

ORDINANCE 4-2026 LAND DEVELOPMENT IMPACT FEES

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PURPOSE

Does council support an ordinance amending Chapter 14 of Title 1, Land Development Impact Fees?

Background of Impact Fees

WHAT IS AN IMPACT FEE

DEFINITION OF IMPACT FEES

- Impact fees are one-time charges assessed on new development projects to fund the construction or expansion of public infrastructure to support the new growth.
- These charges ensure new development covers its share of increased services due to growth.
- Impact fee revenue can only be spent on projects attributed to growth.

LITTLETON'S IMPACT FEES

- Multimodal Improvements
- Museum
- Library
- Police
- Facilities
- Transportation

BACKGROUND OF IMPACT FEES

AUGUST
2013

Initial adoption of
Capital
Facility/Land
Development
Impact Fees

JULY
2014

Amended all fee
schedules

NOVEMBER
2018

- Amended Transportation and Fire fee schedules
- Impact fees relocated from subdivision chapter to administrative chapter in city code

APRIL
2019

- Amended Museum, Library, Police and Facilities fee schedules
- Removed Fire Impact fees

MAY
2021

- Amended all fees schedules
- Added Multi-modal fees

BACKGROUND OF IMPACT FEES CONTINUED

OCTOBER
2023

Amended all fees
by CPI 8.011% for
2024

Multimodal 3 year
phased approach

DECEMBER
2024

Amended all fee
schedules by CPI
5.22% for 2025

Multimodal 3 year
phased approach

JANUARY
2026

Requesting
annual CPI
Increase

2026 Fee Changes

CURRENT VS. NEW FEES RESIDENTIAL

| Use | Land Development Impact Fee Rate Residential (per unit) | | | | | | Total |
|-------------------------------------|--|---------|---------|--------|------------|----------------|---------|
| | Multimodal Improvements | Museum | Library | Police | Facilities | Transportation | |
| Single Family (Current) | \$1,205 | \$1,027 | \$780 | \$421 | \$2,188 | \$2,547 | \$8,169 |
| Single Family (New) | \$1,238 | \$1,055 | \$801 | \$433 | \$2,247 | \$2,616 | \$8,390 |
| Multiple Dwelling Unit (Current) | \$791 | \$674 | \$512 | \$277 | \$1,436 | \$1,975 | \$5,664 |
| Multiple Dwelling Unit (New) | \$812 | \$692 | \$526 | \$284 | \$1,475 | \$2,028 | \$5,817 |

CURRENT VS. NEW FEES NON-RESIDENTIAL

| Use | Land Development Impact Fee Rate Non-Residential (per square foot) | | | | | | Total |
|-----------------------------|---|--------|---------|--------|------------|----------------|--------|
| | Multimodal Improvements | Museum | Library | Police | Facilities | Transportation | |
| Auto Dealership (Current) | \$0.91 | \$0.00 | \$0.00 | \$0.41 | \$1.84 | \$3.18 | \$6.34 |
| Auto Dealership (New) | \$0.93 | \$0.00 | \$0.00 | \$0.42 | \$1.89 | \$3.27 | \$6.51 |
| Industrial (Current) | \$0.91 | \$0.00 | \$0.00 | \$0.41 | \$1.84 | \$0.54 | \$3.70 |
| Industrial (New) | \$0.93 | \$0.00 | \$0.00 | \$0.42 | \$1.89 | \$0.55 | \$3.79 |
| Lodging (Current) | \$0.91 | \$0.00 | \$0.00 | \$0.41 | \$1.84 | \$1.25 | \$4.41 |
| Lodging (New) | \$0.93 | \$0.00 | \$0.00 | \$0.42 | \$1.89 | \$1.28 | \$4.52 |
| Office (Current) | \$0.91 | \$0.00 | \$0.00 | \$0.41 | \$1.84 | \$1.04 | \$4.20 |
| Office (New) | \$0.93 | \$0.00 | \$0.00 | \$0.42 | \$1.89 | \$1.07 | \$4.31 |
| Retail/Commercial (Current) | \$0.91 | \$0.00 | \$0.00 | \$0.41 | \$1.84 | \$3.18 | \$6.34 |
| Retail/Commercial (New) | \$0.93 | \$0.00 | \$0.00 | \$0.42 | \$1.89 | \$3.27 | \$6.51 |
| Warehouse/Storage (Current) | \$0.91 | \$0.00 | \$0.00 | \$0.41 | \$1.84 | \$0.19 | \$3.35 |
| Warehouse/Storage (New) | \$0.93 | \$0.00 | \$0.00 | \$0.42 | \$1.89 | \$0.20 | \$3.44 |

