



M E M O

TO: Mark Achen, City Manager  
 FROM: Joe Stevens, Director of Parks and Recreation  
 DATE: July 25, 1994  
 RE: Fee in lieu of program

At the July 18, 1994 council workshop, Council Member Maupin requested survey information on fee in lieu of charges associated with other Colorado communities. The following summarizes responses to the Parks and Recreation Department's telephone survey conducted the third week in July 1994.

CITY	PER DEVELOPMENT UNIT	MULTI-FAMILY DEVELOPMENT UNIT (IF DIFFERENT)	COMMENTS
Boulder	\$1215.20	\$810.40	
Cortez	5% total unimproved land value	n/a	
Craig	6% total unimproved land value	n/a	First priority is to require 6% land dedication
Delta	Working on fee in lieu of	n/a	They try to obtain at least 5% land
Durango	\$300.00	n/a	
Ft. Collins	\$779.00	n/a	Fees reviewed annually and tied to Denver/Boulder consumer price index
Glenwood Springs	\$60,000 per acre required for parkland	n/a	
Grand Junction	\$225.00		
Golden	5% of unimproved land value	n/a	
Greeley	\$600.00	n/a	
Montrose	n/a	n/a	Working on fee - they now ask developers for 1 to 2 acres fully developed.

Attached is the follow-up material shared by surveyed communities. Please let me know if additional survey or other documentation is needed.

cc: Dave Varley, Assistant City Manager

OPEN SPACE FEES COLLECTED

1983 - \$63,755

1984 - 3,020

1985 - 0

1986 - 16,349

1987 - 8,165

1988 - 13,750

1989 - 11,290

1990 - 40,385

1991 - 62,711

1992 - 82,824

1993 - 101,978

1994 - 24,694

TOTAL \$428,921

## STAFF REVIEW

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FILE: TAC 96-1.1

DATE: January 10, 1996

REQUEST: Revise Types of Development for Which Parks and Open Space Fees are Required

APPLICANT: City of Grand Junction

STAFF: Kristen Ashbeck

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### STAFF ANALYSIS:

**Introduction.** Parks and open space fees are required of new development per Section 5-4-6 of the City of Grand Junction Zoning and Development Code. See attached copy of Code. The fees are placed into an escrow account for the purpose of acquisition and/or development of parks and open space. While the Parks and Recreation Department staff are reviewing the amount of these fees, Community Development staff is reviewing the "triggers" for when/what types of development should be required to pay the fee. Both of these factors should be decided upon at the same time and amendments made to the City Zoning and Development Code and fee structure accordingly.

**Current Fee Structure and Triggers for Payment Requirement.** Parks and open space fees are presently collected in two different manners, as outlined in section 5-4-6 of the Grand Junction Zoning and Development Code.

- 1 Developers of **residential** uses pay a fee of \$225 per unit for new construction. This fee is generally collected at the time of final platting for subdivisions or at the time a Planning Clearance for a Building Permit is issued for multifamily units unless this fee had previously been paid.
- 2 Developers of **commercial and industrial** developments pay parks and open space fees whenever a review is required and processed through a rezoning, subdivision, planned development, or conditional use process. The fees are 5% of the fair market value of the unimproved land. The fair market value must be determined by an accredited real estate appraiser that is not otherwise involved in the development. If the processing involves a commercial or industrial subdivision, the 5% fee is required to be paid at the time of platting. In other cases, the fee is at the time a Planning Clearance is issued.

**Residential Triggers.** For the most part, residential development is the primary generator of demand for parks and open space. Some communities have concentrated their parks and open space fees solely on residential development since a direct correlation between increases in residential development and increased demand for parks and open space has been established. New parks are needed where new residential development occurs. In specific instances, a correlation has been found between other dependent variables and park demand. These variables include the amount of square feet for individual residential units, the number of bedrooms in a residence, and the selling price of the residence. These factors have been examined in the process

of determining the fee structure for parks and open space fees. Therefore, a strong case can be made that residential development should pay the major portion of new park and open space acquisition and development.

Some additional residential uses that should be considered as triggers for the payment of open space fees include the various types of retirement or disabled person homes or other residential care facilities. Clearly, any these facilities with units in which the residents are totally assisted and/or unable to leave the facility will not impact the parks system and no fee should be required. However, some of these uses which have units for independent residents are not unlike apartment complexes that will have some impact on the parks system. Presently, any of these uses that are owned/operated by a non-profit organization are exempt from paying any fees. A reduced fee (50%) is charged those for-profit owners/operators of facilities classified under the general land use category of Public & Private Human Care/Treatment Facilities. A parks and open space fee has historically been required for development of retirement homes that feature an independent living arrangement.

