required

Facility Category	Net Project Cost	Projected Impact Fee Revenue	Additional Funding Required
General Government[1]	$ 17,500,000	$ 16,263,000	$ -
Public Works[1]	7,344,064	14,078,000	-
Parks	204,087,532	159,251,567	44,835,965
Police	89,000,000	50,002,000	38,998,000
Total	$ 317,931,596	$ 239,594,567	$ 83,833,965

[1] These impact fee categories are calculated to fund facilities at the current facility standards, and are not driven by the cost of the planned facilities. Additional funding is not required to collect impact fees, so long as the fee revenue is spent on capacity expanding facilities. Potential project lists are provided for these facility categories to demonstrate the potential facilities that fee revenue may be spent on.

Sources: Tables 3.5, 4.5, 5.9, and 6.5

1. Introduction

This report presents an analysis of the need for public facilities to accommodate new development in the City of Commerce City. This chapter provides background for the study and explains the study approach under the following sections:

- Impact Fees in California;
- Study Objectives;
- Fee Program Maintenance;
- Study Methodology; and
- Organization of the Report.

Impact Fees in Colorado

The portion of the state statute that pertains to municipalities is Colorado Revised Statute (CRS) §29-20.-104.5. The impact fee study prepared for the City has been conducted in accordance with the State Statute.

Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to establish impact fees for the City based on the most current available facility plans and growth projections. The maximum justified fees will enable the City to expand its inventory of public facilities as new development leads to increases in service demands.

Commerce City is forecast to see moderate growth through this study's planning horizon of 2042. This growth will create an increase in demand for public services and the facilities required to deliver them. Given the revenue challenges described above, Commerce City has decided to use a development impact fee program to ensure that new development funds its share of facility costs associated with growth. This report makes use of the most current available growth forecasts and facility plans to update the City's existing fee program to ensure that the fee program accurately represents the facility needs resulting from new development.

Fee Program Maintenance

Once a fee program has been adopted it must be properly maintained to ensure that the revenue collected adequately funds the facilities needed by new development. To avoid collecting inadequate revenue, the inventories of existing facilities and costs for planned facilities must be updated periodically for inflation, and the fees recalculated to reflect the higher costs. The use of a reliable construction cost index, such as those published by the *Engineering News-Record*, is necessary to accurately adjust the impact fees. For a list of recommended indices, see Chapter 7.

While fee updates using inflation indices are appropriate for annual or periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, it is recommended to conduct more extensive updates of the fee documentation and calculation when significant new data on growth forecasts and/or facility plans become available. For further detail on fee program implementation, see Chapter 7.

Study Methodology

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The six steps followed in this development impact fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
3. **Determine facilities required to serve new development:** Estimate the total amount of planned facilities, and identify the share required to accommodate new development;
4. **Determine the cost of facilities required to serve new development:** Estimate the total amount and the share of the cost of planned facilities required to accommodate new development;
5. **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the development impact fee schedule. Calculate fees per square foot of residential by dividing fee per unit by average unit square footage; and
6. **Identify alternative funding requirements:** Determine if any non-fee funding is required to complete projects.

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Types of Facility Standards

There are three separate components of facility standards:

- *Demand standards* determine the amount of facilities required to accommodate growth, for example, park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicle volume-to-capacity (V/C) ratio used in traffic planning.
- *Design standards* determine how a facility should be designed to meet expected demand, for example, park improvement requirements and technology infrastructure for City office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates the cost of planned facilities built to satisfy the City's facility design standards.
- *Cost standards* are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. *Cost standards* are useful when demand standards were not explicitly developed for the facility planning process. *Cost standards* also enable different types of facilities to be analyzed based on a single measure (cost or value) and are useful when different facilities are funded by a single fee program. Examples include facility costs per capita, cost per vehicle trip, or cost per gallon of water per day.

New Development Facility Needs and Costs

Several approaches can be used to identify facility needs and costs to serve new development. This is often a two-step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

There are three common methods for determining new development's fair share of planned facilities costs in this study: the **existing inventory method**, the **planned facilities method**, and the **system plan method**. Often the method selected depends on the degree to which the community has engaged in comprehensive facility master planning to identify facility needs.

The formula used by each approach and the advantages and disadvantages of each method is summarized below:

Existing Inventory Method

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \text{cost per unit of demand}$$

Under this method new development will fund the expansion of facilities at the same standard currently serving existing development. The existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Future facilities to serve growth are identified through a CIP and budget process, possibly after completion of a new facility master plan. This approach is used to calculate the general government and public works facilities fees in this report.

System Plan Method

This method calculates the fee based on the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development:

$$\frac{\text{Value of Existing Facilities + Cost of Planned Facilities}}{\text{Existing + New Development Demand}} = \text{cost per unit of demand}$$

This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. It is difficult, for example, to allocate a new fire station solely to new development when that station will operate as part of an integrated system of fire stations that together achieve the desired level of service.

