

Impact Fee Design Analysis

City of Littleton, Colorado



REPORT

REPORT

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Impact Fee Design Analysis

Prepared for

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Table of Contents

I. City of Littleton Impact Fee Design Considerations

Background..... I-1
Impact Fee Design Requirements..... I-2
Fee Applicability I-3
Other Fee Design Considerations..... I-4

II. Impact Fee Derivation

Fire and Emergency Services II-8
Police Services II-11
Museum Fees II-12
Library Impact Fees II-14
Parks and Recreation Impact Fees II-15
General Government Facilities Impact Fees..... II-17
City Streets Impact Fees II-19
Summary II-22

SECTION I.

City of Littleton Impact Fee Design Considerations

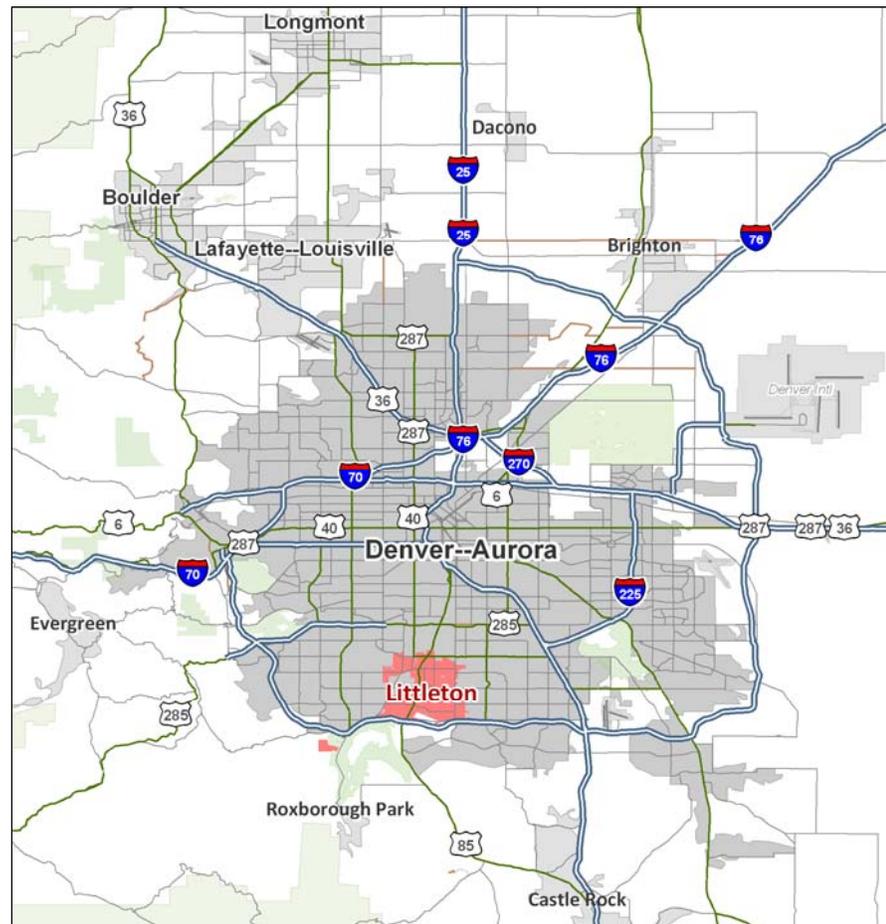
This report presents the analysis underlying calculation of proportional development impact fees for the city of Littleton, Colorado. This section describes fee design requirements, city infrastructure standards and various implementation considerations.

Background

The city of Littleton is a relatively close-in suburb with a residential base that is well suited for redevelopment; proximity to metropolitan light rail; a historic downtown; and a small number of large parcels that are well positioned for near term development. Littleton is one of the older communities in the Denver metropolitan area and as such, witnessed most of its urbanization and residential development during the years 1960 to 1980. The city has seen renewed development and redevelopment interest over the last few years concurrent with the revitalization of the Denver area housing market.

Figure I-1.
Location of
Littleton in the
Greater Denver
Metropolitan Area

Source:
BBC Research & Consulting.



For many years, Littleton has relied on both formal and informal development exactions and various charges and fees levied on new development as mechanisms for recovering the costs of providing municipal service and infrastructure to an expanding residential, commercial and industrial base. In light of renewed interest in development and the prospect of considerable future development activity, the city council is considering development impact fees as part of its larger strategy to ensure that growth pays its own way and that existing residents and existing services are not financially burdened by new growth.

Many Colorado communities impose development impact fees for expansion of public infrastructure. Some cities have an entire suite of fees with separate charges for multiple infrastructure categories, e.g., streets, parks, fire protection, etc. Virtually all Colorado communities, including Littleton, impose system development fees for water and sewer utility system expansion. Utility development fees, sometimes termed *tap fees or plant investment fee*, are in essence a form of impact fee.

The amount that a community can charge as impact fees and the manner in which these fees can be devised, imposed and spent is dictated by Colorado statute and more generally by a series of United States Supreme Court decisions. In light of these design and implementation requirements, the city retained BBC Research & Consulting (BBC) to conduct a fee feasibility assessment and ultimately prepare this report documenting the calculation of appropriate fees.

Impact Fee Design Requirements

There is no universally accepted definition of impact fees, but most studies emphasize the fee's one time use; application to new development; design requirements for proportionality; and restricted use for infrastructure expansion purposes only:

"Fees collected through a set schedule or formula, spelled out in a local ordinance...fees are levied only against new development projects as a condition of permit approval to fund infrastructure needed to serve the proposed development. Impact fees are calculated to cover the proportionate share of the capital costs for that infrastructure..."¹

The key requirements of impact fee design are set by Colorado Statute and a series of United States Supreme Court rulings.

Colorado requirements. Colorado statutes enable the use of impact fees and dictate the following fee requirements:

- Impact fees are a one-time payment levied on new development;
- Funds can only be used for capital infrastructure projects:
 - Applicable projects must have a five year life;
 - No funds can be diverted for operations, maintenance, repair or facility replacement purposes.

