TEXT OF IMPACT FEE INITIATIVE

Chapter 3.18 (Development Impact Fees) of the Louisville Municipal Code is hereby amended read as follows:

~~Strikethrough~~ text is to be deleted
Bold Underlined text is to be added.

3.18.020.- Intent.

A. *Development bears proportionate share of costs of capital facilities*. The intent of this chapter is to ensure that new development bears a proportionate share of the cost of city ~~library capital facilities, transportation capital facilities, and parks and trails~~ capital facilities~~.~~ **including library, transportation, parks and trails, open space, recreation, emergency services, municipal buildings, water, wastewater, sewer, flood control, and affordable housing.**

B. *Bear proportionate share of costs through impact fees.* It is the further intent of this chapter that new development pay for its fair share of the costs of ~~these library capital facilities, transportation capital facilities, and parks and trails capital facilities.~~ **the capital facilities impacted by growth, including all capital facilities defined in Sec. 3.18.030 C.**

C. *Not intent to charge more than proportionate cost.* It is the intent of this chapter that the impact fees imposed on new development are no greater than necessary to defray the impacts directly related to proposed new development (the costs of the capital facilities, **defined in Sec. 3.18.030 C.** ~~library capital facilities, transportation capital facilities, and parks and trails capital facilities~~ to accommodate new development).

D. *Not intent to remedy existing deficiency*. It is not the intent of this chapter that impact fees be used to remedy any existing deficiency in ~~library capital facilities, transportation capital facilities, and parks and trails capital facilities.~~ **the categories of capital facilities defined in Sec. 3.18.030 C.**

E. *Not intent to commingle funds.* It is not the intent of this chapter that any monies collected from any impact fee deposited in an impact fee trust account ever be commingled with monies from a different trust account, or ever be used for capital facilities that are different from that for which the fee was paid, or ever be used to replace or rehabilitate existing ~~city library capital facilities, transportation capital facilities, and parks and trails capital facilities.~~ **capital facilities defined in Sec. 3.18.030 C.**

Sec. 3.18.030. - Definitions.

C. *Capital facilities.* Any improvement or facility that:

1. Is directly related to any service that the city is authorized to provide;
2. Has an estimated useful life of five years or longer; and
3. Is required by the charter or general policy of the city pursuant to a resolution or ordinance.

This chapter establishes impact fees for ~~library capital facilities, transportation capital facilities, and parks and trails capital facilities.~~ **capital facilities in each of the following categories: library, transportation, parks and trails, open space, recreation, emergency services, municipal buildings, water, wastewater, sewer, flood control, and affordable housing.**
When referring to "capital facilities" in this chapter the reference is to ~~library capital facilities, transportation capital facilities, and parks and trails capital facilities.~~**capital facilities in each of the following categories: library, transportation, parks and trails, open space, recreation, emergency services, general municipal buildings, water, wastewater, sewer, flood control, and affordable housing.**

J. *Impact fee(s).* ~~The library capital facilities impact fee (library fee), transportation capital facilities impact fee (transportation fee), and parks and trails capital facilities impact fee (parks and trails fee.~~**The library capital facilities impact fee (library fee), transportation capital facilities impact fee (transportation fee), parks and trails capital facilities impact fee (parks and trails fee), open space capital facilities impact fee (open space fee), recreation capital facilities impact fee (recreation fee), emergency services capital facilities impact fee (emergency service fee), municipal buildings capital facilities impact fee (municipal buildings fee), water capital facilities impact fee (water fee), wastewater capital facility impact fee (wastewater fee), sewer capital facilities impact fee (sewer fee), flood control capital facilities impact fee (flood control fee), and affordable housing capital facilities impact fee (affordable housing fee)** established by this chapter.

H. *Development.* Any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any change in the use of land, which creates additional demand for ~~library capital facilities, transportation capital facilities, and parks and trails capital facilities.~~ **the capital facilities defined in Sec. 3.18.030 C.**

K. *Impact fee trust fund.* **T**he trust fund established by section 3.18.060 of this chapter, which includes ~~a library capital facilities account, transportation capital facilities account, and parks and trails facilities account.~~ **an account for each of the categories of capital facilities in Sec. 3.18.030 C.** The impact fee trust fund is also called the trust fund.