The system plan method ensures that new development does not pay for existing deficiencies. Often facility standards based on policies such as those found in Comprehensive Plans are higher than the existing facility standards. This method enables the calculation of the existing deficiency required to bring existing development up to the policy-based standard. The local agency must secure non-fee funding for that portion of planned facilities required to correct the deficiency to ensure that new development receives the level of service funded by the impact fee. This approach is used to calculate the parks and police facilities fees in this report.

Planned Facilities Method

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \text{cost per unit of demand}$$

This method is appropriate when planned facilities will entirely serve new development, or when a fair share allocation of planned facilities to new development can be estimated. This approach is appropriate when specific planned facilities that only benefit new development can be identified,

or when the specific share of facilities benefiting new development can be identified. This approach is also used to support a specific demand standard identified by policy in a City's General Plan. This approach is not used in this report.

Organization of the Report

The determination of a public facilities fee begins with the selection of a planning horizon and development of growth projections for population and employment. These projections are used throughout the analysis of different facility categories and are summarized in Chapter 2.

Chapters 3 through 6 identify facility standards and planned facilities, allocate the cost of planned facilities between new development and other development, and identify the appropriate development impact fee for each of the following facility categories:

- General Government Facilities
- Parks and Recreation Facilities
- Public Works Facilities
- Police Facilities

Chapter 7 discusses fee program implementation considerations.

2. Growth Forecasts

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the growth projections used in this study based on a 2021 base year and a planning horizon of 2042.

Estimates of existing development and projections of future growth are critical assumptions used throughout this report. These estimates are used as follows:

- The estimate of existing development in 2021 is used as an indicator of existing facility demand and to determine existing facility standards.
- The estimate of total development at the 2042 planning horizon is used as an indicator of future demand to determine total facilities needed to accommodate growth and remedy existing facility deficiencies, if any.
- Estimates of growth from 2021 through 2042 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for public facilities is based on the service population, dwelling units or nonresidential development creating the need for the facilities.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use types. The land use types for which impact fees have been calculated for are defined below:

- **Single family:** Detached and attached one-unit dwellings. Includes single family homes and townhomes.
- **Multifamily:** All attached multifamily dwellings including duplexes and condominiums.
- **Commercial:** All commercial, retail, educational, lodging, and service development.
- **Office:** All general, professional, and medical office development.
- **Industrial:** All warehouse, distribution, manufacturing, and other industrial development.

Some developments may include more than one land use type, such as a mixed-use development with both residential and commercial uses. In those cases, the facilities fee would be calculated separately for each land use type.

The City has the discretion to determine which land use type best reflects a development project's characteristics for purposes of imposing an impact fee and may adjust fees for special or unique uses to reflect the impact characteristics of the use. If a project results in the intensification of use, at its discretion, the City can charge the project the difference in fees between the existing low intensity use and the future high intensity use.

Existing and Future Development

Table 2.1 shows the estimated number of residents, dwelling units, employees, and building square feet in Commerce City, both in 2021 and in 2042. The base year and projected estimates of residents were provided by the City. Base year dwelling units were estimated using data from

the American Community Survey. The increase in dwelling units was estimated by keeping the ratio of residents to dwelling units constant.

Base year employees were estimated based on the latest data from the US Census' OnTheMap application and exclude local government (public administration) employees. Total projected workers were also identified by the City.

Table 2.1: Existing and New Development

	2021	2042	Increase
Residents[1]	68,205	139,942	71,737
Dwelling Units[2]			
Single Family	16,568	33,994	17,426
Multifamily	2,418	4,961	2,543
Total	18,986	38,955	19,969
Employment[3]			
Commercial	9,192	17,513	8,321
Office	4,265	8,126	3,861
Industrial	19,225	36,629	17,404
Total	32,682	62,268	29,586

[1] Current and projected population based on data provided by City of Commerce City.
[2] Current based on 2019 ACS data, adjusted by increase in single family and multifamily building permits issued in 2020 and 2021. Projection for 2042 based on maintaining ratio of dwelling units to population constant.
[3] Current estimates of primary jobs from the US Census' OnTheMap. Projection based on data provided by City of Commerce City. Assumes current ratio among land uses will be maintained.

Sources: City of Commerce City; 2019 American Community Survey; U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics 2019; Willdan Financial Services.

Occupant Densities

All fees in this report are calculated based on dwelling units or building square feet. Occupant density assumptions ensure a reasonable relationship between the size of a development project, the increase in service population associated with the project, and the amount of the fee.

Occupant densities (residents per dwelling unit or workers per building square foot) are the most appropriate characteristics to use for most impact fees. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development. The occupancy factors are shown in **Table 2.2**.

The residential occupant density factors are derived from the U.S Census Bureau, 2019 American Community Survey (ACS) Tables B25024 and B25033. Table B25024 provides total housing units by land use designation. Table B25033 documents the total population residing in occupied housing. Residents, by land use, are divided by units, by land use, to estimate factors for citywide persons per type of dwelling unit. The non-residential density factors are derived from data from the Institute of Traffic Engineers (ITE) Trip Generation Manual, 11th Edition.

