

**GRAND JUNCTION CITY COUNCIL
ADDITIONAL WORKSHOP AGENDA**

**MONDAY, MARCH 15, 2004, 11:30 A.M.
ADMINISTRATION CONFERENCE ROOM, 2ND FLOOR, CITY HALL**

- 11:30 am **TRANSPORTATION CAPACITY PAYMENT:** A discussion on the proposed modifications to the Transportation Capacity Payment (TCP) and half street policies. [Attach 1](#)
- 1:00 pm **ADJOURN**

This agenda is intended as a guideline for the City Council. Items on the agenda are subject to change as is the order of the agenda.

**Attach 1
Transportation Capacity Payments
CITY OF GRAND JUNCTION**

CITY COUNCIL AGENDA						
Subject		Transportation Capacity Payment Update				
Meeting Date		March 15, 2004				
Date Prepared		March 11, 2004			File #	
Author		Tim Moore		Public Works Manager		
Presenter Name		Tim Moore		Public Works Manager		
Report results back to Council		<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	When
Citizen Presentation		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	Name
<input checked="" type="checkbox"/>	Workshop	<input type="checkbox"/>	Formal Agenda		<input type="checkbox"/>	Consent
						Individual Consideration

Summary: City Council will consider proposed modifications to the Transportation Capacity Payment (TCP) and half street policies. It is proposed that the TCP would increase from \$500 per single family unit to \$1500 per single family unit. The fee schedule for commercial-industrial development would also increase by a similar proportion. If the proposal is adopted as outlined, the City would assume the responsibility of constructing half street, safety & off-site improvements associated with new developments.

Budget: Could increase revenues depending on Council action. Current revenues average approximately \$450,000 per year. A recent study by Duncan & Associates shows that the proposed \$1500 fee is only 52% of the maximum fee that could be lawfully imposed.

Action Requested/Recommendation: Provide direction regarding Council's desire to modify the current TCP and the growth and development related street policies as described. Also provide direction to Council's RTPPO representative related to the TCP increase and implementation policies.

Attachments: Table 1 – Colorado Transportation Impact Fees
This table from the 2002 Duncan Associates Study compares the City of Grand Junction's proposed transportation impact fee to other areas of the state.
Table 2 – Proposed commercial fee schedule.

Background Information:

In recent years it has become a concern that the current TCP (\$500) has placed the City in the position of subsidizing new development. TCP only delivered to the City a fraction of the cost to provide the associated traffic carrying capacity. These circumstances have generally put the City in a position to require the construction of adjacent major street improvements whenever possible, rather than simply collecting the TCP. If the TCP is increased, then there are more options for the Council to consider in how it might approach the issue of half street improvements.

Council met on October 13 & November 24, 2003, regarding increasing the TCP and the half street improvements policy. In general, the direction from those meetings was to increase the TCP to \$1500 and develop a policy that would not require development to construct half street improvements as part of new development. The City would collect the TCP fees and construct the necessary improvements.

A summary of the proposed changes is listed below:

TCP FEE

The current proposal is to increase the TCP from \$500 to \$1500 per single family unit. Commercial fees would increase by a similar proportion.

Pros – the increased amount more accurately represents the current costs of construction. The increase also allows Council more flexibility to deal with half Street and off-site construction issues.

Con – the higher TCP may cause concerns within the development community if the requirement for constructed improvements is not balanced.

HALF STREET, SAFETY & OFF-SITE IMPROVEMENTS

The current practice requires developments to construct half street and any necessary safety or off-site improvements. A credit is given for the value of half street improvements against the TCP payment. The proposed change would be to collect the TCP and not require these improvements as part of new development. The City would pay for any safety or off-site improvements if required by development.

Pro –

- allows City to construct projects like G Road in a systematic manner over time.
- Eliminates confusion about what will be required by a developer.
- Eliminates the issue of “first in, pays for all of the improvements to the benefit of others”.

Con –

- net cost to City is unknown at this time, but the goal is to be fairly balanced. Staff’s proposed next step would be to explore the concept with the development community and return to Council with more specifics.

- Construction of safety and/or off-site improvements would require close coordination with developer.
- There would be an increase in staff time and cost to administer this approach.

Increasing the City’s TCP to \$1500 per single family unit and Mesa County’s effort to adopt a valley wide transportation impact fee has been a topic of discussion with the development community for many months. It appears there is a good understanding within the development community of the consequences associated with increasing the residential component of the fee. There are, however, still questions about the impacts of this increase on commercial development. A proposed commercial fee schedule is attached for your consideration. Over the next several weeks, staff would be working with a focus group of affected interests to quantify the impacts to future commercial development. The impact will be the difference a developer would pay between an increased TCP and not constructing half street improvements as part of the development.

