

# APPENDIX H: PARKS IMPROVEMENT FEE UPDATE 2013

## City of Longmont Parks Improvement Fee Update

November 2013

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## Summary

This report describes the analysis and conclusions supporting the 2013 City of Longmont Parks Improvement Fee (Fee) update. The purpose of the Parks Improvement Fee is to assign future development its fair share of the cost of the planned parks and off-street trails improvements over the next 10 years. Similar to other impact fees, the fee is specifically targeted, by legislation, to adding capacity to the park and trail system to offset the impact of new residential development. The fee is based on the target level of service (LOS) which is expressed as the dollar value of parks and off-street trails facilities anticipated to be in place by 2023 per square foot of residential floor area projected for 2023. The target LOS is \$2.73 per square foot of residential floor area, accounting for both the value of the existing park system in 2013 and priority short to medium term capital improvement projects identified in the Parks, Recreation and Trails Master Plan (Figure 5) that are anticipated to be completed and/or funded by the end of 2023, which are the projects identified in the 10 year planning horizon used to develop this Fee. Without expanding the parks and trail system with these new capital projects, new development will burden the system and create an overall decrease in the level of service for users of the parks and trails system.

The 2023 target LOS (\$2.73) is just slightly higher than the 2013 level of service (\$2.62). The 2013 LOS is calculated by dividing the 2013 value of parks and system trails by the 2013 existing total residential square footage. This means that the target level of service does not represent a substantial increase in level of service over what the City currently provides.

Based on the average square footage for single family vs. multifamily units in Longmont and the target LOS, the recommended parks improvement fee is \$5,333 per single-family dwelling and \$2,616 per multifamily unit (Figure 1).

Figure 1- Parks Improvement Fee

Variable	Value	Row	Source/Equation
2023 Estimated Residential Square Footage*	62,558,470	a	Demand Unit Analysis
2023 Total Park Value	\$170,827,400	b	Staff Estimates/Cost Model
Target LOS Per Square Foot	\$2.73	c	b/a
Single Family Average Square Feet/Unit	1,953	d	City of Longmont
Multi Family Average Square Feet/Unit	958	e	City of Longmont
<b>Single Family Fee</b>	<b>\$5,333</b>	f	c*d
<b>Multi Family Fee</b>	<b>\$2,616</b>	g	c*e



\*Figure 4 includes variables for calculation

## Parks Development Fee History

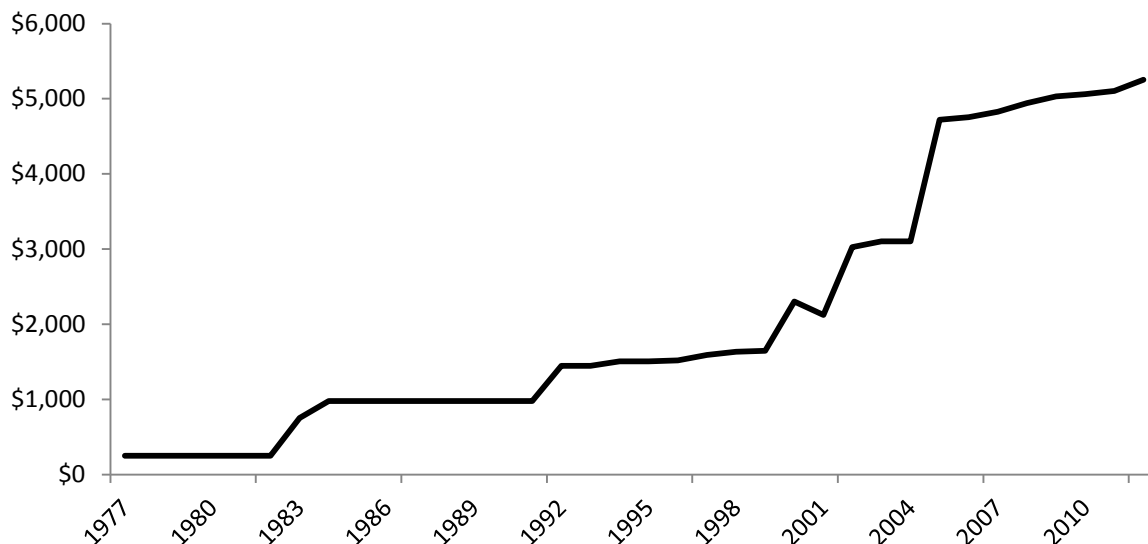
Longmont has collected a fee for parks land acquisition and development since the 1970's. The original fee was not updated until 1983 when it increased from \$250 to \$978 per dwelling unit.

The fee remained at \$978 per dwelling unit until 1992 when the fee was updated according to the park standards in the comprehensive plan. The standards based fee methodology established in 1992 combined land acquisition cost and development costs for neighborhood and community parks, using a standard of 2.5 acres of neighborhood parks per 1,000 residents and 2.5 to 5 acres of community parks per 1,000 residents. The fee also included a construction cost index (Engineering News Record) to keep pace with inflation. The standards based fee methodology remains in place today.

The 1997 update changed the community parks standard to 4 acres per 1,000 residents, changed to household size to reflect up-to-date demographic information, and incorporated the cost of large-scale recreation facilities.

In 2002, another update to the fee increased the community park standard to 4.5 acres per 1,000 residents, updated the recreational facilities (pool) costs, and included design costs in the fee structure. Since 2002, the underlying fee structure remained relatively unchanged, with actual fee amounts continuing to be adjusted by the Engineering News Record Construction Index. Subsequent updates included adjustments to account for increased land and development costs, changing recreation system improvement plans and updated housing unit projections and buildout estimates, as well as changes to the Engineering News Record Construction Index.