Table 2.2: Occupant Density Assumptions

Residential		
Single Family	3.45	Residents Per Dwelling Unit
Multifamily	2.62	Residents Per Dwelling Unit
Nonresidential		
Commercial	2.12	Employees per 1,000 square feet
Office	3.26	Employees per 1,000 square feet
Industrial	1.16	Employees per 1,000 square feet

Sources: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates, Tables B25024 and B25033; ITE Trip Generation Manual, 11th Edition; Willdan Financial Services.

3. General Government Facilities

The purpose of this fee is to ensure that new development funds its fair share of general government facilities. A fee schedule is presented based on the existing standard of general government facilities in the City of Commerce City to ensure that new development provides adequate funding to meet its needs.

Service Population

General government facilities serve both residents, visitors, and businesses. Therefore, demand for services and associated facilities are based on the City's service population including residents, visitors, and workers.

Table 3.1 shows the existing and future projected service population for general government facilities. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, Willdan believes it is reasonable to assume that demand for these services is less for one worker compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units and the demand for services is liked more closely to the workday or business hours. The 0.31-weighting factor for workers approximates relative demand for facilities for people who work in the City relative to residents. This worker weighting factor is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and therefore reflects the degree to which nonresidential development yields a lesser demand for general government facilities.

This approach assumes the following:

1. People generate demand for these types of facilities when they are physically within the City. People who work in the City but do not live in the City only generate demand for these facilities for the 40 hours that they are physically in the City.
2. People who live in the City may or may not also work in the City. Demand for those who both live and work in the City is captured partially in the residential weighting factor (128 nonwork hours per week / 168 total hours per week), and partially in the worker weighting factor (40 work hours per week / 168 total hours per week), to account for all 168 hours in a week.
3. Demand for one worker is compared to demand from one resident, which results in the worker weighting factor of 0.3125 (rounded to 0.31 in this analysis). (40/168) / (128/168) = 0.3125.

Table 3.1: General Government Facilities Service Population

	Residents	Workers	Service Population
Existing (2021)	68,205	32,682	78,336
New Development (2021-2042)	71,737	29,586	80,909
Total (2042)	139,942	62,268	159,245
Weighting Factor	1.00	0.31	

[1] Workers are weighted at 0.31 of residents based on a 40 hour work week out of a possible 128 non-work hours in a week (40/128 = 0.31)

Source: Table 2.1; Willdan Financial Services.

Existing Facilities Inventory

The City's general government facilities inventory is comprised of the Civic Center, including land, building and vehicles. The replacement cost of the building is based on the City's projected construction costs to expand the Civic Center. The land value is based on the weighted average of land sales comparisons in 2021 and 2022 in Commerce City as provided by CoStar. In total the City owns approximately $15.7 million worth of general government facilities. **Table 3.2** displays the City's existing inventory of general government facilities.

Table 3.2: Existing General Government Facilities Inventory

	Inventory	Unit Cost	Value
Civic Center - 7887 East 60th Avenue			
Land[1]	9.13	$ 123,400	$ 1,126,900
Building[2]	58,000	$ 250	14,500,000
Total			$ 15,626,900
Vehicles			$ 79,816
Total			$ 15,706,716

[1] Total parcel size is 14.17 acres. 64.4% of parcel is allocated to general government uses, and the balance is allocated to police uses based on the square footage of the civic center for each respective use.
[2] Total building size is 90,000 square feet. 32,000 square feet are used for police, and included in that impact fee chapter to avoid double counting.

Sources: City of Commerce City Facility Condition Assessment, 2021; Willdan Financial Services.

Preliminary Planned Facilities

The City should program fee revenue to capacity expanding projects through its CIP and budget process. The City's general government facilities impact fee CIP is shown in **Table 3.3**. Note that

the costs in Table 3.3 do not drive the fee calculation. Rather, the existing facility standard drives the fee calculation.

Table 3.3: General Government Facilities CIP

	Amount	Units	Unit Cost	Total
Civic Center Expansion	10,000	Sq. Ft.	$ 250	$ 2,500,000
2 Floors in Joint Use Facility	60,000	Sq. Ft.	250	15,000,000
Total				$ 17,500,000

Source: City of Commerce City.

Cost Allocation

Table 3.4 shows the calculation of the existing facilities standard per capita for general government facilities. This cost is calculated by dividing the total existing value of all general government facilities by the existing service population. The cost per capita is multiplied by the worker weighting factor of 0.31 to determine the cost per worker.

Table 3.4: General Government Facilities Existing Standard

Value of Existing Facilities	$	15,706,716
Existing Service Population		78,336
Cost per Capita	$	201
Facility Standard per Resident	$	201
Facility Standard per Worker[1]		62

[1] Based on a weighing factor of 0.31.

Sources: Tables 3.1 and 3.2.

Fee Revenue Projection

The City plans to use general government facilities fee revenue to construct improvements and acquire capital facilities and equipment to add capacity to the City's general government facilities to serve new development. **Table 3.5** shows the projected fee revenue based on the growth in service population identified in Table 3.1.