¹ Juergensmeyer, Julian C., and Thomas E. Roberts. Land Use Planning and Development Regulatory Law. St. Paul, MN: WestGroup, 2003; and ImpactFees.com, Duncan Associates, 20 February 2008.

- Fee revenues must be segregated from other general revenues and used for the purposes for which they were collected.
- Fees but must be imposed on all forms of development and cannot be limited to one type of land use;
- Impact fee revenues must be used for capital infrastructure expansion. No funds can be used for correction of existing system deficiencies; and
- There must be a reasonable expectation of benefit by the fee payer.

U.S. Supreme Court decisions. Impact fee design must also respect broad guidance offered by a series of United States Supreme Court rulings. The two most notable court decisions that speak to impact fee design and constraints on fee use are often referred to as *Nollan* and *Dolan*².

Guidance from these decisions requires that there be an "essential nexus" between the exaction/fee and the state interest being advanced by that exaction. In the more recent *Dolan v. City of Tigard* (1994) decision, the U.S. Supreme Court held that in addition to an essential nexus, there must be a "rough proportionality" between the proposed exactions and the project impacts that the exactions are intended to mitigate. In *Dolan*, the court further states that rough proportionality need not be derived with mathematical exactitude but must demonstrate some relationship to the specific impact of the subject project:

"We think a term such as 'rough proportionality' best encapsulates what we hold to be the requirements of the Fifth Amendment. No precise mathematical calculation is required, but the city must make some sort of individualized determination that the required dedication is related both in nature and extent to the impact of the proposed development³."

Over the past two decades since *Dolan*, many communities have imposed impact fees; thus, there now is a broad set of common practices when considering how best to reflect these judicial and statutory requirements in fee design efforts.

Fee Applicability

As noted above, impact fee revenues can only be used to cover the expansion costs of public infrastructure needed to serve new development and fee amounts can only be set to recover the cost infrastructure expansion that is proportional to the needs of the new project.

Public infrastructure. *Public or capital infrastructure* is the physical component of public services, generally including buildings, facilities and related improvements, such as parking, lighting, ball fields or other support facilities. Capital infrastructure includes streets, parks, administrative facilities, specialized fire or police buildings, and developed recreation facilities. Under Colorado statute infrastructure can include all equipment that has at least a five-year

² *Nollan v. California Coastal Commission*, 483 U.S. 82; 1987 and *Dolan v. City of Tigard* (1994) 114S.Ct. 2309.

³ *Dolan v. City of Tigard* (1994) 114S.Ct. 2309

lifetime. It does not include personnel or any element of service costs even in circumstances where new staff is required to operate the new facilities.

Nature of infrastructure investments. In considering fee requirements, it should be noted that not all capital infrastructure costs are associated with community growth or with the expansion of facility capacity. Most communities make frequent infrastructure investments regardless of growth pressures for repair and replacement of facilities. Communities considering impact fees must recognize three elements of infrastructure needs:

- **Repair and replacement of facilities.** The expense of maintaining current facilities, such as annual building maintenance, or replacing a roof.
- **Betterment of facilities.** Implementation of new services or improvement of existing facilities (e.g., adding better training equipment at a recreation center) without increasing service capacity.
- **Expansion of facilities.** e.g., expanding an existing city hall to accommodate growing personnel requirements occurring in association with community growth.

Impact fees can only cover those infrastructure costs associated with the expansion of facilities to serve the needs of new growth.

Other Fee Design Considerations

Over time a reasonable consensus has emerged as to how best to assure fee compliance with state statute and federal court dictates. In order to develop fees, there are three basic components: definition of community standards; calculation of proportional attribution to new growth and attribution of infrastructure needs across all major land uses. These issues and their resolution for this analysis are discussed below.

Setting community standards. The first fee design issue involves determining appropriate capital standards for each category of infrastructure. Some state enabling legislation describes capital standard criteria with specificity; for instance, Idaho requires that a city use an endorsed capital improvements schedule and then a process of attribution between growth related and other investments—Colorado does not have this same detailed guidance. Facility standards, such as library space per household or recreation facilities per household, can vary widely between communities; thus, it is not appropriate to use standards developed for other towns, or standards applied nationally.

Typically, the fee design process involves documenting the replacement value of specific capital facilities and qualified equipment used for each category of infrastructure, and then defining that level of investment as the city's capital standard. For instance, a city of 2500 homes with a 20,000 square foot recreation center (capital replacement value of \$5.0 million) would have a recreation center standard of 8 square feet per housing unit ($20,000 \text{ sq. ft.} / 2,500 \text{ homes} = 8 \text{ sq. ft. per home}$). At \$250/square foot (replacement value of equivalent space), each existing residence would have an embedded recreational investment of \$2000 per home. This would be the community's present facility standard and this is what each new unit could be charged as a "buy-in" amount for a recreational impact fee.

Sometimes, a “plan based” standard is used, which relies on capital improvement plans or other specific plans for each department. This forward looking approach requires forecasts of households and commercial growth and detailed data on capital expansion plans. Plan based fees must pay particular attention to the identification of expansion related projects, or the expansion portion of projects, as opposed to betterment or replacement efforts.

In this instance (Littleton) the consultants have used the city’s current facility investment as a basis for determining most facility standards. The street fee uses a plan based approach.

Facility investment information was obtained largely from the city’s most recent property and casualty insurance valuation information as reported to the Colorado Intergovernmental Risk Sharing Agency (CIRSA). All physical facility information includes estimates of furniture, fixtures and durable equipment. Certain specialized equipment, such as police dispatch equipment and fire apparatus are allocated as separate line items.

Adjustments for debt. If facility standards are defined by a community’s demonstrated investment in infrastructure, then calculations of standards must recognize, and net out, any debt that applies against the subject infrastructure. Debt service will be paid by all future residents—new and old; it’s not appropriate to charge new development a front end impact fee and then again, after becoming residents or property owners, requiring them to also pay the remaining equity and interests costs. In this instance, the city of Littleton has about \$12.0 million in debt including capital leases, which has been netted out of the infrastructure investment calculations before calculating fees. The city’s finance department provided the proportional allocation of debt to the various infrastructure categories.