M. *Fee schedule or impact fee schedule.* The impact fees for ~~library capital~~

~~facilities, transportation capital facilities,~~ ~~and parks and trails capital facilities~~ **capital facilities definedin Sec. 3.18.030 C.** established by this chapter. The impact fee schedule is set forth in Appendix A to this chapter and is incorporated herein by reference.

N. *Impact fee study*. The study entitled City of Louisville, Colorado Development Impact Fee Study, prepared by TischlerBise dated April 18, 2017 **until a new study is completed. Thereafter, *Impact fee study* shall be defined as the most recent impact fee study beginning with the 2026 study to be entitled City of Louisville, Colorado Development Impact Fee Study, and to be completed by June 1, 2026.**

O. Independent fee calculation study. A study prepared by a fee payer, calculating the cost of ~~library capital facilities,~~ ~~transportation capital facilities, and parks and trails capital facilities~~ **capital facilities in Sec. 3.18.030 C.** required to serve the fee payer's proposed development, that is performed on an average cost (not marginal cost) methodology, uses the level of service standards, service units and unit construction costs stated in the **most recent** impact fee study, and is performed in compliance with any criteria for such studies established by this chapter.

P. Level of service (LOS). A measure of the relationship between service capacity and service demand for capital facilities ~~(in this chapter library capital facilities, transportation capital facilities, and/or parks and trails capital facilities)~~. **defined in Sec. 3.18.030 C.**

Z. Impact Fee Liaison Committee. **The committee to be formed every 5 years beginning January 1, 2026 pursuant to Sec. 3.18.100 to advise city staff and consultants during the development of a new development impact fee study.**

Sec. 3.18.040. - Development impact fees to be imposed.

C. Calculation of amount of impact fees.

1. *General.* Except for those electing to pay impact fees pursuant to section 3.18.040.C.2, Independent fee calculation study, the impact fees applicable to the impact-generating development shall be as determined by the fee schedule set forth in Appendix A: Impact Fee Schedule, which is hereby adopted and incorporated herein. The impact fee schedule adopted in Appendix A is based on the **most recent** impact fee study. It applies to the broad class of land uses within the city, differentiates between types of land uses, and is intended to defray the projected impacts caused by proposed new development on city ~~library capital facilities, transportation capital facilities, and parks and trails capital facilities~~

capital facilities defined in Sec. 3.18.030 C. The determination of the land use category(ies) in the impact fee schedule that is applicable to impact-generating development shall be made by the city planning director or designee with reference to the **most recent** impact fee study and the methodologies therein; the then-current edition of the ITE Trip Generation Manual, published by the Institute of Traffic Engineers; the city zoning code; the then-current land use approvals for the development; the intent of this chapter as set forth in section 3.18.020, and any additional criteria set forth in administrative rules adopted pursuant to this chapter.

(a) *Annual adjustment of fees to reflect effects of inflation.* The impact fees shown in Appendix A: Impact Fee Schedule, shall be adjusted annually to reflect the effects of inflation on those costs for ~~city transportation capital facilities~~ **capital facilities defined in Sec. 3.18.030 C.** On November 1, ~~2018~~ **2027**, and on November 1 of each following year unless and until the Fees in Appendix A are revised or replaced, each impact fee amount set forth in Appendix A shall be adjusted for inflation, based on the most current Construction Cost Index published by Engineering News Record. Such adjustments in the Impact Fees shall become effective immediately upon calculation and certification by the city manager or manager's designee, and shall not require additional action by the city council to be effective.

(b) *Impact-generating development not listed in Appendix A: Impact Fee Schedule.* If the proposed impact-generating development is of a type not listed in Appendix A: Impact Fee Schedule, then the impact fees applicable to the most nearly comparable type of land use listed in Appendix A shall be used. The determination of the most nearly comparable type of land use shall be made by the city planning director or designee with reference to the **most recent** impact fee study and city zoning code.