Table 3.5: Revenue Projection - Existing Standard

Cost per Capita	$ 201
Growth in Service Population (2021 - 2042)	80,909
Fee Revenue	$ 16,263,000
Cost of Planned Facilities	17,500,000
Unfunded Costs	$ (1,237,000)

Sources: Tables 3.1, 3.3 and 3.4.

Fee Schedule

Table 3.6 shows the maximum justified general government facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space).

The total fee includes a two percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, technology, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 3.6: Maximum Justified General Government Facilities Fee Schedule

	A	*B*	*C = A x B*	*D = C x 0.02*	*E = C + D*	*F = E / 1,000*
Land Use	**Cost Per Capita**	**Density**	**Base Fee[1]**	**Admin Charge[1, 2]**	**Total Fee[1]**	**Fee per Sq. Ft.**
Residential - per Dwelling Unit						
Single Family	$ 201	3.45	$ 693	$ 14	$ 707	
Multifamily	201	2.62	527	11	538	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 62	2.12	$ 132	$ 3	$ 135	$ 0.14
Office	62	3.26	202	4	206	0.21
Industrial	62	1.16	72	1	73	0.07

[1] Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 3.4.

4. Public Works Facilities

The purpose of this fee is to ensure that new development funds its fair share of public works facilities. A fee schedule is presented based on the existing standard of public works facilities in the City of Commerce City to ensure that new development provides adequate funding to meet its needs.

Service Population

Public works facilities serve both residents, visitors, and businesses. Therefore, demand for services and associated facilities are based on the City's service population including residents, visitors, and workers.

Table 4.1 shows the existing and future projected service population for public works facilities. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, Willdan believes it is reasonable to assume that demand for these services is less for one worker compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units and the demand for services is liked more closely to the workday or business hours. The 0.31-weighting factor for workers approximates relative demand for facilities for people who work in the City relative to residents. This worker weighting factor is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and therefore reflects the degree to which nonresidential development yields a lesser demand for public works facilities.

This approach assumes the following:

1. People generate demand for these types of facilities when they are physically within the City. People who work in the City but do not live in the City only generate demand for these facilities for the 40 hours that they are physically in the City.
2. People who live in the City may or may not also work in the City. Demand for those who both live and work in the City is captured partially in the residential weighting factor (128 nonwork hours per week / 168 total hours per week), and partially in the worker weighting factor (40 work hours per week / 168 total hours per week), to account for all 168 hours in a week.
3. Demand for one worker is compared to demand from one resident, which results in the worker weighting factor of 0.3125 (rounded to 0.31 in this analysis). (40/168) / (128/168) = 0.3125.

Table 4.1: Public Works Facilities Service Population

	Residents	Workers	Service Population
Existing (2021)	68,205	32,682	78,336
New Development (2021-2042)	71,737	29,586	80,909
Total (2042)	139,942	62,268	159,245
Weighting Factor	1.00	0.31	

[1] Workers are weighted at 0.31 of residents based on a 40 hour work week out of a possible 128 non-work hours in a week (40/128 = 0.31)

Source: Table 2.1; Willdan Financial Services.

Existing Facilities Inventory

The City's public works facilities inventory is comprised of the City Hall, and the Public Works Yard. The replacement cost of the building is based on the City's projected construction costs to expand the Civic Center. The land value is based on the weighted average of land sales comparisons in 2021 and 2022 in Commerce City as provided by CoStar. In total the City owns approximately $13.7 million worth of public works facilities. **Table 4.2** displays the City's existing inventory of public works facilities.

Table 4.2: Existing Public Works Facilities Inventory

	Inventory	Unit Cost	Value
Land (acres)			
Municipal Services Center - 8602 Rosemary St.	19.17	$ 123,400	$ 2,365,600
Public Works Buildings			
Municipal Services Center - Administration Bldg. A	11,376	$ 250	$ 2,844,000
Municipal Services Center - Administration Bldg. B	15,695	250	3,923,750
Municipal Services Center - Fleet Bldg. C	11,835	250	2,958,750
Municipal Services Center - Salt & Sand Bldg. 1	1,640	250	410,000
Municipal Services Center - Salt & Sand Bldg. 2	4,500	250	1,125,000
Subtotal	45,046		$11,261,500
Public Works Vehicle Inventory (Excludes Street Maintenance)			
Light Duty Trucks			$ 27,333
Total			$ 27,333
Total Value of Existing Facilities			$13,654,433

Sources: City of Commerce City Facility Condition Assessment, 2021; Willdan Financial Services.

Preliminary Planned Facilities

The City should program fee revenue to capacity expanding projects through its CIP and budget process. The City's public works facilities impact fee CIP is shown in **Table 4.3.** Note that the costs in Table 4.3 do not drive the fee calculation. Rather, the costs shown in the table indicate the initial uses of impact fee revenue. Additional projects will need to be identified to meet the City's facility standards as new development occurs.