Fee design cost recovery. The cost of this study can be recovered through fees and used reimburse the general fund. Fee design costs have been divided among each category and added to each respective charge.

Proportionality. One of the most challenging issues is designing fees lies in ensuring that fees only cover the proportional expansion demands represent by new development. The state statutes and the aforementioned court decisions require a demonstration of proportionality. In this instance, by using existing city capital facility standards and then requiring new development to buy in at a rate necessary to replace the current standard of facility investment, proportionality is reasonably and fairly derived. New growth is simply replicating its proportional share of an existing facility standard. It is not material if these standards are lower or higher than the city aspires to; existing standards are the city’s current standards, and will be the standards to which new growth will be held accountable.

Allocation by land use. The courts have indicated that all forms of development that have facility impacts (residential, industrial and commercial) must pay their fair share of expansion costs. If one land use is exempted from fees all other land uses have no reasonable expectation of seeing facility expansion completed. Littleton does not maintain a data base of all city land uses but Littleton is clearly dominated by residential uses and continuation of similar patterns is expected. Attribution of current commercial, industrial and related non-residential land uses can be reasonably derived from county assessor’s data; these assessment records data have been used to set current measures and appropriate standards for varying forms of non-residential development. Derivation is shown below.

**Figure I-2.
Land Use Allocation**

Source:
Arapahoe County Assessor, Littleton
Record of Assessment, BBC Research &
Consulting, 2013

Category	Value		
Residential Units			
Littleton Housing Units	19,800		
Average Sq. Ft. per Unit	<u>2,000</u>		
Current Total Residential Sq. Ft.	39,600,000		
Non-Residential		Commercial	
Assessor's Actual Market Value	\$743,597,504		
Value per Sq. Ft.	\$180		
Total Commercial Sq. Ft.	4,131,097		
Allocation Calculation			
	Commercial	Residential	Total
Current Sq. Ft. Estimate	4,131,097	39,600,000	43,731,097
Land Use Allocation	9.5%	90.5%	100.0%

In Littleton's instance, approximately 91 percent of current development is in residential uses.

Use specificity. Impact fee systems vary in how precisely they differentiate between varying forms and size of residential development and varying uses of commercial buildings. Littleton's future development is not expected to have size or use characteristics substantively different than the current community and no significant annexations are expected. Growth rates are modest. There is no compelling evidence within the city that suggest that persons in larger homes require more or less city services and thus more or less proportional capital investment. The consultants have suggested that all residences be treated as a single unit without differentiation by size or tenancy.

Detailed specificity for varying commercial uses is traditionally confined to street expansion fees where differing commercial uses might have widely varying traffic effects. In practicality, new commercial projects often have uncertain tenancy expectations and building uses change over time. Detailed commercial use or other specificity is merited when there is there is compelling evidence that use or size variations reflect substantive difference in the demand for public services. Littleton's relatively modest expectations for commercial growth and uncertainty as to the nature of future commercial development is an argument for a simpler uniform system (all commercial uses treated the same) as a practical and accurate metric for non-residential growth.

The Littleton fee system incorporates a two-tiered structure that designates all forms and sizes of residential units as a single residential unit and all commercial, retail and industrial as a commercial unit (1000 square feet per unit).

Redevelopment/credits. Application of impact fees raises a series of questions about how to deal with redevelopment of existing properties and the circumstances under which fees can be waived or adjusted. The redevelopment of a residence, even the full scraping and redevelopment, does not mean an increase in public service costs—it is still one residential unit with little or no implications for service delivery costs or capital needs. Redevelopment of larger lots with multiple homes would be assessed a fee based on the number of net new residences. Residential additions are not sufficiently material to merit a fee or a partial fee. Similarly, commercial redevelopment will only be charged on the basis of net new space.

Waivers. The city cannot waive fees unless the fund is reimbursed from other sources such as the general fund or the developer/owner is making other contributions to system expansion by other mechanisms that exceed the calculated requirements.

Timing. Fees are due at the time of building permit.

Updating. Fees should be updated periodically; most communities update fees every two or three years.

SECTION II.

Impact Fee Derivation

The following provides calculations for impact fees in six infrastructure categories.

Fire and Emergency Services

Emergency response service in the city of Littleton is provided by Littleton Fire Rescue (LFR), which is a department of the city supported by the general fund and applicable charges for ambulance services. LFR also provides contracted service to the Littleton Fire Protection District (LFPD), which encompasses a broad area east and west of the city. LFR also serves the 95,000 residents of unincorporated Highlands Ranch by contract with the Highlands Ranch Metropolitan District (HRMD). In total, fire and rescue services are provided to approximately 220,000 people residing in a 92 square-mile area.

Emergency response services include: fire suppression, emergency medical services, hazardous materials response, Tactical Emergency Medical Support (TEMS), water emergency rescue and recovery, as well as wildland fire suppression.

