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MEMORANDUM

To: Mike Braaten, Deputy City Manager, City of Littleton
From: BBC Research & Consulting
Re: Capital Impact Fee Design 2014 Supplement and Update
Date: June 5, 2014

In July 2013, BBC Research & Consulting (BBC) completed a Capital Impact Fee Design Analysis for the City of Littleton (City). With subsequent Littleton City Council review and approval, this analysis became the foundation document supporting a suite of capital impact fees charged on new community residential and commercial development.

The following Figure I shows the resultant array of capital impact fees that are currently levied against new development in the City.

Figure 1.
Current Impact Fee Rates, May 2014

Land Use	Fire	Museum	Library	Police	Facilities	Transportation	Total
Residential (per dwelling unit)	\$397	\$849	\$511	\$318	\$1,370	\$317	\$3,762
Non-Residential (per square foot)	\$0.199	\$0.0	\$0.0	\$0.159	\$0.685	\$0.784	\$1.827

Source: BBC Research & Consulting /City of Littleton, 2014

Impact fees are one time charges levied with the issuance of a building permit. A comparison of current and proposed 2014 revised fees is provided at the end of this memo.

Impact Fee Update

This supplemental memorandum updates the City’s capital impact fees in those instances where new asset valuation or other relevant new data are available.

This fee update relies on the original (July 2013) analysis and should be interpreted by that full report. The same fee design theory, process and data sources originally developed in 2013 are employed here. This update continues to use the current community level of services, represented by the replacement value of capital assets, as the basis for calculating proportional fees.

In most instances, the only fee changes are derived from new asset or debt allocation data. The museum fee is an exception and has been modified to reflect its services to a substantial nonresident population (see museum section). Because the last report was prepared during the 2013 summer building season and included units that were under construction at that time, the City's estimate of residential households (19,800 units) remains the most current measure of the community's residential profile¹. Similarly, the distribution of City land uses between residential and commercial/ industrial uses has not changed materially in the past ten months and there have been no significant infrastructure additions that might alter measures of infrastructure capacity.

The principal new data sets that are now available to recalculate fees are: (1) updated and expanded asset data from the City's asset inventory used for insurance valuations, and (2) more precise information of the allocation of capital debt between various asset categories.

Fire and Emergency Services

Emergency response service in the City of Littleton is provided by Littleton Fire Rescue (LFR), which is a City department supported by general fund revenues and applicable charges for ambulance and protection services. LFR also provides contracted service to the Littleton Fire Protection District (LFPD), which encompasses a broad area surrounding the City. LFR also contracts with the Highlands Ranch Metropolitan District to provide services to the 95,000 residents of Highlands Ranch.

Properties within the City of Littleton are primarily served by three fire stations: Stations #11, #12, and #16. Station 16 is funded by the three separate public districts that share services in the Highlands Ranch/Littleton area. The changes in fee calculation for Fire and Emergency Services are the result of applying updated asset listings and asset valuations derived from insurance data and minor changes to the City's general fund debt allocation schedule. Assets and associated valuations for Fire and Emergency Services are shown in Figure 2.

¹ Personal Interview with Glen Van Nimwegen, City of Littleton Community Development Director, May 2014

**Figure 2.
Littleton Fire and Emergency
Services Department Facilities
and Apparatus**

Notes:

*Station 16 is outside the City, but Littleton paid one-third of the capital costs and continues to provide one-third of the capital requirements.

†Vehicles will be in commissioned August 2014.

Source:

City of Littleton – Colorado Intergovernmental Risk Sharing Agency, Property and Casualty Report, 2014.

Apparatus replacement values are from 2014 CIRSA Property/Casualty Renewal Application (4/23/2013), CIRSA underwriting amendments as of 5/15/2014, and personal interview with Littleton Fleet Manager.

Debt allocation is from the City's Comprehensive Asset Financial Report (CAFR) and discussions with the finance department.