Comparisons

OTHER TYPES OF IMPACT FEES

Service Related

- Affordable Housing
- Fire
- Drainage
- Storm Drainage
- Capital Facilities
- Major Streets
- General Services
- Traffic
- School
- Raw Water Irrigation
- Animal Services

Recreation Related

- Parks
- Trails
- Open Spaces
- Neighborhood Parks
- Recreation Buildings
- Community Parks
- Community Centers

FEES CHARGED

Denver

- Drainage – \$0.25-\$0.40 per sq ft
- Fire – \$450-\$600 per unit
- Parks – \$950-\$1,150 per unit
- Affordable Housing - \$5 - \$9 per sq ft
- Roads - \$1,850-\$2,400 per unit

Example: 2,000 sq ft home (at lowest rates)
Total Impact Fee - \$14,950

Aurora

- Storm Drainage – \$0.053-\$0.16 per sq ft
- Public Land – \$450-\$600 per unit
- Capital – \$9,327 per single family unit
- Forestry - \$8.65/lineal foot

Example: 12,500 sq ft lot (at lowest rates)
Total Impact Fee - \$11,400

Fort Collins

- Police – \$313-\$521 per unit
- Fire – \$560-\$931 per unit
- Parks – \$5,515-\$9,078 per unit
- General Govt - \$762-\$1,269 per unit
- Transportation - \$2,958-\$8,941 per unit

Example: Single Family (at lowest rates)
Total Impact Fee - \$10,108

Colorado Springs

- Parkland – \$1,800-2,300 per unit
- Police – \$398 per unit
- Fire – \$368 per unit
- School - \$400-\$900 per unit

Example: Single Family (at lowest rates)
Total Impact Fee - \$2,966

Boulder

- Police – \$266-\$695 per unit
- Fire – \$240-\$620 per unit
- Parks – \$3,292-\$8,550 per unit
- Human Services - \$100-\$262 per unit
- Municipal Facilities - \$321-\$834 per unit
- Transportation - \$120-\$331 per unit

Example: Single Family (2,000 sq ft)
Total Impact Fee - \$8,992

Other

- Arvada
- Thornton
 - Fees based on density
 - Based on other factors

COMPARISON EXAMPLES

Example – Single Family Home – 2,000 sq.ft.

| City | Similar Impact Fee | | | | | | Total Impact Fees Charged |
|------------------|--------------------|-------------|-----------|-----------|-------------|----------------|---------------------------|
| | Multimodal | Museum | Library | Police | Facilities | Transportation | |
| Littleton | \$ 1,237.93 | \$ 1,055.11 | \$ 801.01 | \$ 432.80 | \$ 2,247.14 | \$ 2,615.80 | \$ 8,389.79 |
| Denver | | | | | | 1,850.00 | 14,950.00 |
| Fort Collins | | | | 313.00 | | 2,958.00 | 10,108.00 |
| Aurora | | | | | 9,327.00 | | 11,400.00 |
| Colorado Springs | | | | 398.00 | | | 2,966.00 |
| Boulder | | | | 555.00 | 667.00 | 262.00 | 8,992.00 |

2026 FEE CHANGES

Inflation Factor

- Title 1, Chapter 14 allows for an inflation factor annually at minimum
- The fees last adjusted in December 2024 for 2025
- Established the use of the Denver-Aurora-Lakewood CPI
- Adjusting all fees to the 2025 CPI of 2.7%

Impact Fee Study

- 2019 Impact fee study
- 2027 RFP for an impact fee study

Alternatives

Alternatives

- Approve amendments as proposed
- Make no changes at this time and provide direction to staff for and alternative fee structure or means to pay for infrastructure needed to serve community growth.

Staff Recommendation

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Staff recommends approval of the impact fees on second reading



QUESTIONS?