**Non-Residential Triggers.** The current fee of 5% of market value of undeveloped land in commercial and industrial developments that undergo a review as a subdivision, planned development, rezone or Conditional Use Permit presents difficulties in determining a fair parks and open space fee. Most Colorado communities have placed the emphasis on parks and open space fees almost exclusively on residential development. For most non-residential development, the nexus between commercial/industrial development and the impact upon a City's system of parks and open spaces is difficult to establish.

The only rationale for imposing parks fees on new commercial or industrial development would be that such new, non-residential development creates jobs, jobs bring in more people, and more people creates a demand for more parks. However, this could be seen as a disincentive to job creation, and many new job vacancies are filled by existing residents that already place a demand on the parks and open space system.

**Collection of Parks and Open Space Fees.** Whenever collected, and for any type of project, the fee should be collected at the time a Planning Clearance is issued for a Building Permit and not at the time of platting. In the example of a residential subdivision, platting lots does not create the need for more parks and open space in the community, residential construction does. Sometimes subdivisions are platted but there is no immediate construction; sometimes, the time differential can be years. If legally challenged, it would be difficult for the City to show evidence of a relationship between platting lots and increased demand for parks and open space.

**Dedication of Land in Lieu of Parks and Open Space Fee.** Revision to the requirements for parks and open space fees should not preclude the dedication of land in lieu of the fee. It is recognized that there will be instances in which dedication of an area of future park land or open space within a development is preferable over collection of the fee. A mechanism for doing so exists in the Zoning and Development Code in section 5-4-6 E. A possible revision would be to make this section more consistent with how other fees are applied, giving credit to the fee for any land dedication.

## PARK AND OPEN SPACE ENHANCEMENT FEE

Current development trends are continuing to place a tremendous burden on the City's ability to keep pace with adequate parks and recreation facilities within the new developments and recently annexed areas of the City. The City is striving to avoid issuing bonds or incurring significant debt for the purpose of park development. In an effort to continue developing parks facilities the City of Grand Junction's Park and Recreation Department is seeking new ways to fund and construct new facilities in these recent additions to the City. The process of collecting impact fees from the new areas which are having the greatest impact on the parks and recreation system is beginning to gain wide acceptance across the country in similar situations. The issuing and collecting of these fees is directly related to the new development's impact on the current levels of service provided by the City.

The procedure of collecting impact fees for the purpose of developing parks and recreation facilities is currently in use in many communities. The process is protected by the legal system so long as some important criteria are maintained and recorded within the process of determining the amount of the fees and for the dispersal of the fees collected. Several of these criteria are described in more depth later, but the idea revolves on the process of identifying a standard level of service for providing parks and recreation facilities, defining definite geographical service areas of each park facility, determining the total number of citizens / dwelling units (D.U.) each facility is intended to serve within that service area and assessing a fee applicable and proportional to the expense of providing these services to the new dwelling unit.

The City of Grand Junction's existing process for the collection of Parks and Open Space Fees has been reviewed in accordance with current standards for the establishment and collection of impact fees. Based on the current accepted levels of service for the city's park facilities and the cost of developing of parks and recreation facilities, it appears necessary to re-evaluate both the amount collected and the method for collecting, accounting and dispersing these funds. According to the City's legal department the city's current method of establishing, collecting and utilizing these parks and open space fees (POS) fees might not be defensible if challenged within the judicial system. Presently the city collects \$225 per residential lot at the time a subdivision is platted and a 5% assessment for commercial and industrial developments. The basis for determining this amount has not been documented and the method for it's establishment is unclear. Modern policies of establishing and collecting POS fees dictate that they must relate to the need of new facilities for new developments and that the amount of the fees be in relation to the cost of the new facilities to serve the new development. Collected fees must be utilized for public facilities to serve the new developments and that the new development will be benefited by the new facilities. The fees must also be collected and utilized within a specific spatial or geographic region relating to the development paying the fees and it must be done within a prescribed length of time. After much research, analysis and consideration and with the cooperation of the community development department the parks and recreation department is suggesting that the parks and open

space fee be increased to \$558 per dwelling unit and that the fee be collected at the time a building permit is issued instead of when the subdivision is platted as is the current practice. This amount has been carefully calculated and is believed to fairly represent the cost (in today's dollars) of developing a typical park per the accepted levels of service in the city today.