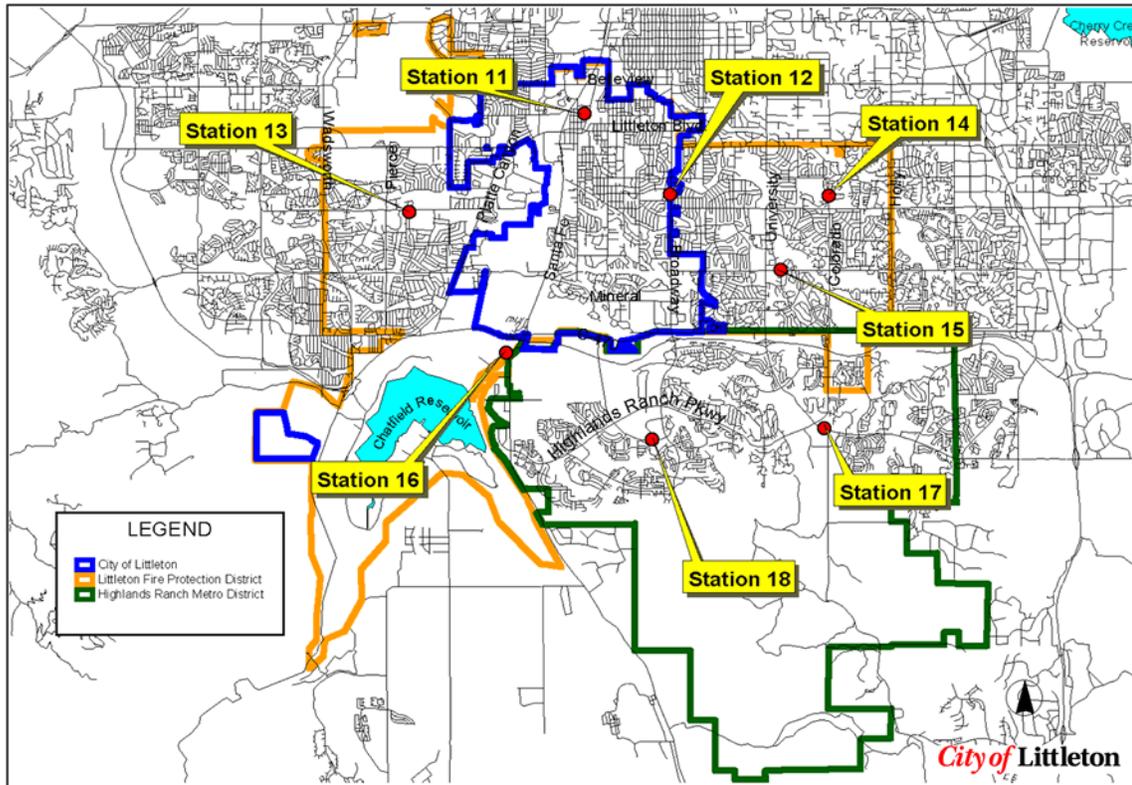
In 2012, LFR responded to 12,936 calls for service from eight fire stations located throughout the service area. Seventy percent of those calls were for medical emergencies. Each LFR fire engine medic vehicle is fully equipped with advanced life support capabilities. In addition, LFR responded to 813 calls outside the service area in neighboring jurisdictions under service sharing agreements for a total of 13,749 responses. Neighboring districts also support LFR when required.

LFR's Prevention Division provides code review, plan review, code enforcement, as well as fire/arson investigations, and generally works to ensure that commercial structures are following national fire codes and hazardous material regulations. This group conducts inspections and plan review. Bureau personnel also serve as investigators for fire scenes and follow-up on cases determined to be arson.

International Services Office or, ISO, is an association of insurance companies that collects information and then rates 44,000 municipal fire departments and fire protection districts across the country. ISO rates departments based on water supply, training and equipment, staffing and the department's alarm and paging system. The departments are rated 1 to 10, with 1 being the best fire protection and 10 meaning the fire department does not meet ISO's minimum criteria. Littleton Fire Rescue enjoys a Class 3 rating.

Properties within the city of Littleton are primarily served by three fire stations, shown as Stations 11, 12, and 16 in the accompanying Figure II-1.

Figure II-1
Littleton Fire Station Locations



Source: City of Littleton.

In certain situations, responders from other stations may provide back up or even first responder coverage when the closer station is already engaged or otherwise unavailable. The majority of calls in Littleton are first met by responders from Stations 11, 12, and 16.¹ Private ambulances are sometimes called for additional support.

The Littleton Fire Chief reports that ambulance service calls are increasing in part because of Littleton's aging population. According to the Chief, improved fire suppression technology, such as pressurized foam, is improving fire suppression success and modern building codes are mitigating fire risks. Because of code improvements and mandatory sprinkling systems, commercial and industrial fires are a diminished share of Littleton's calls. Elder care facilities and retirement homes are an increasing share of ambulance calls. The Chief reports only minor demand from non-residential development in part because building codes are effective in reducing fire issues.

Data on the Littleton facilities and significant capital equipment for city-owned stations are shown in Figure II-2.

¹ Station 16 was built in 1994. It is outside the city but Littleton paid one-third of the capital costs and has continued to provide one-third of the capital requirements over the ensuing years.

**Figure II-2.
Littleton Fire Department Facilities
and Apparatus**

Source:

City of Littleton – Colorado Intergovernmental Risk Sharing Agency, Property and Casualty Application, 2013; City of Littleton Comprehensive Annual Financial Report 2012.

Debt allocation is from the city’s CAFER and discussions with the finance department.

Station 16 represents one-third of the value.

Type of Capital Infrastructure	Allocated Replacement Value
Facilities	
Station 11	\$2,229,485
Station 12	\$2,740,532
Station 16	\$676,312
Apparatus	
1990 Pierce Lance	\$450,000
2006 Chevrolet Express	\$12,800
2008 Chevrolet Suburban	\$29,500
2002 Chevrolet Suburban	\$10,450
2003 Ford E450 McCoy Miller	\$180,000
2006 Ford E450 McCoy Miller	\$180,000
2002 Ford E450 McCoy Miller	\$180,000
2009 Ford E450 Braun	\$180,000
1988 Mack Marion	\$180,000
1992 Pierce Lance	\$450,000
2004 American LaFrance Eagle	\$450,000
1993 Pierce Lance	\$450,000
2012 Pierce Dash	\$700,000
Fee Study	\$4,286
Subtotal	\$9,103,365
<i>Less: Outstanding Debt - Apparatus</i>	<i>\$423,077</i>
Total	\$8,680,288

Rolling stock and specialized equipment that is held in use for more than five years is applicable to fee calculations. The city carries a small amount of debt against the equipment, which reduces the net equity value of the city’s investment and thus is subtracted from the total value.

Figure II-3 uses the asset value of fire capital investment to determine an appropriate household and commercial fee.

**Figure II-3.
Fire Impact Fees**

Source:

BBC Research & Consulting, 2013.