Figure 2 – Fee History 1983-2012

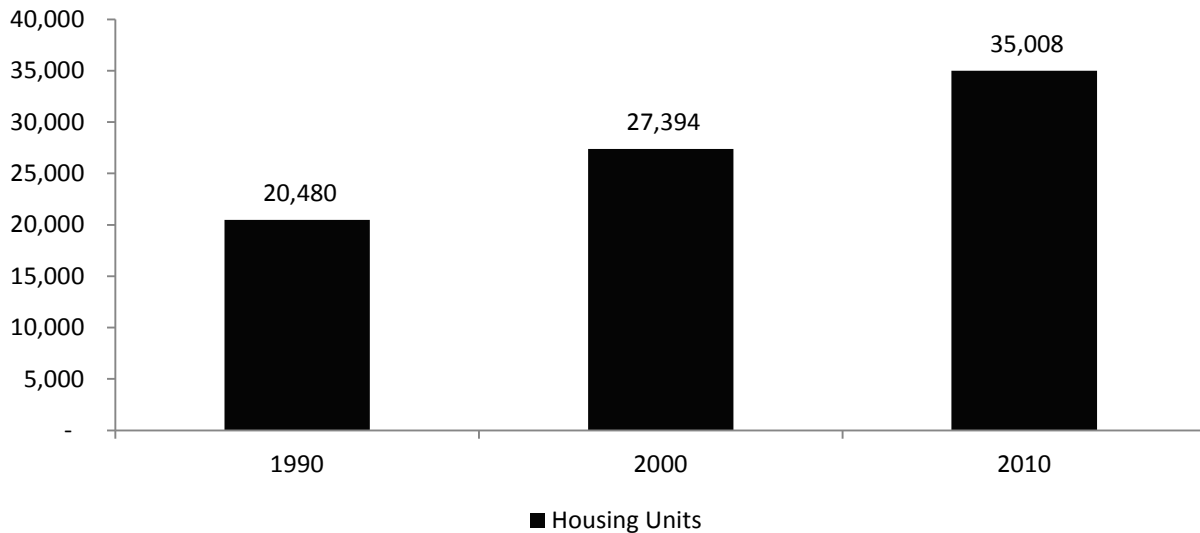


Source: City of Longmont Fee Update Ordinances 1983-2012

## Nexus

A valid impact fee must be based on a connection between the needed capital investments and the development activity on which the fee is charged. As recognized during all iterations of the Parks Improvement Fee over the past three decades, the demand for additional parks capacity is driven by residential development. As the quantity of residential development increases, so do users of parks and trails and the need for expanding the capacity of the parks and trails system to accommodate these users. Over the past three decades, Longmont experienced an increase of 14,000 housing units, accommodating 30,000 residents. As housing units increase to accommodate new people, the total square footage of residential development within the City of Longmont increases. Today there are over 59 million square feet of residential square floor area and over 35,000 housing units in the City. In order to maintain the targeted level of service, the parks and off-street trails systems will need to be expanded proportionately to the increase in the quantity of housing (represented as square footage).

Figure 3- Longmont Housing Unit Trends 1990 through 2010



While Longmont is a relatively mature city, it still has room to grow. The buildout analysis in the City’s comprehensive plan shows the potential for 10,000, additional homes, and the Raw Water Master Plan projects population to increase to 108,000 in 2048.



## Demand Units

Tracking and projecting residential development is of critical importance for developing and maintaining an accurate parks impact fee. A change included in this parks improvement fee update is that the level of service is now expressed as a cost per square foot instead of a cost per housing unit as it has been expressed in the past (see following section on level of service). The City can effectively track and project residential square footage without relying on outside data sources that are only periodically available, such as the Census or the Colorado Demography Section. This is an advantage because the residential square footage inventory and growth projections can be updated using local data from the City or Boulder County at any time in the future without waiting for up-to-date information from state or federal agencies. Locally collected and maintained data can also be more easily validated than data from state and federal sources. Establishing residential square footage as the demand unit metric also accounts for the difference in the size and capacity of single family vs. multi-family homes.

Longmont currently has 58.8 million residential square feet. 10-year projections of residential square footage prepared by the City of Longmont staff call for an additional 3.7 million square feet, bringing total residential square footage to 62.5 million in 2023. According to an analysis conducted by the City of Longmont staff for residential construction in the last 5 years, the average single family home in Longmont is 1,953 square feet and the average multifamily home is 958 square feet. 1,486 single-family homes and 873 multifamily homes are projected to be built by year-end 2023.

The following figure summarizes the housing inventory and projections used to determine LOS:

Figure 4 – Parks Improvement Demand Units

Demand Unit	Value
Existing Single Family Units	25,493
Existing Multifamily Units	3,429
Projected New Single Family Units	1,486
Projected New Single Multi-family Units	873
Average Square Footage Single Family Units	1953
Average Square Footage Multifamily Units	958
Existing Residential Square Footage 2013	58,820,811
Projected Residential Square Footage 2023	62,558,470

Source: City of Longmont Staff



## Existing Parks And Trails Value and Planned Capital Improvement Costs

The Park Improvement Fee is based on future development's fair share of the cost of expanding the capacity of the parks and trails system. Cataloging the value of the existing system and the cost of planned improvements is a necessary step in the analysis.

The City has a highly developed parks and trails system. According to City Staff, the existing parks and trails system is valued at \$240 million (described in the Draft Parks, Recreation and Trails Master Plan). 64% of the total value is attributed to parks while the trail system is worth \$86 million, comprising the remaining 36%. In calculating the updated Park Improvement Fee, the City was conservative and only utilized the existing value of the parks system (approximately \$154 million) without the existing value of the trails system.