2. *Independent fee calculation study.* In lieu of calculating the amount(s) of impact fees by reference to Appendix A: Impact Fee Schedule, a fee payer may request that the amount of the required impact fee be determined by reference to an independent fee calculation study.

(b) *General parameters for independent fee calculation study.* Each independent fee calculation study shall be based on the same LOS standards and unit costs for city ~~library capital facilities, transportation capital facilities, and parks and trails capital facilities~~ **capital facilities defined in Sec. 3.18.030 C.** used in the **most recent** impact fee study, and shall document the relevant methodologies and assumptions used.

Sec. 3.18.050. - Credits.

A. Standards.

1. General. Any person causing the commencement of impact-generating development may apply for credit against impact fees otherwise due, up to but not exceeding the full obligation of impact fees proposed to be paid pursuant to the provisions of this chapter, for any contributions, construction, or dedication of land (where appropriate) accepted by the city ~~for city library capital facilities, transportation capital facilities, and parks and trails capital facilities~~ **capital facilities defined in Sec. 3.18.030 C**. ~~Credits against library fees shall be provided only for library capital facilities. Credits against transportation fees shall be provided only for transportation capital facilities on the city's road system. Credits against parks and trails fees shall be provided only for parks and trails capital facilities.~~ **Credits against a category of capital facility defined in Section 3.18.030 C. shall be provided only for the same category of capital facility. For example, credits against library fees shall be provided only for library capital facilities.**

Sec. 3.18.060. Impact fee trust fund.

A. *Establishment of trust fund and trust accounts.*

1. Establishment of accounts. The trust fund shall be divided into ~~three (3) Accounts: a library capital facilities account, a transportation capital facilities account, and a parks and trails capital facilities account.~~ **Separate capital facilities accounts for each of the capital facility categories defined in Section 3.18.030 C.**

B. *Deposit and management of accounts and trust fund.*

2. Managed in conformance with CRS § 29-1-801 et seq. The impact fee trust fund and the ~~five~~ **twelve** accounts shall be maintained as an interest bearing account and shall be managed in conformance with CRS § 29-1-801 et seq.

3. *Immediate deposit of fees in appropriate account in trust fund.* All impact fees collected by the city pursuant to this chapter shall be promptly deposited into the appropriate account in the trust fund. ~~The library fees shall be deposited into the library capital facilities account. The transportation fees shall be deposited into the transportation capital facilities account. The parks and trails fees shall be deposited into the parks and trails capital facilities account.~~ **The fees for each category of capital facilities defined Section 3.18.030 C. shall be deposited into the capital facilities account for that same category of capital facilitties. For example, the library fees shall be deposited into the library capital facilities account.**

Sec. 3.18.070. - Expenditure of impact fees.

~~*A. Library capital facilities fee.* The monies collected from the library fee shall~~

~~be used only to acquire or construct library capital facilities within the city.~~

~~B. Transportation capital facilities fee. The monies collected from the transportation fee shall be used only to acquire or construct transportation capital facilities on the city's road system.~~

~~C. *Parks and trails capital facilities fee.* The monies collected from the parks and trails fee shall be used only to acquire or construct parks and trails capital facilities within the city.~~

A. *Capital facilities fees.* The monies collected from fees for each category of capital facility defined Section 3.18.030 C. shall be used only to acquire or construct that same category of capital facility within the city. For example, the monies collected from the library fee shall be used only to acquire or construct library capital facilities within the city.