Table 4.3: Public Works Facilities CIP

	Amount	Units	Unit Cost	Total
MSC Material Storage Bay				$ 500,000
Capacity Expansion at 8206 Rosemary[1]	5,701	Sq. Ft.	$ 272	1,550,672
Future Satellite Facility	19,461	Sq. Ft.	$ 272	5,293,392
Total				$ 7,344,064

[1] Assumes a total of 50,747 square feet of building space needed at 8026 Rosemary for excluding police uses. Total shown is net of existing space at the MSC.

Source: Commerce City 2022 Adopted Budget; Municipal Service Center Master Plan Report, 2009; Willdan Financial Services.

Cost Allocation

Table 4.4 shows the calculation of the existing facilities standard per capita for public works facilities. This cost is calculated by dividing the total existing value of all public works facilities by the existing service population. The cost per capita is multiplied by the worker weighting factor of 0.31 to determine the cost per worker.

Table 4.4: Public Works Facilities Existing Standard

Value of Existing Facilities	$	13,654,433
Existing Service Population		78,336
Cost per Capita	$	174
Facility Standard per Resident	$	174
Facility Standard per Worker[1]		54

[1] Based on a weighing factor of 0.31.

Sources: Tables 4.1 and 4.2.

Fee Revenue Projection

The City plans to use public works facilities fee revenue to construct improvements and acquire capital facilities and equipment to add capacity to the City's public works facilities to serve new

development. **Table 4.5** shows the projected fee revenue based on the growth in service population identified in Table 4.1.

Table 4.5: Revenue Projection - Existing Standard

Cost per Capita	$ 174
Growth in Service Population (2021 - 2042)	80,909
Fee Revenue	$ 14,078,000
Net Cost of Planned Facilities	$ 7,344,064
Additional Facilities to be Identified	$ 6,733,936

Sources: Tables 4.1 and 4.3.

Fee Schedule

Table 4.6 shows the maximum justified public works facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space).

The total fee includes a two percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, technology, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 4.6: Maximum Justified Public Works Facilities Fee Schedule

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	F = E / 1,000 Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$ 174	3.45	$ 600	$ 12	$ 612	
Multifamily	174	2.62	456	9	465	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 54	2.12	$ 115	$ 2	$ 117	$ 0.12
Office	54	3.26	176	4	180	0.18
Industrial	54	1.16	63	1	64	0.06

[1] Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 4.4.

5. Park Facilities

The purpose of the parks facilities impact fee is to fund the parks and recreation facilities needed to serve new development. The maximum justified impact fee is presented based on a hybrid standard approach- the parks and trails components are calculated using the system plan approach and the golf course component is calculated using the existing facility standard approach.

Service Population

Park facilities in Commerce City serve both residents and workers. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, Willdan believes it is reasonable to assume that demand for these services is less for one worker compared to one resident, because workers have limited opportunities to use these facilities during a typical workday. This analysis assumes that a worker generates only ten percent of the demand for park facilities that a resident generates. **Table 5.1** displays the calculation of the service population.

Table 5.1: Park Facilities Service Population

	Residents	Workers	Service Population
Existing (2021)	68,205	32,682	71,473
New Development (2021-2042)	71,737	29,586	74,696
Total (2042)	139,942	62,268	146,169
Weighting Factor	1.00	0.10	

Source: Table 2.1; Willdan Financial Services.

Existing Park and Recreation Facilities Inventory

The City of Commerce City owns a considerable amount of parks and opens space throughout the City. **Table 5.2** summarizes the City's existing parkland inventory. All facilities are located within the City limits. In total, the inventory includes a total of 1,202.38 acres of City-owned property.

Table 5.2: Parkland Inventory

Name	Developed Acres	Undeveloped Acres	Total
Open Space			
Dedicated Open Space	-	788.57	788.57
Subtotal	-	788.57	788.57
Parks			
River Run	14.86	-	14.86
Fronterra	19.76	-	19.76
Stampede Park	9.44	-	9.44
Villages East	9.24	-	9.24
Turnberry	9.63	-	9.63
Freedom Park	2.30	-	2.30
Los Valientes	2.41	-	2.41
Veterans Memorial Park	8.50	-	8.50
Fairfax Park	22.30	-	22.30
Monaco Park	9.30	-	9.30
Pioneer Park	36.92	-	36.92
Adams Hrights Park	1.00	-	1.00
Derby Park	0.50	-	0.50
Gifford Park	0.30	-	0.30
Leyden Park	0.14	-	0.14
Joe Reilly Park	0.50	-	0.50
Monaco Vista	1.50	-	1.50
Olive Park	1.20	-	1.20
Rose Hill Grange Park	0.70	-	0.70
Urquidez-Centennial	1.20	-	1.20
Buckley	-	25.00	25.00
First Creek	-	69.51	69.51
Second Creek	-	34.09	34.09
Second Creek	-	107.97	107.97
Foxton Village	-	2.24	2.24
Second Creek Farms	10.30	-	10.30
Bison Ridge	-	13.00	13.00
Subtotal	162.00	251.81	413.81
Total	162.00	1,040.38	1,202.38

Source: City of Commerce City.