This amount was established by preparing estimates of the cost of acquisition and construction of typical neighborhood park (see attached spreadsheets) according to both city and national standards and by establishing the number of dwelling units served by each park. Based on this analysis of current standards it was determined that a typical neighborhood park of approximately 5 acres is intended to serve a population of approximately 3300 people. Utilizing the Grand Junction census calculation that approximately 2.5 persons live in each dwelling unit (D.U.) it was calculated that a typical 5 acre neighborhood park is intended to serve approximately 1333 D.U.

The acquisition and construction of a typical 5 acre neighborhood park is estimated to cost \$744,400. In an effort to establish the amount of the fee based strictly on each dwelling units impact on the park system, the estimated cost of the park was divided by the total number of D.U. that it is anticipated to serve. Thus, the neighborhood parks cost of \$744,400 was divided by the 1333 D.U. which it is intended to serve and a per D.U. impact of \$558.44 was established for a typical neighborhood park. Therefore the total amount of the impact is \$558. per dwelling unit. Additional calculation may be required to establish if a separate fee amount is necessary for multi-family units versus single-family units

After the fees are collected, a separate account must be maintained for each applicable service area so the fees collected for each area are utilized for the benefit of that area and the new developments which paid the fees. In many instances it will be advantageous to utilize the funds as a reimbursement to a developer who might proceed with park related improvements in order to improve the marketability of the subdivision. The developer would have to agree that the City would proceed with this reimbursement in accordance with the current standards of the accepted levels of service and be compensated for those items on the list at the values listed. The land costs will be established by an authorized real estate appraiser agreeable to both parties. All improvements must be constructed in accordance with the City's park development standards and inspected by the City's representative during installation. All construction plans and specifications must be approved by the City's representative and the installation must be per the approved plans unless a change to the plans and specifications has been previously approved by the City's representative.

Implementation of this fee would need to be introduced in phases over an eighteen month period in order to allow the building community to adjust the pricing schedules of the current inventory on hand. Adequate steps might be 50% of the proposed fee immediately, 75% in nine months and 100% of the fee at the end of the eighteen month period. Provisions will also need to be made for the lots currently platted and already

paid the parks and open space fee. A compensation should be allowed to reduce the new fee amount by the amount already paid.

Other options for the basis of these fees have been considered besides this basis of average number of people per dwelling unit and creating a flat fee per dwelling unit. Other methods might include establishing the fees based on densities of the development or square footage of the unit or number of bedrooms in the unit. With the exception of the number of bedrooms method, the other methods appear to be more of a tax on the property or the type of development rather than an impact fee based on recreational needs. The problem with the number of bedrooms method is determining the basis of defining "What is a bedroom?" and establishing guidelines for that determination. The purpose of this fee is to offset the cost of providing parks and recreational opportunities in newly developing areas where the new residents are the immediate impact on the park and recreation system not penalizing a development for the size of the houses or the number of rooms. This fee would help to create parks and recreation facilities in these new developments utilizing the funds from those who are causing the impact.

The amount of this fee should be allowed to be adjusted periodically to reflect changes in the level of service, inflation, construction costs, and changing real estate trends. The Parks and Recreation Department is currently working to establish appropriate service areas to reflect equal needs for park facilities and residential accessibility to these facilities. The current deficiencies in the park system must be defined prior to the implementation of this fee structure because these fees may only be utilized to offset the impact of the new construction in the areas.



## ISSUES

1. Are these fees appropriate?
2. Are the amounts appropriate?
3. Standards are per City's adopted Master Plan and are in line with NRPA Standards.
4. Fees for neighborhood and/or community parks?
5. If fees are too high do we lower standards / level of service?
6. Methods of calculation-per unit ; per square foot ; per bedroom ; subdivision densities ; service area densities ; etc.
7. Fee phase-in schedule.
8. Fee schedule differences for college housing and retirement housing?
9. Is commercial / industrial fee appropriate and justifiable?
10. Fee schedule for developer reimbursements
11. Need hard population, build-out population, densities and persons per unit figures to more accurately calculate amounts.
12. Conflicts with previously paid taxes?
13. Discounts if existing fees have been paid.
14. Developer's and builder's comments and input.
15. Involve County planning dept. for possible implementation.
16. Separate single family and multi-family fees or a single fee (might depend on dwelling unit figures)
- 17.