Next Steps:

With Council approval, staff would be working with a focus group of developers, engineers and contractors, identify the actual impacts an increased TCP would likely have on future commercial/industrial development projects. Build informed consent within the development community for increasing the TCP and report back to Council in May or June with a draft ordinance.

Staff also suggests that Council provide direction to the City’s Grand Valley Regional Transportation Committee (GVRTC) member (i.e. Council member Dennis Kirtland) on issues related to the concept of increasing the fee and supporting methodology for his future discussion with all of GVRTC members. Staff would continue to coordinate our activities with the GVRTC to the extent directed by Council.

Table 1
COLORADO TRANSPORTATION IMPACT FEES

Jurisdiction	Applicability	Single Family (per unit)	Multi-Family (per unit)	Retail (per 1,000 sq. ft.)	Office (per 1,000 sq. ft.)	Industrial (per 1,000 sq. ft.)
Adams County	Unincorporated Area	\$1,599	\$983	\$4,264	\$2,357	\$1,552
Boulder	Inside City Limits	\$1,683	\$1,016	\$1,480	\$1,480	\$1,480
Commerce City	Inside City Limits	\$1,181	\$726	\$3,229	\$1,741	\$1,146
Eagle	Inside Town Limits	\$922	\$586	\$922	\$922	\$175
Eagle County	Unincorporated Area	\$1,600	\$1,109	\$3,504	\$1,887	\$1,166
Fort Collins	Regional*	\$1,885	\$1,216	\$6,224	\$2,237	\$1,060
Jefferson County	Unincorporated Area	\$1,334	\$1,109	\$2,900	\$1,950	\$830

Larimer County	Regional**	\$1,913	\$1,326	\$5,829	\$2,408	\$1,392
Loveland	Regional*	\$3,126	\$2,039	\$5,374	\$3,637	\$1,750
Pitkin County	Unincorporated Area	\$5,664	\$3,505	\$11,683	\$3,921	\$2,059
Weld County (avg.)	2 Growth Areas***	\$1,955	\$1,355	\$5,949	\$2,461	\$1,420
Windsor	Inside City Limits	\$1,993	\$1,381	\$4,984	\$2,509	\$1,448
Grand Junction (Current)	Inside City Limits	\$500	\$300	\$700	\$400	n/a
Grand Junction (Proposed)	Inside City Limits	\$1,500	\$1,039	\$2,460	\$1,845	\$1,090

*A portion of the fee (\$164) goes to the County to improve regional roads in unincorporated areas

** A portion of the fee (\$164) applies to the municipalities as well as the unincorporated area

*** One of the areas is unincorporated only, the other includes two small municipalities

Source: Duncan Associates, August 2002 survey (where fees vary by size, 100,000 square foot shopping center and office building assumed).

Table 2
Proposed Commercial Fee Schedule
March 1, 2004

LAND USE TYPE	UNIT	FEE
SINGLE-FAMILY DETACHED	DWELLING	\$1,500
MULTI-FAMILY	DWELLING	\$1,039
MOBILE HOME/RV PARK	PAD	\$753
HOTEL/MOTEL	ROOM	\$1,413
RETAIL/COMMERCIAL		
SHOPPING CTR (0-99,999 SF)	1000 SQ. FT.	\$2,460
SHOPPING CTR (100,000-249,999)		\$2,311
SHOPPING CTR (250,000-499,999)		\$2,240
SHOPPING CTR (500,000 SF +)		\$2,067
AUTO SALES/SERVICE	1000 SQ. FT.	\$2,223
BANK	1000 SQ. FT.	\$3,738
CONVENIENCE STORE W/GAS SALES	1000 SQ. FT.	\$5,373
GOLF COURSE	HOLE	\$3,496
HEALTH CLUB	1000 SQ. FT.	\$2,002
MOVIE THEATER	1000 SQ. FT.	\$6,216
RESTAURANT, SIT-DOWN	1000 SQ. FT.	\$3,024
RESTAURANT, FAST FOOD	1000 SQ. FT.	\$6,772
OFFICE/INSTITUTIONAL		
OFFICE, GENERAL (0-99,999 SF)	1000 SQ. FT.	\$1,845
OFFICE, GENERAL (100,000 SF +)	1000 SQ. FT.	\$1,571
OFFICE, MEDICAL	1000 SQ. FT.	\$5,206
HOSPITAL	1000 SQ. FT.	\$2,417
NURSING HOME	1000 SQ. FT.	\$677
CHURCH	1000 SQ. FT.	\$1,151
DAY CARE CENTER	1000 SQ. FT.	\$2,404
ELEMENTARY/SEC. SCHOOL	1000 SQ. FT.	\$376
INDUSTRIAL		
INDUSTRIAL PARK	1000 SQ. FT.	\$1,090
WAREHOUSE	1000 SQ. FT.	\$777
MINI-WAREHOUSE	1000 SQ.	