Table 5.3 displays the City's inventory of trails.

Table 5.3: Trail Inventory

Name	Miles	Linear Feet
Trails Within Dedicated Open Space	24	126,720
Total	24	126,720

Source: City of Commerce City.

Table 5.3 displays the City's golf course inventory.

Table 5.4: Golf Course Inventory

Name	Holes
Buffalo Run Golf Course	18
Total	18

Source: City of Commerce City.

Park Facilities Unit Costs

Table 5.5 displays the unit costs necessary to develop acquire open space, and improve land with recreation amenities in Commerce City. This information is used to estimate the City's existing investment in these facilities. The land cost assumption was based on an analysis of recent land sales within the City of Commerce City using data from CoStar. An estimate of $142,000 per acre for standard parkland improvements is based on current average investment per acre in the City's parks. The land value for open space acquisition came from the City's Prairieways Action Plan.

Table 5.5: Park Facilities Unit Costs

	Cost Per Acre
Open Space	
Land Acquisition	$ 12,000
Parks	
Standard Park Improvements[1]	$ 142,000
Land Acquisition	123,400
Total Cost per Acre	$ 265,400
Trails	
Trail Improvements	$ 127
Golf Course Facilities	
Golf Course Value	$4,224,818
Holes	18
Total Cost per Hole	$ 234,712

[1] Standard park improvement costs based on total parks assets excluding land divided by improved parks acreage.

Sources: City of Commerce City; Prairieways Action Plan; Willdan Financial Services.

Planned Facilities

Guided by analysis from the City's Prairieways Action Plan, City staff provided Willdan with future cost estimates of projects needed to implement that Plan. Those costs are summarized in **Table 5.6.**

Table 5.6: Planned Park Facilities

	Acres or Linear Feet	Total Cost
Parks and Amenities		
Disc Golf Course	-	$ 71,500
Bison Ridge Park	13	3,500,000
Buffalo Run Expansion	-	13,200,000
Second Creek Park	20	5,000,600
Oasis Park	2	2,000,000
Buckley Crossing Neighborhood Park	15	2,609,063
Box Elder Neighborhood Park	15	1,709,063
Third Creek Neighborhood Park	15	2,609,063
Section 14 Neighborhood Park	15	2,609,063
Reunion Neighborhood Park	15	2,609,063
Foxton Village/Reunion Neighborhood Park	15	2,609,063
First Creek Community Park	71	13,131,491
Second Creek Community Park	70	24,750,376
Buckley Community Park	65	12,391,334
Box Elder Community Park	80	15,040,850
Total	411	$103,840,529
Trails		
O'Brien Canal Greenway	80,000	$ 8,290,000
Burlington Greenway	20,000	1,700,000
1st Creek Greenway	16,000	2,700,000
2nd Creek Greenway	28,000	3,974,000
Fulton Ditch Greenway	36,000	3,388,000
E-470 Trail	38,000	4,100,000
Rocky Mtn Arsenal	105,000	105,000
Barr Lake Loop	18,000	1,244,000
Buckley Parkway	20,000	1,800,000
Greenway Links	66,000	6,220,000
Fulton Ditch Greenway	36,000	6,425,162
Barr Lake Loop	18,000	1,264,680
Greenway Links	44,293	8,388,832
First Creek Greenway	16,000	4,638,125
Second Creek Greenway	25,608	6,679,200
Third Creek Greenway	14,000	985,706
South Platte River Greenway	-	6,000,000
O'Brian Canal Greenway	80,000	14,705,252
Burlington Canal Greenway	20,000	3,121,214
Prairie Trail Greenway amd Prairie Conserv	33,792	2,380,574
Box Elder Creek Greenway	12,000	855,519
E-470 Trail	38,000	7,975,687
Buckley Parkway	20,000	2,587,543
Total	784,693	$ 99,528,494

Source: City of Commerice City; Prariew ays Action Plan.

Park Facility Standards

Park facility standards establish a reasonable relationship between new development and the need for expanded parkland and park facilities. **Table 5.7** calculates a hybrid cost per capita standard, driven by three components: a park component, a trail component and a golf course component. The park and trails components use a system standard approach, where the cost per capita is calculated at the planning horizon once new development has occurred and the planned facilities have been built. The golf component uses an existing facilities standard approach, and ensures that new development contributes to these facilities proportionally to increases in demand.