Category	Value
Total Costs for Infrastructure	\$8,680,288
Allocation for Impact Fees	
Residential	90.5%
Non-residential	9.5%
Allocated costs by category	
Residential	\$7,855,661
Non-residential	\$820,287
Existing Development	
Residential (in dwelling units)	19,800
Non-residential (in square feet)	4,131,097
Cost by unit of development (rounded)	
Residential (per dwelling unit)	\$397
Non-residential (per 1,000 square feet)	\$199

As shown in Figure II-3, fire and emergency services impact fees are \$397 per dwelling unit and \$199 per 1,000 commercial square feet.

Police Services

The Littleton Police Department operates with two divisions: Patrol Division and Investigations/Support Services. The police department is responsible for public safety and the safe flow of traffic through the community.

The Patrol Division includes police patrol teams, the traffic unit, parking enforcement, animal control and school resource officers. Patrol officers have the primary responsibility for responding to calls for service received through the communications center. Accreditation requires that the department meet or exceed over 465 standards that represent the "best professional practices" for law enforcement.

The Investigations/Support Services Division includes detectives, property/evidence, victim services, liquor code violations, communications and records. Detectives are responsible for the follow-up and felony case filings for the District Attorney's Office. Property/evidence and victim services support the entire department. Communications operates the Littleton Dispatch Center, which is the primary public safety answering point for all service calls generated in the city of Littleton. The records section is responsible for all department records and the correct entry, storage and dissemination of police reports, accidents, citations, and other documents. They also handle fingerprints for citizens that fall under the various state and local licensing requirements.

The Littleton Police Department operates out of a 22,000 square foot facility, which includes a separate dedicated wing and a portion of the main city administrative building. This new police wing was built to remedy severe overcrowding and more efficiently provide for the storage, communications and technology needs of a modern police force. The city's communication center, which serves police ambulance and fire dispatch, is also located in this facility. Data on the Littleton Police Station and significant capital equipment are shown in Figure II-4.

Figure II-4.
Littleton Police Facilities

Source:

City of Littleton – Colorado Intergovernmental Risk Sharing Agency, Property and Casualty Application, 2013; City of Littleton Comprehensive Annual Financial Report 2012.

Debt allocation is from the city's CAFER and discussions with the finance department.

Type of Capital Infrastructure	Allocated Replacement Value
Facilities	
Motorcycle Storage	\$5,081
Specialized Vehicle Storage	\$430,500
Police Station	\$5,356,279
Dispatch Equipment	\$1,391,000
Fee Study	\$4,286
Subtotal	\$7,187,146
<i>Less: Outstanding Debt - Police Dispatch Equipment</i>	<i>\$234,487</i>
Total	\$6,952,659

Police vehicles are generally not held in use for more than five years and are not included in fee calculations. The city carries a small amount of debt against dispatch equipment, which reduces the net equity value of the city's investment and thus is subtracted from the total value.

Figure II-5 uses the asset value of police capital investment to determine an appropriate household and commercial fee.

**Figure II-5.
Littleton Police Impact Fees**

Source:
BBC Research & Consulting, 2013.

Category	Value
Replacement Costs for Infrastructure	\$6,952,659
Allocation for Impact Fees	
Residential	90.5%
Non-residential	9.5%
Allocated costs by category	
Residential	\$6,295,633
Non-residential	\$657,026
Existing Development	
Residential (in dwelling units)	19,800
Non-residential (in square feet)	4,131,097
Cost by unit of development (rounded)	
Residential (per dwelling unit)	\$318
Non-residential (per 1,000 square feet)	\$159

As shown in Figure II-5, police services impact fees are \$318 per dwelling unit and \$159 per 1,000 commercial square feet.

Museum Fees

The Littleton Museum is the primary repository for the history, art, and culture artifacts of Littleton. Located on 39 acres, the museum consists of two living history farms (one from the 1860's and one from the 1890's), a small lake, a collections center and a main exhibition and administration building. The main building has nearly 32,000 square feet of space and was renovated and expanded in 2000. The main building houses the museum's four galleries, research center, lecture hall, educational classrooms, and offices. The Littleton Museum is one of only 700 museums to be fully accredited by the American Association of Museums, and one of only 140 members (the only Colorado museum represented) of the Smithsonian Affiliates.

Littleton's asset data offers a comprehensive inventory of museum facilities and materials. Assets and values are shown in Figure II-6. The city also allocates a substantial share of its current debt to the museum property, which is netted out of the asset value to determine a basis for fee calculation. The museum collection has been largely obtained through donations and is not included in the impact fee calculation.

**Figure II-6.
Littleton Museum Facilities
and Assets**

Source:

City of Littleton – Colorado
Intergovernmental Risk Sharing Agency,
Property and Casualty Application, 2013;
City of Littleton Comprehensive Annual
Financial Report 2012.

Debt allocation is from the city's CAFER and
discussions with the finance department.

Type of Capital Infrastructure	Allocated Replacement Value
Facilities	
Museum	
Pump House	\$1,774
Exhibition Bridge	\$9,505
School House	\$48,705
Blacksmith House	\$104,397
Icehouse	\$73,924
Windmill	\$5,280
1860s Log Bridge	\$21,121
1890s Corncrib	\$5,280
1960s Pig Sty	\$30,529
1860s Outhouse	\$5,202
1860s Corncrib	\$14,738
1890s Chicken House	\$15,841
1890s Outhouse	\$8,384
Horse Shed	\$16,897
Gazebo	\$47,627
Storage Structure	\$35,906
Interpreters Den	\$394,962
Bemis Farmhouse	\$276,743
Tool Shed	\$21,121
Barn	\$191,146
McBroom Loghouse	\$71,153
Farm Barn	\$71,812
Sheep House	\$53,846
1860s Chicken Coop	\$36,962
School House Outhouse	\$1,382
Greenhorn Grove Fishing Dock	\$41,479
Animal Care Shelter	\$31,682
Caretaker Residence	\$341,537
Museum	\$7,437,958
Other Facilities	
Fine Arts Museum	\$2,000,986
Depot Arts Center	\$299,958
Depot Arts Center - Outhouse	\$11,531
Railroad Car - Caboose	\$15,841
Fine Arts Collection	<u>\$11,637,000</u>
Subtotal	\$23,382,209
<i>Less: Outstanding Debt - Museum Bldg.</i>	<u>\$6,581,250</u>
Total	\$16,800,959

The demand for museum services is not significantly affected by industrial commercial or office uses and therefore only residential land uses are assessed a museum fee. Figure II-7 uses the asset value of museum investment to determine an appropriate household fee.