Type of Capital Infrastructure	Allocated Replacement Value
Facilities	
Station 11	\$2,012,400
Station 12	\$2,836,600
Station 16*	\$659,600
Apparatus	
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
2012 Pierce Dash	\$700,000
2012 Pierce Dash†	\$700,000
2013 IHC Terrastar†	\$231,000
2014 Ford SUV Interceptor (4)	\$196,268
Fee Study	<u>\$5,000</u>
Subtotal	<u>\$10,343,618</u>
<i>Less: Outstanding Debt - Apparatus</i>	<u><i>\$423,078</i></u>
Total	<u>\$9,920,540</u>

The calculations of new capital impact fees are shown in Figure 3.

**Figure 3.
Fire and Emergency
Services Impact Fees**

Source:
BBC Research and Consulting 2014

Category	Value
Total Costs for Infrastructure	\$9,920,540
Allocation for Impact Fees	
Residential	90.5%
Non-residential	9.5%
Allocated costs by category	
Residential	\$8,978,089
Non-residential	\$937,491
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)	\$453
Non-residential (per 1,000 square feet)	\$227

As shown in Figure 3, the revised 2014 Fire and Emergency Services impact fees are \$453 per dwelling unit and \$227 per 1,000 commercial or industrial square feet.

Museum Fees

The Littleton Museum is the primary repository for the history, art and culture artifacts of Littleton. The museum consists of two living history farms, a small lake, a collections center, and a main exhibition and administration building. 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.

The City of Littleton also has museum facilities at the Depot Arts Center and the Arts Collection Center. The museum arts collection has been largely obtained through donations and is not included in the impact fee calculation.

Unlike most City services, the museum and its programs serve a broad regional audience beyond residents of Littleton. Survey data provided by the museum indicate that 35 percent of facility visitors are non-Littleton residents. The museum does not charge for its services and is supportive of nonresident participation. BBC recommends that a proportional museum impact fee should acknowledge that the facility's "service population" is significantly larger than just the City's resident population and that a proportional fee should only reflect the City's resident share of facility utilization (65%). By this adjustment (Figure 4) we ensure that new growth is not charged for facility capacity associated with nonresident use and thus reasonable fee proportionality is maintained.

In addition to the fee adjustment for nonresident use, the updated museum fee calculations incorporate new asset valuation data as well as minor changes to the debt allocation schedule. The Town Hall Arts Center, which is owned by the City, has also been included in the asset listings.

Updated assets, residential share adjustments and associated valuations for the museum are shown in Figure 4.

Museum Fees

Figure 4.
Littleton Museum Facilities and Assets

Type of Capital Infrastructure	Allocated Replacement Value	Residential Share	Amount to Include in Fees
Facilities			
Museum			
Pump House	\$1,774	65 %	\$1,153
Exhibition Bridge	\$48,600	65	\$31,590
School House	\$26,200	65	\$17,030
Blacksmith House	\$75,400	65	\$49,010
Icehouse	\$67,600	65	\$43,940
Interpreters Den	\$268,800	65	\$174,720
Bemis House	\$123,300	65	\$80,145
Barn	\$136,900	65	\$88,985
McBroom Loghouse	\$63,600	65	\$41,340
Farm Barn	\$77,800	65	\$50,570
Greenhorn Grove Fishing Dock	\$79,200	65	\$51,480
Historic Building Collections*	\$453,977	65	\$295,085
Caretaker Residence	\$323,100	65	\$210,015
Museum	\$8,057,600	65	\$5,237,440
Other Facilities			
Arts Collection Center (Gray Elephant)	\$1,821,300	65 %	\$1,183,845
Depot Arts Center	\$209,600	65	\$136,240
Depot Arts Center - Outhouse	\$11,531	65	\$7,495
Depot Arts Center - Caboose	\$37,400	65	\$24,310
Town Hall Arts Center	\$2,959,600	65	\$1,923,740
Fine Arts Collection	\$11,637,000	65	\$7,564,050
Fee Study	<u>\$5,000</u>	65 %	<u>\$3,250</u>
Subtotal	\$26,480,282		\$17,215,433
<i>Less: Outstanding Debt - Museum Bldg.</i>	<u>\$7,017,600</u>		<u>\$7,017,600</u>
Total	\$19,462,682		\$10,197,833

Note:

*Historic building collection includes 14 structures.