The City plans to complete or fund/initiate approximately \$16 million of new capital park and off-street trail expansion projects between 2014 - 2023. City staff selected short and medium term projects from the capital improvement plan based on the Draft Parks, Recreation and Trails Master Plan to create the capital improvements on which the target LOS is based. The projects include four park expansion and development projects and a variety of off-street trail projects. Each project will expand the capacity of the parks and trails system and are appropriate for impact fees. However, approximately \$10.2 million of the capital projects are related to the expanded capacity of the parks and trails system to accommodate new development for new people (expressed as square footage), so the level of service for the parks and trails system is maintained.

**Figure 5 –Parks and Off-Street 10 Year Capital Improvement Plan**

Term	Project	Project Type	Park Type	Cost
Short	Completion of Sandstone Ranch	Expansion	Community	\$4,500,000
Short	Completion of Quail Tennis Complex	Expansion	Community	\$929,000
Short	Phase 1 Development of P6 (Wertman Site)	Expansion	Neighborhood	\$1,100,000
Short	Short-Term Off Street Recreation Connections	Off Street Trail		\$2,320,000
Medium	Development of P3 (Fox Meadows Site)	Expansion	Neighborhood	\$1,250,000
Medium	Medium Term Off Street Recreation Connections	Off Street Trail		<u>\$6,000,000</u>
<b>Total Value of Planned Capital Investments</b>				<b>\$16,099,000</b>

Source: Draft Parks, Recreation & Trails Master Plan 2013



## Level of Service

In the context of impact fees, level of service (LOS) is a measure of the quantity and quality of capital facilities provided. LOS calculations vary but they are typically expressed as a cost per demand unit (square footage, vehicle trips, housing units, development acres, etc.).

The parks and off-street trails level of service is calculated by dividing the future value of the parks and trails system in 2023, including both existing assets and planned improvements, by the projected 2023 residential square footage. Because the planned improvements will serve both existing and future residents of Longmont equally, future development should not be required to pay for the entire cost of these improvements. The method used to calculate level of service in this analysis results in a fair and equitable parks improvement fee. Future development is assigned only the cost that is proportionate to the benefit it receives from the system, not the entire cost of future improvements. Without expanding the parks and trail system with these new capital projects, new development will burden the system and create an overall decrease in the level of service for users of the parks and trails system.

Combining the existing value of the parks system in 2013 with the planned park expansions and trail projects shows that in 2023, the parks and trails system will be worth just under \$171 million. According to the demand unit analysis in Figure 4, there will be a total of 62.5 million square feet of residential development in 2023. Dividing total value by total square footage yields a target LOS of \$2.73 per square foot.

Figure 6- Target LOS Calculation Matrix

Variable	Value		Source/Equation
Value of Existing Parks Only	\$154,078,400	a	City Parks Department
Value of Planned Parks	\$7,779,000	b	Parks Master Plan
Value of Planned Off Street Trails	\$8,320,000	c	Parks Master Plan
10-Year Park System Value	\$170,177,400	d	a+b+c
Total Ten Year Square Footage	62,558,470	e	Demand Unit Analysis
Target LOS	<b>\$2.73</b>	f	d/e

The 2023 target LOS (\$2.73) is slightly higher than the 2013 level of service (\$2.62). The 2013 LOS is calculated by dividing the 2023 value of parks and system trails by the 2023 residential square footage in the city. This means that the target level of service does not represent a substantial increase in level of service over what the City currently provides.



## Parks Improvement Fee Schedule

The final fee is calculated by multiplying the target LOS by the average square footage for single family and multifamily homes. This results in a fee of \$5,333 per single-family unit and \$2,616 per multifamily unit.

Figure 7 - Final Parks Improvement Fee Schedule

Variable	Value		Source/Equation
Target LOS Per Square Foot	\$2.73	a	LOS Calculations
Single Family Average Square Feet/Unit	1,953	b	Boulder County Assessor
Multi Family Average Square Feet/Unit	958	c	Boulder County Assessor
<b>Single Family Fee</b>	<b>\$5,333</b>	d	a*b
<b>Multi Family Fee</b>	<b>\$2,616</b>	e	a*c



## Cash Flow

According to cash flow analysis and development projections completed by City Staff, the City can expect to collect \$10.2 million through 2023 from the Fee. By collecting impact fees, the City becomes obligated to make improvements that attain the target LOS on which the fee is based. Revenue collections from the parks improvement fee will not pay for all of the planned improvements listed in the CIP. Fee revenues will pay for 61% of planned capital improvements, meaning that the City will need to pay for the remaining \$5.9 million with other revenue sources.

**Figure 8 - Cash Flow**

Variable	Value		Source/Equation
Single Family Fee	\$5,333	a	Fee Calculations
Multi Family Fee	\$2,616	b	Fee Calculations
Projected Single Family Square Footage 2023	2,901,712	c	City Staff
Projected Multi Family Square Footage 2023	835,947	d	City Staff
Average Square Footage Single Family Units	1,953	e	Boulder County Assessor
Average Square Footage Other Residential Units	958	f	Boulder County Assessor
Total Single Family Fees Collected	\$7,893,509	g	(c/e)*a
Total Multi Family Fees Collected	\$2,274,021	h	(d/f)*b
Total Value CIP	\$16,099,000	i	Parks Master Plan
Additional Funding Needed	\$5,931,470	j	i-(g+h)



## Legal Authority

The following legal analysis was provided by Lindsey Nicholson of Goldman, Robbins, Nicholson P.C. as a subcontractor to RPI Consulting LLC. The analysis is intended to provide third party legal analysis of impact fee legislation and application in Colorado, RPI Analysts are not attorneys nor does RPI retain attorney's on staff. The appropriateness and legality of imposing this or any other impact fee schedule is entirely at the City's Council, Staff and Attorney discretion and judgment. RPI does not make any claims as to the legality or appropriateness of impact fees or the accuracy of the following legal analysis.