**Figure II-7.
Littleton Museum
Impact Fees**

Source:
BBC Research & Consulting, 2013.

Category	Value
Replacement Costs for Infrastructure	\$16,800,959
Allocation for Impact Fees	
Residential	100.0%
Non-residential	0.0%
Allocated costs by category	
Residential	\$16,800,959
Non-residential	\$0
Existing Development	
Residential (in dwelling units)	19,800
Non-residential (in square feet)	4,131,097
Cost by unit of development (rounded)	
Residential (per dwelling unit)	\$849
Non-residential (per 1,000 square feet)	\$0

As shown in the above Figure II-7, museum impact fees are \$849 per dwelling unit. There is no museum impact fee applied to new commercial development.

Library Impact Fees

Littleton has one central library building, the Bemis Library, which was constructed in 1965 and has had two major additions over the ensuing years. The Littleton library circulates an extensive collection of over 190,000 books, audio books and electronic media. Card holders also have access to broader Denver area library resources through collection sharing agreements. The library hosts a wide array of public programs, including a unique service helping immigrants prepare for citizenship and participation in their local community institutions.

According to plans provided by the library staff, the Bemis Library contains 40,000 square feet of space and circulates 193,000 items. In preparation for the last facility expansion (2004), library architects prepared a facility plan that anticipated additional rounds of facility development. The current facility has a number of capacity limitations, especially when programs and events coincide. Additional parking is a pressing need. In addition to new general space for circulation materials, the library needs storage, gathering space and the aforementioned parking. The Bemis Library sits on a large, city owned site that can accommodate additional facility development without disrupting neighboring uses.

Calculations of library replacement values and standards are shown in Figure II-8 below.

**Figure II-8.
Library Facilities**

Source:
City of Littleton – Colorado
Intergovernmental Risk Sharing Agency,
Property and Casualty Application, 2013.

Type of Capital Infrastructure	Allocated Replacement Value
Facilities	
Library	\$10,084,863
Library Storage	\$19,065
Fee Study	\$4,286
Subtotal	\$10,108,214

The library is used almost exclusively by Littleton residents. Commercial development or industrial development within the community represents a very small portion of library demand; thus, impact fees are applied only against new residential development. The calculation of a per unit impact fee applied to new residential development is shown below:

Figure II-9.
Littleton Library Impact Fees

Source: BBC Research & Consulting, 2013.

Category	Value
Replacement Costs for Infrastructure	\$10,108,214
Allocation for Impact Fees	
Residential	100.0%
Non-residential	0.0%
Allocated costs by category	
Residential	\$10,108,214
Non-residential	\$0
Existing Development	
Residential (in dwelling units)	19,800
Non-residential (in square feet)	2,144,036
Cost by unit of development (rounded)	
Residential (per dwelling unit)	\$511
Non-residential (per 1,000 square feet)	\$0

As shown in Figure II-9, library impact fees are \$511 per dwelling unit. There is no library impact fee applied to new commercial development.

Parks and Recreation Impact Fees

Residents of Littleton enjoy a large network of parks, trails, bikeways, open space, wildlife habitat and recreation facilities in total encompassing nearly 1200 acres of property. The city's most notable open space is South Platte Park, which includes 885 acres of natural areas and wildlife habitat along the Platte River and offers a greenway spine through the city. The only developed recreation facilities in South Platte Park are bike and pedestrian trails.

Littleton does not maintain or develop its own parks and recreation facilities but instead contracts with the South Suburban Parks and Recreation District (SSPR) for parks, open space and facility development and maintenance. SSPR was formed in 1959 and serves seven communities in the southwest Denver metro region and includes portions of unincorporated Arapahoe and Douglas counties. Within Littleton, portions of the lands underlying the local parks are owned by the city and portions are owned by the district, some parks are on leased land or land held by other private and public entities. Most local parks improvements have been funded by SSPR and the majority of developed recreation facilities were constructed by SSPR. Residents of Littleton can use any of the SSPR facilities, regardless of location at a resident rate. Non residents of the district can also use facilities but at a higher cost and often in a lower priority ranking for popular programs. SSPR runs its operations with revenues from a property mill levy and receipts from a wide array of fees and charges for services.

The proposed park and recreational impact fee is based on replacement value of existing recreational facilities and developed parks in the city. Open space, drainage ways and undeveloped parcels are not factored into fee calculations. The city has nearly 1500 acres of

parks and open space but over 1200 acres are in undeveloped open space or wildlife habitat. The city retains its right to demand a certain allocation of open space in the review process for new subdivision or planned unit developments. The principal elements of the parks and recreation fee are listed below.

- **Recreation center.** The Douglas Buck Community Center was built in 2005 by SSPR. This 54,000 square foot recreation center includes a pool, gym weight room, fitness center and indoor cycling. The facility is within a few blocks of the Littleton light-rail station in old town Littleton.
- **Carson Nature Center.** The Carson Nature Center is a visitor center and interpretive facility located in South Platte Park in Littleton. The facility is used for nature education and is also available for rental for meetings, receptions, workshops and corporate events. The space can hold 25 to 55 attendees, depending on room configuration. The facility serves as the anchor of the 875-acre South Platte Park and is frequently used for outdoor education programs.
- **Developed outdoor recreation.** The city has a hierarchy of parks lands. As noted previously most park lands are best classified as undeveloped, open space or habitat According to the SSPR data base, approximately 100 acres are contained in parks that have largely passive recreation uses, typically picnic areas, shelters, sometimes water features, gardens, irrigated turf and bike or pedestrian trails. In addition the city has approximately 20 parks that have significant capital investment in recreation facilities, most notably approximately 30 ball fields (multi-sport, baseball, football and soccer), tennis courts, basketball courts and playgrounds. Harlow Park has an outdoor swimming pool. These developed parks, with recreation amenities incorporate approximately 138 acres of which the majority is developed for playing fields and facilities and the remainder is in irrigated lawn or natural open space. School properties are not included in these calculations. The South Suburban planning department reports that development of a recreational park with irrigation systems, playing fields, landscaping, a playground and parking costs \$150,000 to \$250,000 per acre, depending on level of amenity. Increasingly, the upfront cost for acquiring water and water taps is one of the largest costs of new park development.