Source:

City of Littleton – Colorado Intergovernmental Risk Sharing Agency, Property and Casualty Report, 2013 and 2014.

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

The calculation of new capital impact fees are shown in Figure 5.

**Figure 5.
Littleton Museum
Impact Fees**

Source:
BBC Research & Consulting, 2014.

Impact Fees	
Total Costs for Infrastructure	\$10,197,833
Allocation for Impact Fees	
Residential	100.0%
Non-residential	0.0%
Allocated costs by category	
Residential	\$10,197,833
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)	\$515
Non-residential (per 1,000 square feet)	\$0

As shown in the above Figure 5, the revised 2014 museum impact fees are \$515 per dwelling unit. There is no museum impact fee applied to new commercial development.

Library 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. The principal change in the library fee calculation involves updated asset listings and new asset valuation information derived from the City's insurance data.

Calculations of library replacement values are shown in Figure 6.

**Figure 6.
Library Facilities**

Source:
City of Littleton – Colorado
Intergovernmental Risk Sharing Agency,
Property and Casualty Report 2013 and
2014.

Type of Capital Infrastructure	Allocated Replacement Value
Facilities	
Library	\$10,703,300
Library Storage	\$19,065
Fee Study	\$5,000
Total	\$10,727,365

The calculations of new capital impact fees are shown in Figure 7.

Figure 7.
Littleton Library Impact Fees

Source: BBC Research & Consulting, 2014.

Category	Value
Total Costs for Infrastructure	\$10,727,365
Allocation for Impact Fees	
Residential	100.0%
Non-residential	0.0%
Allocated costs by category	
Residential	\$10,727,365
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)	\$542
Non-residential (per 1,000 square feet)	\$0

As shown in Figure 7, the revised 2014 library impact fees are \$542 per dwelling unit. There is no library impact fee applied to new commercial development.

Police Services

The police department is responsible for public safety and the safe flow of traffic through the community. The Littleton Police Department operates with two divisions: Patrol Division and Investigations/Support Services. The Patrol Division includes police patrol teams, the traffic unit, parking enforcement, animal control and school resource officers whereas the Investigations/Support Services Division includes detectives, property/evidence, victim services, liquor code violations, communications and records. . The principal changes in the police fee calculation involve updated asset listings and new valuations derived from insurance data.

Data on the Littleton Police Station and significant capital equipment are shown in Figure 8.

Figure 8.
Littleton Police Facilities

Source:

City of Littleton – Colorado Intergovernmental Risk Sharing Agency, Property and Casualty Report 2013 and 2014; City of Littleton

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

Type of Capital Infrastructure	Allocated Replacement Value
Facilities	
Police Storage Building #4	\$356,700
Police Station	\$5,464,587
Dispatch Equipment	\$1,391,000
Fee Study	\$5,000
Subtotal	\$7,217,287
<i>Less: Outstanding Debt - Police Dispatch Equipment</i>	<i>\$234,487</i>
Total	\$6,982,800

The calculations of new capital impact fees are shown in Figure 9.

Figure 9.
Littleton Police Impact Fees

Source:
BBC Research & Consulting, 2014.

Category	Value
Total Costs for Infrastructure	\$6,982,800
Allocation for Impact Fees	
Residential	90.6%
Non-residential	9.5%
Allocated costs by category	
Residential	\$6,322,925
Non-residential	\$659,875
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)	\$319
Non-residential (per 1,000 square feet)	\$160

As shown in Figure 9, police services impact fees are \$319 per dwelling unit and \$160 per 1,000 commercial square feet.

General Government Facilities

The City of Littleton provides a full range of municipal services with associated requirements for administrative facilities. The activities classified as General Government Facilities include the City Council, City Manager, City Clerk, City Attorney, Finance and Information Services, Municipal Courts and Development and Community Services. Most of the city offices are consolidated in the Littleton City Center Courthouse and the City's public works service center facilities. Additional facilities are located throughout the City. Certain facilities, such as the majority of police and fire facilities, are included in separate impact fee calculations.