Table 5.7: Park Facility Standards

Park Land	
Value of Existing Facilities	$ 51,064,154
Park Improvements	
Value of Existing Facilities	$ 23,003,996
Value of Planned Facilities	103,840,529
Total System Value (2042)	$ 126,844,525
Parks Total	
Value of Existing Facilities	$ 74,068,150
Value of Planned Facilities	103,840,529
Total System Value (2042)	$ 177,908,679
Future Service Population (2042)	146,169
Cost per Capita	$ 1,217
Trails Standard	
Value of Existing Open Space	$ 9,462,840
Value of Existing Trails within Open Space	16,072,847
Value of Planned Facilities	99,528,494
Total System Value (2042)	$ 125,064,181
Future Service Population (2042)	146,169
Cost per Capita	$ 856
Golf Existing Facilities Standard	
Value of Existing Facilities	$ 4,224,818
Existing Service Population	71,473
Cost per Capita	$ 59

Sources: Tables 5.1, 5.2, 5.3, 5.5 and 5.6, Willdan Financial Services.

Cost Allocation

Table 5.8 summaries the cost per resident and cost per worker, based on the hybrid facility standard approach described above. The cost per resident is multiplied by the worker weighting factor to determine the cost per worker.

Table 5.8: Cost per Capita Summary

	Cost Resident	Cost per Worker[1]
Parks	$ 1,217	$ 122
Trails	856	86
Golf Courses	59	6
Total Cost per Capita	$ 2,132	$ 213

[1] Based on a weighing factor of 0.1.

Source: Table 5.7.

Revenue Projection

Table 5.9 shows a projection in park facilities fee revenue based on the projected increase in service population identified in Table 5.1 and the cost per capita from Table 5.8. After accounting for the existing park impact fee fund balance of $3.7 million, the City will have to fund $44.8 million from non-impact fee funding sources to fully fund the identified facilities or else new development will have paid too high a fee.

Table 5.9: Revenue Projection

	Parks	Trails	Golf Courses	Total
Cost per Capita	$ 1,217	$ 856	$ 59	
Growth in Service Population (2021 - 2042)	74,696	74,696	74,696	
Projected Fee Revenue	$ 90,904,858	$ 63,939,653	$ 4,407,056	
Cost of Planned Facilities	$ 103,840,529	$ 99,528,494	$ 4,407,056	$ 207,776,079
Projected Fee Revenue	90,904,858	63,939,653	4,407,056	159,251,567
Existing Fund Balance				3,688,547
Non-Fee Revenue to Be Identified				$ 44,835,965

Sources: Tables 5.1, 5.6 and 5.8.

Fee Schedule

Table 5.10 shows the maximum justified park facilities impact fees based on the hybrid facility standard per capita from Table 5.8. The cost per capita is converted to a fee per dwelling unit using the residential occupancy density factor from Table 2.2.

The total fee includes an administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including

revenue collection, revenue, and cost accounting, technology, mandated public reporting, and fee justification analyses.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 5.10: Maximum Justified Park and Recreation Facilities Fee Schedule

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	F = E / 1,000 Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$ 2,132	3.45	$ 7,355	$ 147	$ 7,502	
Multifamily	2,132	2.62	5,586	112	5,698	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 213	2.12	$ 453	$ 9	$ 462	$ 0.46
Office	213	3.26	693	14	707	0.71
Industrial	213	1.16	247	5	252	0.25

[1] Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 5.8.

6. Police Facilities

The purpose of this fee is to ensure that new development funds its fair share of police facilities. A fee schedule is presented based on the system standard of police facilities in the City of Commerce City to ensure that new development provides adequate funding to meet its needs.

Service Population

Police facilities serve both residents and businesses. Therefore, demand for services and associated facilities are based on the City's service population including residents and workers. **Table 6.1** shows the existing and future projected service population for police facilities. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, Willdan believes it is reasonable to assume that demand for these services is less for one worker compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units and the demand for services is liked more closely to the workday or business hours. The 0.31-weighting factor for workers approximates relative demand for facilities for people who work in the City relative to residents. This worker weighting factor is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and therefore reflects the degree to which nonresidential development yields a lesser demand for police facilities.

This approach assumes the following:

1. People generate demand for these types of facilities when they are physically within the City. People who work in the City but do not live in the City only generate demand for these facilities for the 40 hours that they are physically in the City.
2. People who live in the City may or may not also work in the City. Demand for those who both live and work in the City is captured partially in the residential weighting factor (128 nonwork hours per week / 168 total hours per week), and partially in the worker weighting factor (40 work hours per week / 168 total hours per week), to account for all 168 hours in a week.
3. Demand for one worker is compared to demand from one resident, which results in the worker weighting factor of 0.3125 (rounded to 0.31 in this analysis). (40/168) / (128/168) = 0.3125.

Table 6.1: Police Facilities Service Population

	Residents	Workers[1]	Service Population
Existing (2021)	68,205	32,682	78,336
New Development (2021-2042)	71,737	29,586	80,909
Total (2042)	139,942	62,268	159,245
Weighting Factor	1.00	0.31	

[1] Workers are weighted at 0.31 of residents based on a 40 hour work week out of a possible 128 non-work hours in a week (40/128 = 0.31)

Source: Table 2.1; Willdan Financial Services.