Calculations of parks and recreation replacement values and standards are shown in Figure II-10 below.

Figure II-10.
Parks and Recreation Facilities

City of Littleton – Colorado
Intergovernmental Risk Sharing Agency,
Property and Casualty Application, 2013 and
BBBC Research & consulting, 2013

Type of Capital Infrastructure	Allocated Replacement Value
Facilities	
Recreation Center	\$9,450,000
Park Improvements	\$20,100,000
Carson House Nature Center & Classroom	\$997,912
Fee Study	\$4,286
Total	\$30,552,198

The parks and recreation facilities are used heavily by Littleton residents and visitors. Commercial development or industrial development within the community represents a very small portion of parks and recreation facility demand; thus, impact fees are only applied against new residential development. The calculation of a per unit impact fee applied to new residential development is shown below:

Figure II-11.
Littleton Parks and Recreation
Impact Fees

Source: BBC Research & Consulting, 2013.

Category	Value
Total Costs for Infrastructure	\$30,552,198
Allocation for Impact Fees	
Residential	100.0%
Non-residential	0.0%
Allocated costs by category	
Residential	\$30,552,198
Non-residential	\$0
Existing Development	
Residential (in dwelling units)	19,800
Non-residential (in square feet)	4,131,097
Cost by unit of development (rounded)	
Residential (per dwelling unit)	\$1,543
Non-residential (per 1,000 square feet)	\$0

As shown in Figure II-11, parks and recreation impact fees are \$1,543 per dwelling unit. There is no parks and recreation impact fee applied to new commercial development.

General Government Facilities Impact Fees

The city of Littleton provides a full range of municipal services. The activities classified as General Government include the City Council, City Manager, City Clerk, City Attorney, Municipal Courts and Development and Community Services. Most of these city offices are consolidated in the 55,000 square foot Littleton City Center, Courthouse and public works service center facilities. Additional facilities include the South Platte maintenance shop, the Bemis House rental property and a second rental property located on Berry Avenue. Certain facilities, such as the majority of police and fire facilities, are included in separate impact fee calculations.

A summary of the facilities and associated replacement value used for Littleton general government is included in Figure II-12, which follows on the next page.

**Figure II-12.
Littleton General
Government Facilities**

Source:
City of Littleton – Colorado
Intergovernmental Risk Sharing
Agency, Property and Casualty
Application, 2013; City of
Littleton Comprehensive Annual
Financial Report 2012.

Type of Capital Infrastructure	Allocated Replacement Value
Facilities	
Bemis Residence	\$484,729
Bemis Garage	\$29,419
2305 W Berry Ave.	\$1,732,166
Service Center Office	\$3,064,613
Service Center Storage	\$440,880
Service Center Building 2	\$2,241,245
Service Center Building 1	\$879,312
Rio Grande Train Depot	\$505,727
Littleton City Center	\$13,835,745
Courthouse	\$6,892,848
South Platte Maintenance Shop	\$69,407
Service Center Loading Dock	\$210,080
Service Center Salt Dome	\$372,395
Service Center Fuel Station	\$209,396
Service Center Fleet Storage Shed 1	\$34,349
Service Center Fleet Mtnce Shop	\$2,953,910
Service Center Fleet Storage Shed 2	\$320,458
Fee Study	\$4,286
Subtotal	\$34,280,965
<i>Less: Outstanding Debt - Courthouse/Fleet Bla</i>	<i>\$4,323,750</i>
Total	\$29,957,215

The city carries about \$4 million in debt against its facilities equipment, which reduces the net equity value of the city's investment and is thus not included in the fee-eligible value.

Figure II-13 uses the asset value of government facility capital investment to determine an appropriate household and commercial fee.

**Figure II-13.
Littleton General Government
Facility Impact Fees**

Source:
BBC Research & Consulting, 2013.

Category	Value
Replacement Costs for Infrastructure	\$29,957,215
Allocation for Impact Fees	
Residential	90.6%
Non-residential	9.5%
Allocated costs by category	
Residential	\$27,126,258
Non-residential	\$2,830,957
Existing Development	
Residential (in dwelling units)	19,800
Non-residential (in square feet)	4,131,097
Cost by unit of development (rounded)	
Residential (per dwelling unit)	\$1,370
Non-residential (per 1,000 square feet)	\$685

As shown in Figure II-13, general government facilities impact fees are \$1,370 per dwelling unit and \$685 per 1,000 commercial square feet.

City Streets Impact Fees

The city of Littleton manages a complex system of local, neighborhood, arterial and regional streets. Most neighborhood streets were built by state and local authorities as the community was first developing, or by private developers as part of earlier subdivisions. The city has continues to have exaction powers in the subdivision approval process to require developers to build or fund local streets and contiguous street improvements, which are directly required to serve new development. Additionally, a significant share of Littleton street traffic is associated with activities or residents outside of the city, and thus traffic levels may fluctuate in relationship to many factors beyond internal city growth.

Under these circumstances, development of a street fee standard is best accomplished by employing a *plan based standard*, which ties new growth related traffic directly and proportionally to the costs of street system expansions specifically designed to accommodate additional traffic.