The changes in fee amounts for the category of general government facilities are the result of updated asset listings and new valuations derived from City insurance data as well as minor changes to the City's debt allocation schedule. This fee update also includes the Geneva Village properties that are owned by the City and operated by the Littleton Housing Authority.

A summary of the facilities and associated replacement value used for Littleton general government is included in Figure 10, which follows on the next page.

**Figure 10.
Littleton General
Government Facilities**

Source:

City of Littleton – Colorado
Intergovernmental Risk Sharing
Agency, Property and Casualty
Report, 2013 and 2014.

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

Type of Capital Infrastructure	Allocated Replacement Value
Facilities	
Bemis Residence	\$298,800
Bemis Garage	\$29,419
Service Center Office	\$3,064,613
Service Center Storage	\$440,880
Service Center Building 1	\$2,460,400
Service Center Building 2	\$1,526,900
Service Center Building 3	\$762,800
Rio Grande Train Depot	\$263,200
Littleton City Center	\$14,115,513
Courthouse	\$4,915,400
South Platte Maintenance Shop	\$69,407
Service Center Loading Dock	\$121,400
Service Center Salt and Sand Storage	\$272,900
Service Center Fuel Station	\$109,700
Service Center Fleet Storage Shed 1	\$34,349
Service Center Fleet Mtnce Shop	\$3,187,900
Service Center Fleet Storage Shed 2	\$320,458
City Center Pedestrian Bridge	\$243,300
Jamison Entrance Structure	\$245,100
Service Center Open/Closed Storage	\$340,800
Storage Canopy	\$322,900
Geneva Village Properties	\$2,687,100
Geneva Village Lodge	\$1,178,300
Fee Study	\$5,000
Subtotal	\$37,016,539
<i>Less: Outstanding Debt - Courthouse/Fleet Bldg.</i>	<i>\$3,127,400</i>
Total	\$33,889,139

The calculations of new capital impact fees are shown in Figure 11.

**Figure 11.
Littleton General Government
Facility Impact Fees**

Source:
BBC Research & Consulting, 2014.

Impact Fees	
Total Costs for Infrastructure	\$33,889,139
Allocation for Impact Fees	
Residential	90.6%
Non-residential	9.5%
Allocated costs by category	
Residential	\$30,686,616
Non-residential	\$3,202,524
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)	\$1,550
Non-residential (per 1,000 square feet)	\$775

As shown in Figure 11, the revised 2014 General Government Facilities impact fees are \$1,550 per dwelling unit and \$755 per 1,000 commercial square feet.

Summary

The following Figure 12 offers a comparison of current and proposed 2014 impact fee calculations for the City of Littleton.

Figure 18.
Littleton Impact Fee Summary

Source:

BBC Research & Consulting, 2014.

Category	2013 Fee Amount	2014 Fee Amount
Fire		
Residential (per dwelling unit)	\$397	\$453
Non-residential (per 1,000 square feet)	\$199	\$227
Museum		
Residential (per dwelling unit)	\$849	\$515
Non-residential (per 1,000 square feet)	-	-
Library		
Residential (per dwelling unit)	\$511	\$542
Non-residential (per 1,000 square feet)	-	-
Police		
Residential (per dwelling unit)	\$318	\$319
Non-residential (per 1,000 square feet)	\$159	\$160
Facilities		
Residential (per dwelling unit)	\$1,370	\$1,550
Non-residential (per 1,000 square feet)	\$685	\$775
Transportation		
Residential (per dwelling unit)	\$317	\$317
Non-residential (per 1,000 square feet)	\$784	\$784
Total		
Residential (per dwelling unit)	\$3,762	\$3,697
Non-residential (per 1,000 square feet)	\$1,827	\$1,946

Full cost-recovery impact fees for Littleton total \$3,697 per residential dwelling unit and \$1,946 per 1,000 non-residential square feet. No changes were made to the transportation fee. The City can choose to charge less than the amounts shown above but discounts must be uniformly applied to all land use categories.