Existing Facility Inventory

The City's police facilities inventory is comprised of a share of space at the Civic Center, and some vehicles. The replacement cost of the building is based on the City's projected construction costs to expand the Civic Center. The land value is based on the weighted average of land sales comparisons in 2021 and 2022 in Commerce City as provided by CoStar. **Table 6.2** displays the City's existing inventory of police facilities, including equipment and vehicles. In total the City owns $9.4 million worth of police facilities.

Table 6.2: Existing Police Facilities Inventory

	Inventory	Unit Cost	Value
Police Station at Civic Center			
Land[1]	5.04	$ 123,400	$ 621,700
Building[2]	32,000	250	8,000,000
Subtotal	32,005		$ 8,621,700
Police Department Vehicles			$ 841,504
Total Value of Existing Facilities			$ 9,463,204

[1] Total parcel size is 14.17 acres. 35.6% of parcel is allocated to police uses, and the balance is allocated to general government uses based on the square footage of the civic center for each respective use.

[2] Total building size is 90,000 square feet. 58,000 square feet are used for general government purposes, and included in that impact fee chapter to avoid double counting.

Sources: City of Commerce City Facility Condition Assessment, 2021; Willdan Financial Services.

Planned Facilities

Table 6.3 summarizes the planned police facilities needed to serve the City, as identified in the Adopted Budget. The City plans to construct a Criminal Justice Center at a cost of $89 million. This facility will serve both existing and future residents and workers in the City.

Table 6.3: Planned Police Facilities

		Total
Criminal Justice Center	$	89,000,000
Total	$	89,000,000

Source: Commerce City 2022 Adopted Budget.

Cost Allocation

Table 6.4 shows the calculation of the system plan facilities standard per capita for police facilities. The planned facilities will serve both existing and new development, so the costs of the planned facilities are allocated to both existing and new development using this methodology. This cost standard is calculated by dividing the total value of all police facilities in 2042 by the total service population in 2042. The value per capita is multiplied by the worker weighting factor of 0.31 to determine the value per worker. The resulting standard is the cost standard that will be achieved when all the facilities are realized, and new development has come online.

Table 6.4: Police Facilities- System Standard

Value of Existing Facilities	$	9,463,204
Value of Planned Facilities		89,000,000
Total System Value (2042)	$	98,463,204
Future Service Population (2042)		159,245
Cost per Capita	$	618
Facility Standard per Resident	$	618
Facility Standard per Worker[1]		192

[1] Based on a weighing factor of 0.31.

Sources: Tables 6.1, 6.2 and 6.3.

Fee Revenue Projection

The City plans to use police facilities fee revenue to construct improvements and acquire capital facilities and equipment to add to the system of police facilities to serve new development. **Table 6.5** details a projection of fee revenue, based on the service population growth increment identified in Table 6.1. The City should program police facilities fee revenue to capacity expanding projects through its CIP and budget process. After accounting for the projected future impact fee revenue approximately $39 million in non-fee funding will be needed to complete the planned facilities.

The City will need to use alternative funding sources to fund existing development's share of the planned police facilities. Potential sources of revenue include but are not limited to existing or new general fund revenues, existing or new taxes, and grants.

Table 6.5: Revenue Projection - System Standard

Cost per Capita	$ 618
Growth in Service Population (2021 - 2042)	80,909
Fee Revenue	$ 50,002,000
Net Cost of Planned Facilities	89,000,000
Non-Fee Revenue to Be Identified	$ (38,998,000)

Sources: Tables 6.1, 6.3 and 6.4.

Fee Schedule

Table 6.6 shows the maximum justified police facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space).

The total fee includes a two percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, technology, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 6.6: Police Facilities Fee - Maximum Justified Fee Schedule

	A	*B*	*C = A x B*	*D = C x 0.02*	*E = C + D*	*E / 1,000*
Land Use	**Cost Per Capita**	**Density**	**Base Fee[1]**	**Admin Charge[1, 2]**	**Total Fee[1]**	**Fee per Sq. Ft.**
Residential - per Dwelling Unit						
Single Family	$ 618	3.45	$ 2,132	$ 43	$ 2,175	
Multifamily	618	2.62	1,619	32	1,651	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 192	2.12	$ 408	$ 8	$ 416	$ 0.42
Office	192	3.26	625	13	638	0.64
Industrial	192	1.16	222	4	226	0.23

[1] Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 6.4.

7. Implementation

Inflation Adjustment

The City can keep its impact fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fully fund its share of needed facilities. We recommend that the Engineering News Record's Construction Cost Index. The fee amounts can be adjusted based on the change in the index compared to the index in the base year of this study (2021).

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the City will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. Note that decreases in index value will result in decreases to fee amounts.

Programming Revenues and Projects with the CIP

The City maintains a Capital Improvement Program (CIP) to plan for future infrastructure needs. The CIP identifies costs and phasing for specific capital projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues.

The City may decide to alter the scope of the planned projects or to substitute new projects if those new projects continue to represent an expansion of the City's facilities and provide benefit to new development. If the total cost of facilities varies from the total cost used as a basis for the fees, the City should consider revising the fees accordingly.