### Impact Fees Generally

The authority for municipalities to levy direct fees on new development to help offset the impacts of such development derives from C.R.S. § 29-20-104.5, adopted in 2001. This statute grants local governments the authority to impose growth-related impact fees as a condition of approval of an application for new development. However, the statute requires that such impact fees be:

- (1) Legislatively adopted;
- (2) Generally applicable to a broad class of property owners; and
- (3) Intended to defray the projected impacts on capital facilities directly caused by proposed development<sup>1</sup>.

In addition, the statute requires that the collected impact fees be used to “fund expenditures by such local government on capital facilities needed to serve new development”.<sup>2</sup> “Capital facilities” are defined as “improvements or facilities” that:

- (1) Are directly related to any service that the local government is authorized to provide;
- (2) Have an estimated useful life of five years or longer; and
- (3) Are required by the charter or general policy of the local government pursuant to resolution or ordinance<sup>3</sup>.

The statute is clear that the collected fees must be used to offset new impacts and that they cannot be used to remedy any current deficiency in capital facilities – i.e., one that

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<sup>1</sup> C.R.S. § 29-20-104.5(1).

<sup>2</sup> *Id.*

<sup>3</sup> C.R.S. § 29-20-104.5(4).



exists without regard to the impacts of new development.<sup>4</sup> Accordingly, the statute requires a local government, before adopting any impact fee, to:

- (1) Quantify the reasonable impacts of the proposed development on existing capital facilities;
- (2) Establish the fee at a level no greater than necessary to defray the impacts *directly related* to the proposed development<sup>5</sup>; and
- (3) Include provisions in the legislatively-adopted fee structure to “avoid double-charging developers an impact fee for the same facility that the jurisdiction has imposed an exaction.”<sup>6</sup>

The required quantification of the impacts and calculation of the fee so as not to be greater than necessary to defray directly-related impacts of development is typically met by the preparation of an impact fee study, such as this one. There are no reported cases construing these quantification requirements; however, based upon the holdings of the Colorado Supreme Court in a case<sup>7</sup> that shortly predates the adoption of the impact fee statute, legal commentators<sup>8</sup> believe that the requirements are meant to be less restrictive than the case-specific “essential nexus” and “rough proportionality” tests that are applied to government exactions (i.e., requirements that an owner give up a portion of his property for public use as a condition of approval of development). In the referenced case, the Colorado Supreme Court held that because the setting of impact fees is a “legislative function that involves many questions of judgment and discretion, [the courts] will not set aside the methodology chosen by an entity with ratemaking authority unless it is inherently unsound”.<sup>9</sup> Further, the impacts of each specific development proposal need not be quantified, but may be looked at cumulatively, and an impact fee schedule may differentiate among different types of development and their likely impacts, so long as there is a rational basis for the differentiation.

### **Permissible Uses of Impact Fees Imposed by City of Longmont**

Based on the foregoing statutory requirements, Longmont may adopt a schedule of impact fees applicable to new development; provided, however, that such fees will be used to fund capital facilities that are directly related to a service that the City is

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<sup>4</sup> C.R.S. § 29-20-104.5(2).

<sup>5</sup> *Id.*

<sup>6</sup> C.R.S. § 29-20-104.5(3).

<sup>7</sup> Krupp v. Breckenridge San. Dist., 19 P.3d 687 (Colo. 2001).

<sup>8</sup> Carolynne C. White, “Municipal Perspective on Senate Bill 15: Impact Fees”, 31 Colo. Law. 93 (May 2002).

<sup>9</sup> Krupp, 19 P.3d at 694.



authorized by other law to provide. Longmont is a Home Rule City and as such has the power to make, amend, add to or replace the charter of said city or town, which shall be its organic law and extend to all its local and municipal matters. Such a charter and ordinances shall supersede within the territorial limits and other jurisdiction of said city or town any law of the state in conflict therewith. The City also has limited express powers provided by statute and such implied powers as may be reasonably necessary to carry out any express powers.

It is our understanding that the City intends to update its impact fees for the purpose of funding expenditures by or for the Public Works and Natural Resources Department. Assuming that the City is authorized by other law to provide the services provided by this department<sup>10</sup>, and further assuming that the fees generated will be used to purchase or construct “capital facilities” serving the department (not to simply go into the general fund for such departments), the City has the authority to adopt impact fees for this department. Again, the use of the funds must be prospective and cannot be used to remedy any existing deficiencies in the facilities of these departments.

### **Timing of Imposition of Impact Fee**

With regard to the timing of the imposition of an updated impact fee ordinance or resolution, the statute prohibits the imposition of any impact fee on any “development permit for which the applicant submitted a complete application” prior to the adoption of the impact fee schedule<sup>11</sup>. Accordingly, whether an impact fee can be imposed on an application that was put “into the pipeline” prior to the formal adoption of the impact fee resolution would need to be determined by reference to what constitutes a “complete application” under the local land use regulations.

With respect to whether impact fees can be imposed on building permit applications for lots in projects that were approved well before the impact fees were adopted, the statute is not clear. The statute provides that the payment of impact fees can be imposed as a condition of approval of a “development permit”, which is defined as “any preliminary or final approval of an application for rezoning, planned unit development, conditional or special use permit, subdivision, development or site plan, or similar application for new construction”.<sup>12</sup> With the exception of the last phrase “or similar application for new construction,” all of the types of development permits listed are permits issued by a local government’s planning department, rather than its building

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<sup>10</sup> Cities have the express powers to lay out, alter and maintain roads (C.R.S. § 30-11-107(1)(h)) and to provide for the general administration of city affairs (C.R.S. § 30-11-107). The powers to provide and maintain fairgrounds and to provide law enforcement and health and human services may be reasonably implied powers; however, we defer to the legal opinion of Longmont’s Attorney on this issue.

<sup>11</sup> C.R.S. § 29-20-104.5(6).