Figure II-14 below presents growth projections for the Littleton. Net growth of about 1.5 percent per year is anticipate indicating over 1500 new units and housing units and roughly 300,000 non-residential square feet over the next five-year period New growth represents about 7 percent of all land uses at the end of the five-year projection period.

Figure II-14.
City of Littleton Five Year Growth Projection

Land Use	2013	2014	2015	2016	2017	2018	Net Growth	New Growth Pct.
Housing Units	19,800	20,097	20,398	20,704	21,015	21,330	1,530	7.2%
Non-Residential Sq Ft	4,131,097	4,193,064	4,255,960	4,319,799	4,384,596	4,450,365	319,268	7.2%

Note: Growth projections assume a 1.5 percent residential growth rate and a continuation of the existing ratio of non-residential space to residential units. Growth projections are based on projects that were already in the city review process at the time of this analysis; projects that have been discussed but not formally initiated; the identification of developable parcels and expectations of continued redevelopment of older neighborhoods.

Source: BBC Research & Consulting and the City of Littleton.

In the plan-based fee methodology, a share of the cost of new streets improvements is allocated to new growth in proportion to that growth's contribution to Littleton generated road usage by new residential and non-residential growth. The figure below shows prospective street improvements anticipated in the next five years. A 7.2 percent share of new street expansion is eligible for impact fees according to demand generated by new growth based on new growth's contribution to traffic. It should be noted that capital projects shown are only projects with demonstrable capacity expansion. The city anticipates many street overlay or repair projects that are not part of this calculation.

**Figure II-15
City of Littleton Five-Year Streets Capital Projects**

Type of Capital Infrastructure	CIP Value	Growth-Related Portion <i>times equals</i>	Amount to Include in Fees
Five-year Capital Projects Plan			
County Line Road - Lucent to Highline Widening	\$3,000,000	7.2%	\$215,219
Santa Fe / Prince Dual Left NB to WB	\$200,000	7.2%	\$14,348
Santa Fe / Bowles Dual Left SB to EB	\$500,000	7.2%	\$35,870
Santa Fe / Mineral Dual Left WB to SB and Improve WB to NB	\$2,000,000	7.2%	\$143,479
Broadway / County Line Dual Left EB to NB and WB to SB	\$500,000	7.2%	\$35,870
Bowles / Federal Widen Intersection to 6 Lanes	\$2,000,000	7.2%	\$143,479
Bowles / Platte Canyon Dual Left for EB, NB, SB and Widen Intersection	\$2,000,000	7.2%	\$143,479
Total Five-year CIP	\$10,200,000		\$731,745
Fee Study			
Development Fee Study	\$4,286	100%	\$4,286
Grand Total	\$10,204,286		\$736,031

Source: City of Littleton and BBC Research.

As shown above, about \$735,000 in street improvements costs out of \$10.2 million in total improvement costs are eligible for street associated impact fees.

In order to calculate a fee allocation between residential and non-residential land uses, trip generation figures from the Institute of Transportation Engineers' *Trip Generation Manual* are applied to the growth projections displayed above to calculate growth-related trips on city streets. The trip generation figures calculate the number of p.m. peak hour trips generated by particular land uses. Peak hour trips are appropriate for this calculation because street infrastructure is sized according to the peak period demands. Figure II-16 below shows the weighted trip distribution calculation.

**Figure II-16.
City of Littleton Growth Related Peak Hour Trip Distribution**

Land Use	New Development	P.M. Peak Hour Trips	Weighted Trip Generation Factor	Percent Distribution
Residential	1,530	1.01	1,546	66%
Non Residential	319,268	2.49	794	34%
Total			2,339	100%

Source: Institute of Transportation Engineers, Trip Generation Manual; BBC Research & Consulting.

As shown above, the number of p.m. peak hour trips in Littleton is expected to increase by approximately 1,500 peak hour trips in the next five years. Sixty-six percent of those trips will be for residential uses and the remaining 34 percent will be for nonresidential uses.

Figure II-17 below uses the trip generation figures from Figure II-16 above and the growth-related streets improvement costs from Figure II-15 to calculate streets impact fees.

**Figure II-17.
Littleton Streets Impact Fees**

Source:
BBC Research & Consulting, 2013.

Category	Value
Allocated Value for Transportation Infrastructure	\$736,031
Allocation Percentages for Development Fees	
Residential	66%
Non Residential	34%
Allocated Costs by Land Use Category	
Residential	\$485,780
Non Residential	\$250,250
Growth to 2018	
Residential (dwelling units)	1,530
Non-residential (square feet)	319,268
Development Fee by Land Use (rounded)	
Residential (dwelling units)	\$317
Non-residential (per 1,000 square feet)	\$784

As shown in Figure II-17, streets impact fees are \$317 per dwelling unit and \$784 per 1,000 commercial square feet.

Summary

The following Figure II-18 summarizes impact fee calculations for the city of Littleton.

Figure II-18.
Littleton Impact Fee Summary

Source:
BBC Research & Consulting, 2013.

Category	Fee Amount
Fire	
Residential (per dwelling unit)	\$397
Non-residential (per 1,000 square feet)	\$199
Museum	
Residential (per dwelling unit)	\$849
Non-residential (per 1,000 square feet)	\$ -
Library	
Residential (per dwelling unit)	\$511
Non-residential (per 1,000 square feet)	\$ -
Police	
Residential (per dwelling unit)	\$318
Non-residential (per 1,000 square feet)	\$159
Facilities	
Residential (per dwelling unit)	\$1,370
Non-residential (per 1,000 square feet)	\$685
Parks	
Residential (per dwelling unit)	\$1,543
Non-residential (per 1,000 square feet)	\$ -
Transportation	
Residential (per dwelling unit)	\$317
Non-residential (per 1,000 square feet)	\$784
Total	
Residential (per dwelling unit)	\$5,304
Non-residential (per 1,000 square feet)	\$1,827

Full cost-recovery impact fees for Littleton total \$5,304 per residential dwelling unit and \$1,827 per 1,000 non-residential square feet. The city can choose to charge less than this amount but discounts must be uniformly applied to all land use categories.