~~D.~~ **B.** *No monies spent for routine maintenance, rehabilitation or replacement of capital facilities.* No monies shall be spent for periodic or routine maintenance, rehabilitation, or replacement of any city ~~library capital facilities, transportation capital facilities, or parks and trails capital facilities.~~ **capital facility defined Section 3.18.030 C.**

~~E.~~ **C.** *No monies spent to remedy deficiencies existing on effective date of chapter.* No monies shall be spent to remedy existing deficiencies in ~~library capital facilities, transportation capital facilities, or parks and trails capital facilities.~~**capital facilities defined Section 3.18.030 C.**

~~F.~~ **D.** *Annual impact fee capital facilities budget.* At least once during each fiscal year of the city, the city manager or designee shall present to the city council a proposed impact fee capital facilities budget for **all capital facilities defined Section 3.18.030 C.** ~~city library capital facilities, transportation capital facilities, and parks and trails capital facilities.~~ This impact fee capital facilities budget shall recommend assigning monies from each impact fee trust account to specific ~~city library capital facilities, transportation capital facilities, and parks and trails capital facilities.~~ **each category of capital facility.** Based on this recommendation, the city council shall approve an annual impact fee capital facilities budget and assign monies from the trust accounts for the specific capital facilities identified. Any monies, including any accrued interest, not assigned to specific capital facility projects and not expended shall be retained in the same impact fee trust account until the next fiscal year.

Sec. 3.18.080. - Benefit districts.

A. *Establishment.*

~~1. *Library capital facilities.* Because all new impact-generating development will benefit from the library capital facilities funded by the library fees, the city shall contain one library capital facilities benefit district. The district boundaries are coterminous with the city's boundaries.~~

~~2. *Transportation capital facilities.* Because all new impact-generating development will benefit from the transportation capital facilities funded by the transportation fees, the city shall contain one transportation capital facilities benefit district. The district boundaries are coterminous with the city's boundaries.~~

~~3. *Parks and trails capital facilities*. Because all new impact-generating development will benefit from the parks and trails capital facilities funded by the parks and trails fees, the city shall contain one parks and trails capital facilities benefit district. The district boundaries are coterminous with the city's boundaries.~~

***Capital facilities benefit districts.* All new impact-generating development will benefit from each category of capital facilities defined Section 3.18.030 C. to the extent determined by the most recent impact fee study. Because fees fund each category of capital facilities, the city shall contain one capital facilities benefit district for each category of capital facilities. The district boundaries are coterminous with the city's boundaries.**

B. *Expenditure.*

~~1. *Library fees.* Library fees collected shall only be spent within the library capital facilities benefit district. The expenditure of library fees shall be limited to library capital facilities.~~

~~2. *Transportation fees.* Transportation fees collected shall only be spent within the transportation capital facilities benefit district. The expenditure of transportation fees shall be limited to transportation capital facilities.~~

~~3. *Parks and trails fees*. Parks and trails fees collected shall only be spent within the parks and trails capital facilities benefit district. The expenditure of parks and trails fees shall be limited to parks and trails capital facilities.~~

***Capital facilities fees.* Fees collected for each category of capital facilities shall only be spent within the benefit district for that category. The expenditure of fees for that category shall be limited to capital facilities of the same category. For example, library fees collected shall only be spent within the library capital facilities benefit district. The expenditure of library fees shall be limited to library capital facilities.**

Sec. 3.18.100. - ~~Review~~ **Update** every five years.

A. *Impact fee study.* The impact fees described in this chapter and the administrative procedures of this chapter shall be ~~reviewed~~ **updated in an impact fee study produced by an independent entity and guided by an Impact Fee Liaison Committee at least once every five years beginning no later than June 1, 2026.** ~~at least once every five years. by the city manager or the manager's designee~~ **The study will** ~~to~~ ensure that (1) the demand and cost assumptions underlying the impact fees are ~~still~~ valid, (2) the resulting impact fees do not exceed the actual costs of constructing capital facilities that are of the type for which the fees are paid and that are required to serve new impact- generating development, (3) the monies collected or to be collected in each impact fee trust account have been and are expected to be spent for capital facilities for which the fees were paid, and (4) the capital facilities for which the fees are to be used will benefit the new development paying the fees.

B. *Impact fee liaison committee.* The Impact Fee Liaison Committee will be formed every 5 years beginning January 1, 2026 to advise city staff and consultants during the development of a new impact fee study by providing stakeholder input, reviewing key materials, and promoting transparency throughout the process. The committee will be formed from representatives from each of the advisory boards and commissions that provide input on the capital facilities defined in Section 3.18.030 C.