<sup>12</sup> C.R.S. § 29-20-103(1).



department. A conservative reading of the statute would be that the impact fees cannot be imposed as a condition of approval of a building permit in an approved development; however, reasonable minds can differ in this interpretation, and we understand that some local governments nonetheless impose fees at the building permit stage. We also understand that some local governments have remedied the situation by requiring the submittal of a site plan to the planning department as a prerequisite to the issuance of a building permit and including such site plan within the definition of “development permit” under their land use regulations.

### **Accounting for Received Impact Fees**

Finally, all impact fees received by the City must be collected and accounted for in accordance with C.R.S. § 29-1-803.13 This statute requires that all collected impact fees be deposited in an interest-bearing account that clearly identifies the category, account, or fund of capital expenditure for which the fee was imposed. Each such category, account, or fund must be accounted for separately, and interest earned on the fees must be credited to the account.

Limitation and Disclaimer (Lindsey Nicholson): This opinion letter is delivered solely for the benefit of the City of Longmont as general background information regarding its proposed adoption of impact fees. It is not to be relied on by any other party or for any other purpose. We are not familiar with and have not, in connection with this opinion letter or otherwise, undertaken any independent investigation of factual matters affecting this opinion, and we disclaim any obligation to do so. The final interpretation of state statutes and case law regarding impact fees and the legality and appropriateness of Longmont’s adoption of any impact fee program should be determined by the City Attorney and/or its City Council.

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<sup>13</sup> C.R.S. § 29-10-104.5(5).



# Longmont Park Improvement Fee History

Updated 4/21/14

The following is a summary of the history of the City of Longmont Park Improvement Fee. This document should accompany the November, 2013 City of Longmont Parks Improvement Fee Update as a companion document. The Fee History on page 4 of the study is inaccurate and should be replaced with the history below.

- July 17, 1979 – Memo to City Council recommended the concept of A Percentage Valuation Fee for park land acquisition and development. Should be based on the valuation of new housing so that new development pays for the demand it creates. Also includes a Planning Dept. memorandum recommending a flat 1.4% fee to cover acquisition and development. Park acquisition and development standards are established by the St. Vrain Valley Plan. Recommends 10 acres of developed park land per 1000 population. Money set aside in a fund has to be used for park acquisition and development, cannot be used for maintenance or operation.

$$\begin{array}{rclcl} \# \text{ of Units X Household Size} & \times & 10 \text{ (park land standard)} & = & \# \text{ of acres to} \\ 1000 \text{ (population standard)} & & \text{per 1000 population)} & & \text{be dedicated} \end{array}$$

If land dedication is not possible then fee in lieu of dedication is allowed. It can also be a combination of land and fee. Average cost for an Acre of park land to be evaluated and adjusted annually.

$$\begin{array}{rclcl} \# \text{ of acres of} & \times & \text{Average cost of park} & = & \text{Cash in lieu} \\ \text{required dedication} & & \text{land per acre} & & \text{of dedication} \end{array}$$

Park development fee to be calculated as follows. Average park development cost for an Acre of park land to be evaluated and adjusted annually.

$$\begin{array}{rclcl} \# \text{ of acres of} & \times & \text{Average park development} & = & \text{Cash in lieu} \\ \text{required dedication} & & \text{cost per acre} & & \text{of dedication} \end{array}$$

- 1977 park land purchase fee                      \$7500 per acre              \$225/Unit
- 1977 park land development fee              \$15,000 per acre              \$450/Unit
- 1979 park land development fee              \$25,000 per acre              \$750/Unit

## Park area standards

- Neighborhood park              2.5 acre / 1000 population (5-20 acres total)
- Community park              2.5 acre / 1000 population (20-100 acres total)
- District park              5.0 acre / 1000 population (100-200 acres total)

## Alternatives to development payment for park land and development

- Mill levy
- Special neighborhood bonding
- Bonding (only for community wide parks)
- Real estate transfer tax
- Sales tax referendum

2. December 22, 1983 – Letter challenging the park improvement fee based on the population factor (number of people per unit) assumption. The proposed was 2.75 persons per residential unit, but this person develops multi-unit complexes and challenges the population factor as being excessively high for multi-unit complexes (his estimate is 1.42) and as such they would be subsidizing single family homes. Also notes that many multi-unit complexes have their own amenities that are equivalent to park facilities. Notes that if the developer is required to pay the increased fee, they will either charge higher rents or delete amenities to offset the cost. Another letter from the Parks and Forestry superintendent discusses setting the land requirement at 6.75 acres /1000 population (national standard is 10 acres / 1000). Also discusses reducing park standards to reduce the fee and unequal distribution of payment between new development and existing Community Service Area (CSA). Also calculations do not include school sites or golf courses in calculations. Also notes that it will be unfair to apportion fees differently for different unit types and that private amenities are not required and not open to the public so they do not apply. The letter also discussed a survey where 75% were supportive of the neighborhood park concept. Other concept discussed was having a portion of the fee assigned to commercial and industrial development and it was recommended that they should have fees applied that assist with park facilities that more directly apply to their operation like a greenway / bikeway system. Also discusses using appraised property value to determine the fee and this was deemed difficult and likely unfair. Finally talks about the potential for increased operational and maintenance costs related to additional park land development, but this fee does not address this.
3. December 27, 1983 – Summary of City Council meeting about the Park Improvement Fee (PIF). The Council recommends the increase from \$250/dwelling unit to \$978/dwelling unit so that new development pays their fair share for the parks in the 1982 St. Vrain Valley Plan. Also Council recommends that the fee be reviewed each year in June to adjust it for increases in land and development costs.
4. 1984 -\$978 PIF adopted.
5. 1992 Fee Update – Parks and Rec Advisory Board evaluating \$978 PIF for the first time since it was adopted in 1984. Advises adjusting the PIF to \$1,444 based on increased land costs, development costs and increased standards for park land to meet the needs of the current population. Calculated the PI using the Standards Method based on the Adopted park land standards from the Comp Plan (this was used in the initial PIF process) and a Community Investment Fee Method based on the Achieved standard for park land that exists today. This is basically should the PIF be based on the planned park land or what exists today.



- 1992 park land purchase fee, \$18,500 per acre
  - 1992 neighborhood park land development fee, \$51,500 increase to \$60,930 per acre
  - 1992 community park land development fee, \$64,500 increase to \$75,000 per acre
  - 1990 Census showed Longmont at 2.63 persons per household or 380 households per 1000 people.
  - Standards Method has PIF of \$1,444/dwelling unit to address neighborhood and community park acquisition and development based on adopted park land standards from the Comp Plan.
  - Community Investment Fee Method has PIF of \$1193/dwelling unit to address neighborhood and community park acquisition and development based on what it would cost to replace current park land acreage and the residential unit count from the County Assessor's Office.
6. 1994 Fee Update – Parks and Rec Advisory Board updated the PIF to \$1,507. Cost of park land per acre remains the same at \$18,500. Park development costs increased by 5.4%.
- 1994 neighborhood park land development fee, \$60,930 increase to \$64,220 per acre
  - 1994 community park land development fee, \$75,000 increase to \$79,050 per acre
7. 1996 Fee Update – Parks and Rec Advisory Board updated the PIF to \$1,518. Cost of park land per acre remains the same at \$18,500. Park development costs decreased by 0.87%.
- 1996 neighborhood park land development fee, \$65,652 decrease to \$64,779 per acre
  - 1996 community park land development fee, \$80,813 decrease to \$79,738 per acre
8. 1997 Fee Update – Parks and Rec Advisory Board updated the PIF to \$1,575. Cost of park land per acre remains the same at \$18,500. Park development costs decreased by 4.74%.
- 1997 neighborhood park land development fee, \$64,779 increase to \$67,850 per acre
  - 1997 community park land development fee, \$79,738 increase to \$83,518 per acre
9. August 1997 – recommendations to update components of PIF equation including number of resident units per 1000 people, the land acquisition costs and method of calculation to Community Investment Fee method to match other impact fees assessed by the City.
- Decrease household size from 2.63 to 2.53, increase household number from 380 Units/1000 population to 395 households / 1000 population
  - Increase land acquisition cost from \$18,500 per acre to \$22,000 per acre based on current comparison.
  - Increase neighborhood park land development fee from \$67,850 per acre to \$71,000 per acre
  - Increase community park land development fee from \$83,518 per acre to \$93,000 per acre
  - Add to cost of community park development for rec center w/ indoor pool, an outdoor leisure pool, and two special rec facilities.
  - Calculate new PIF w/ new data and Community Investment Fee method results in an increase PIF to \$1591

10. 1998 Fee Update – Parks and Rec Advisory Board updated the PIF to \$1,634. Cost of park land per acre increases to \$22,000. Park development costs decreased by 3.35%.
- Increase land acquisition cost from \$18,500 to \$22,000 per acre, account for remaining parks to be developed from Comp Plan and assume they are only 80% of average park site
  - 1998 neighborhood park land development fee, \$71,000 increase to \$73,379 per acre
  - 1998 community park land development fee, \$93,000 increase to \$96,116 per acre and add cost of rec center improvements
11. 1999 Fee Update – Parks and Rec Advisory Board updated the PIF to \$1,644. Cost of park land per acre increases to \$22,000. Park development costs decreased by 0.69%.
- 1999 neighborhood park land development fee - \$73,379 increase to \$73,885 per acre
  - 1999 community park land development fee - \$96,116 increase to \$96,779 per acre and add cost of rec center improvements
12. 2000 Fee Update – Parks and Rec Advisory Board updated the PIF to \$2,300 Cost of park land per acre increases to \$22,000. Park development costs decreased by 0.69%. Reduced the number of new residential units from 25,724 to 18,078 based on estimated buildout of dwelling units in the Longmont Planning Area.
- 2000 neighborhood park land development fee, \$73,379 increase to \$74,831 per acre
  - 2000 community park land development fee, \$96,116 increase to \$98,018 per acre and add cost of rec center improvements
13. 2001 Fee Update – Parks and Rec Advisory Board updated the PIF to \$2,123 Cost of park land per acre increases to \$22,000. Park development costs decreased by 2.79%. Increased the number of new residential units from 18,078 to 20,058 based on estimated buildout of dwelling units in the Longmont Planning Area.
- 2001 neighborhood park land development fee, \$74,831 increase to \$76,919 per acre
  - 2001 community park land development fee, \$98,018 increase to \$100,753 per acre and add cost of rec center improvements
14. 2002 Major Fee Update – Update land acquisition costs from \$22,000 to \$28,000 per acre, update construction cost for neighborhood and community park development, update system recreation improvements needed in the remaining park system and their construction cost, update numbers used on the fee calculation.
- Update the number of parks required based on the estimated population
  - Land acquisition costs increased to \$28,000 per acre based on comparative analysis.
  - 2002 neighborhood park land development fee, \$76,919 increase to \$92,000 per acre
  - 2002 community park land development fee, \$100,753 increase to \$140,000 per acre
  - Add costs for additional system recreation improvements
  - Add pro-rated design (7.5%) and AIPP (1%) to the construction costs
  - Increase PIF to \$3,024

- Also need to come up with \$9,720,200 to cover a 0.5 acre per 1000 population for community parks that cannot be added to the PIF calculations.

Letter from the Home Builders Association protesting the high park improvement fee. Indicated that it is one of the highest in Colorado.

15. 2003 Fee Update – Parks and Rec Advisory Board updated the PIF to \$3,103 Cost of park land per acre increases to \$28,000. Park development costs decreased by 2.9%. Increased the number of new residential units based on estimated buildout of dwelling units in the Longmont Planning Area.
  - 2003 neighborhood park land development fee, \$92,000 increase to \$94,668 per acre
  - 2003 community park land development fee, \$140,000 increase to \$144,060 per acre
  - Add costs for additional system recreation improvements
  - Add pro-rated design (7.5%) and AIPP (1%) to the construction costs
  - Increase PIF to \$3,103
16. 2004 Fee Update – Parks and Rec Advisory Board updated the PIF to \$3,103 Cost of park land per acre at \$28,000. Park development costs decreased by 2.9%. Increased the number of new residential units based on estimated buildout of dwelling units in the Longmont Planning Area.
  - 2004 neighborhood park land development fee, \$94,668 increase to 96,668 per acre
  - 2004 community park land development fee, \$144,060 increase to \$146,797 per acre
  - Add costs for additional system recreation improvements
  - Add pro-rated design (7.5%) and AIPP (1%) to the construction costs
  - Increase PIF to \$3,103
17. 2005 Fee Update – Parks and Rec Advisory Board updated the PIF to \$4,720. Cost of park land per acre at \$28,000 and new land requirements based on Land Use Amendment and pro-rated 0.5 acre community park acquisition requirement. Park development costs decreased by 3.78%. Decreased the number of new residential units based on estimated buildout of dwelling units in the Longmont Planning Area.
  - Land acquisition fee remains the same, but additional land acquisition included with Land Use Amendment, also land related to the 0.5 acre community park acquisition requirement is added.
  - 2005 neighborhood park land development fee, \$105,000 increase to \$108,969 per acre
  - 2005 community park land development fee, \$164,000 increase to \$170,199 per acre
  - Additional park development costs related to additional land from the Land Use Amendment and from the 0.5 acre community park acquisition requirement added.
  - Reduce costs for additional system recreation improvements since some already built.
  - Add pro-rated design (9%) and AIPP (1%) to the construction costs
  - Reduced the number of residential units estimated at buildout to 12,592.
  - Increased number of people per dwelling unit from 2.2 to 2.64 people per household.
  - Update design fee percentage from 7.5% to 9%.
  - Increase PIF to \$4,720

18. 2006 Fee Update – Parks and Rec Advisory Board updated the PIF to \$4,755.

19. 2007 Fee Update – Parks and Rec Advisory Board updated the PIF to \$4,825. Cost of park land per acre at \$28,000 and new land requirements based on Land Use Amendment and pro-rated 0.5 acre community park acquisition requirement. Park development costs decreased by 2.35%.

- Land acquisition fee remains the same, but additional land acquisition included with Land Use Amendment, also land related to the 0.5 acre community park acquisition requirement is added.
- 2007 neighborhood park land development fee, \$108,969 increase to \$111,530 per acre
- 2007 community park land development fee, \$170,199 increase \$174,199 per acre
- Additional park development costs related to additional land from the Land Use Amendment and from the 0.5 acre community park acquisition requirement added.
- Reduce costs for additional system recreation improvements since some already built.
- Add pro-rated design (9%) and AIPP (1%) to the construction costs
- Reduced the number of residential units estimated at buildout to 12,592.
- Update design fee percentage from 7.5% to 9%.
- Increase PIF to \$4,825

20. 2008 Fee Update – Parks and Rec Advisory Board updated the PIF to \$4,943. Cost of park land per acre at \$28,000 and new land requirements based on Land Use Amendment and pro-rated 0.5 acre community park acquisition requirement. Park development costs decreased by 2.57%.

- Land acquisition fee remains the same, but additional land acquisition included with Land Use Amendment, also land related to the 0.5 acre community park acquisition requirement is added.
- 2008 neighborhood park land development fee, \$111,530 increase to \$114,396 per acre
- 2008 community park land development fee, \$174,199 increase to \$178,676 per acre
- Additional park development costs related to additional land from the Land Use Amendment and from the 0.5 acre community park acquisition requirement added.
- Reduce costs for additional system recreation improvements since some already built.
- Add pro-rated design (9%) and AIPP (1%) to the construction costs
- Increase PIF to \$4,943.

21. 2009 Fee Update – Parks and Rec Advisory Board updated the PIF to \$5,030. Cost of park land per acre at \$28,000 and new land requirements based on Land Use Amendment and pro-rated 0.5 acre community park acquisition requirement. Park development costs decreased by 1.85%.

- Land acquisition fee remains the same, but additional land acquisition included with Land Use Amendment, also land related to the 0.5 acre community park acquisition requirement is added.
- 2009 neighborhood park land development fee, \$114,396 increase to \$116,512 per acre
- 2009 community park land development fee, \$178,676 increase to \$181,982 per acre

- Additional park development costs related to additional land from the Land Use Amendment and from the 0.5 acre community park acquisition requirement added.
- Reduce costs for additional system recreation improvements since some already built.
- Add pro-rated design (9%) and AIPP (1%) to the construction costs
- Increase PIF to \$5,030.

22. 2010 Fee Update – Parks and Rec Advisory Board updated the PIF to \$5,062. Cost of park land per acre at \$28,000 and new land requirements based on Land Use Amendment and pro-rated 0.5 acre community park acquisition requirement. Park development costs decreased by 0.84%.

- Land acquisition fee remains the same, but additional land acquisition included with Land Use Amendment, also land related to the 0.5 acre community park acquisition requirement is added.
- 2010 neighborhood park land development fee, \$116,512 increase to \$117,491 per acre
- 2010 community park land development fee, \$181,982 increase to \$183,511 per acre
- Additional park development costs related to additional land from the Land Use Amendment and from the 0.5 acre community park acquisition requirement added.
- Reduce costs for additional system recreation improvements since some already built.
- Add pro-rated design (9%) and AIPP (1%) to the construction costs
- Increase PIF to \$5,062.

23. 2011 Fee Update – Parks and Rec Advisory Board updated the PIF to \$5,105. Cost of park land per acre at \$28,000 and new land requirements based on Land Use Amendment and pro-rated 0.5 acre community park acquisition requirement. Park development costs decreased by 0.09%.

- Land acquisition fee remains the same, but additional land acquisition included with Land Use Amendment, also land related to the 0.5 acre community park acquisition requirement is added.
- 2011 neighborhood park land development fee, \$117,491 increase to \$118,548 per acre
- 2011 community park land development fee, \$183,511 increase to \$185,163 per acre
- Additional park development costs related to additional land from the Land Use Amendment and from the 0.5 acre community park acquisition requirement added.
- Reduce costs for additional system recreation improvements since some already built.
- Add pro-rated design (9%) and AIPP (1%) to the construction costs
- Increase PIF to \$5,105

24. 2012 Fee Update – Parks and Rec Advisory Board updated the PIF to \$5,253. Cost of park land per acre at \$28,000 and new land requirements based on Land Use Amendment and pro-rated 0.5 acre community park acquisition requirement. Park development costs decreased by 3.04%.

- Land acquisition fee remains the same, but additional land acquisition included with Land Use Amendment, also land related to the 0.5 acre community park acquisition requirement is added.
- 2011 neighborhood park land development fee, \$117,491 increase to \$118,548 per acre

- 2011 community park land development fee, \$183,511 increase to \$185,163 per acre
- Additional park development costs related to additional land from the Land Use Amendment and from the 0.5 acre community park acquisition requirement added.
- Reduce costs for additional system recreation improvements since some already built.
- Add pro-rated design (9%) and AIPP (1%) to the construction costs
- Increase PIF to \$5,253.

25. 2012 Interim Fee – City Council adopted an interim PIF of \$4,470 for single family detached residences and \$2,193 for multi-family residences until further study is completed as part of the Parks, Recreation and Trails Master Plan.

- Maintains 2.5 acre/1,000 population standard for neighborhood park development.
- Adjusts community park standard to 3 acres/1,000 residents.
- Population used (Dec. 2011) 87,953. Build-out population 112,953
- Updated projected units from planning; un-built single family residential 4,581 units, un-built multi-family residential 5,225 units.
- Park Development cost per acre remained the same; \$118,548/acre for neighborhood parks, \$185,163/acre for community parks.

26. 2013 Fee Update – In November, 2013 City Council adopted the following PIF for 2014 – 2016:

- 2014 fee for single-family residential: \$4,758  
2014 fee for other (multi-family) residential: \$2,333
- 2015 fee for single-family residential: \$5,045  
2015 fee for other (multi-family) residential: \$2,475
- 2016 fee for single-family residential: \$5,333  
2016 fee for other (multi-family) residential: \$2,616
- Starting in 2017, the fee will be adjusted annually based on the ENR Construction Cost Index.
- Fee is based on new, target level of service (LOS), methodology. LOS is expressed as the dollar value of parks and off-street trails facilities to be in place by 2023 according to the Draft Parks, Recreation and Trails Master Plan. It is then broken down per square foot of residential floor area projected in 2023. The fee methodology is further explained in the Parks Improvement Fee Study Update, November 2013.

## APPENDIX I: PARK, RECREATION AND TRAIL FUNDING HISTORY

The City's budget records go back to 1963. The following is a rough timeline of when new funding sources for parks, recreation and trails come on-line as well as changes to funding sources. Generally, funding sources in previous years remain available in addition to the new funding source listed. Additional history on the Park Development Fee is included in Appendix H.

\* Funds with an asterisk may not directly fund parks, recreation and trails, but alleviate funding pressures that existed prior to the existence of the new funding source.

<u>Years</u>	<u>Funding Sources</u>
1963 – 1965	General Fund
1966	Public Improvement Fund (Bond Fund for Swim Pool)
1969	Park Improvement Fund
1975	Conservation Trust Fund
1979	Park Improvement Fee
1984	Park Improvement Fee Major Update
1985	Golf Fund
1989	Community Development Block Grant Funds Youth Services Fund* Longmont Downtown Development Authority*
1990	Water Fund (Button Rock Preserve Site Improvements)* Art in Public Places Fund*
1992	Great Outdoors Colorado Lottery Fund Park Improvement Fee Major Update (Standards Based Methodology adopted)
1993	Boulder County Open Space Tax
1994	Street Fund (begin using for pedestrian improvements in the right-of-way)*
1996	Transportation Community Investment Fee (arterial landscaping)*

1997	Park Improvement Fee Major Update (changed to Community Investment Fee method, included recreation facilities; rec center w/ indoor pool, outdoor leisure pool, and two special rec facilities) Callahan House Fund*
1998	Storm Drainage Fund (detention facilities in parks)*
2001	Open Space Fund Water Fund (irrigation improvements) Bond for Sales & Use Tax Revenue Street Fund (increased usage of this fund for pedestrian greenway trail improvements)
2002	Raw Water Storage Fund* Water Acquisition Fund* Lease Proceeds (for land acquisition) Park Improvement Fee Major Update (updated costs, population & system-wide recreation facilities)
2003	Museum & Library Funds*
2004	Senior Services Fund*
2006	Park Improvement Fee Major Update (updated costs, population & community park standard increase to 4.5 acres/1000 residents)
2009	Park & Greenway Maintenance Fee Public Buildings Community Investment Fee
2011	Sanitation Fund
2012	Interim Park Improvement Fee
2013	Sewer & Storm Drainage Funds Park & Greenway Maintenance Fee Increase Park Improvement Fee Update (methodology changed)