STANDARDS FOR TYPICAL NEIGHBORHOOD PARK						
	UNITS REQUIRED	QUANTITY	UNIT	UNIT COST	TOTAL ITEM COST	
<b>Land</b>	<b>1</b>	5	ACRE	\$ 15,000.00	\$ 75,000.00	\$ 75,000.00
<b>Infrastructure</b>	<b>1</b>		ITEM			
Grading		5	ACRE	\$ 2,000.00	\$ 10,000.00	
Clearing/Grubbing		5	ACRE	\$ 1,000.00	\$ 5,000.00	
8' Concrete Trail		21120	SF	\$ 3.25	\$ 68,640.00	
Electrical Connection		1	LS	\$ 6,000.00	\$ 6,000.00	
Electrical Service		500	LF	\$ 6.00	\$ 3,000.00	
Misc./Signage		1	LS	\$ 5,000.00	\$ 5,000.00	
Area/Security Lighting		2	EA	\$ 2,500.00	\$ 5,000.00	
Storm Sewer/Drainage		1	LS	\$ 10,000.00	\$ 10,000.00	
					\$ 112,640.00	\$ 112,640.00
<b>Restroom</b>	<b>1</b>					
Restroom(500 sf)		500	SF	\$ 110.00	\$ 55,000.00	
Utilities		1	LS	\$ 20,000.00	\$ 20,000.00	
					\$ 75,000.00	\$ 75,000.00
<b>Picnic Shelter</b>	<b>1</b>					
Shelter Structure(1000 sf)		1	LS	\$ 20,000.00	\$ 20,000.00	
Concrete Pad		1500	SF	\$ 2.50	\$ 3,750.00	
Picnic Table		6	EA	\$ 1,200.00	\$ 7,200.00	
Grills		2	EA	\$ 300.00	\$ 600.00	
Paving Around/To Shelter		3000	SF	\$ 2.50	\$ 7,500.00	
					\$ 39,050.00	\$ 39,050.00
<b>Playgrounds</b>	<b>1</b>					
Soft Surfacing		6000	SF	\$ 4.50	\$ 27,000.00	
Concrete Edge		400	LF	\$ 14.00	\$ 5,600.00	
Play Structure		1	LS	\$ 65,000.00	\$ 65,000.00	
					\$ 97,600.00	\$ 97,600.00
<b>Sand Volleyball</b>	<b>1</b>					
Sand		4000	SF	\$ 1.35	\$ 5,400.00	
Edge		260	LF	\$ 14.00	\$ 3,640.00	
Posts		1	EA/PAIR	\$ 600.00	\$ 600.00	
					\$ 9,640.00	\$ 9,640.00



STANDARDS FOR TYPICAL COMMUNITY PARK						
	UNITS			UNIT	TOTAL	
	REQUIRED	QUANTITY		COST	ITEM COST	
<b>Land</b>	<b>1</b>	20	ACRE	\$ 15,000.00	\$ 300,000.00	\$ 300,000.00
<b>Infrastructure</b>	<b>1</b>		ITEM			
Grading		20	ACRE	\$ 2,000.00	\$ 40,000.00	
Clearing/Grubbing		20	ACRE	\$ 1,000.00	\$ 20,000.00	
8' Concrete Trail		63360	SF	\$ 3.25	\$ 205,920.00	
24' Access Drive		200	LF	\$ 50.00	\$ 10,000.00	
Parking Lot (per space)		50	EA	\$ 450.00	\$ 22,500.00	
Curb and Gutter on Adjacent Streets		75	LF	\$ 12.00	\$ 900.00	
Electrical Connection		1	LS	\$ 6,000.00	\$ 6,000.00	
Electrical Service		1500	LF	\$ 6.00	\$ 9,000.00	
Misc./Signage		1	LS	\$ 12,000.00	\$ 12,000.00	
Area/Security Lighting		10	EA	\$ 2,500.00	\$ 25,000.00	
Parking Lot Lighting		4	EA	\$ 2,500.00	\$ 10,000.00	
Storm Sewer/Drainage		1	LS	\$ 40,000.00	\$ 40,000.00	
Pedestrian Bridges		1	EA	\$ 20,000.00	\$ 20,000.00	
					\$ 421,320.00	\$ 421,320.00
<b>Large Shelter/Restroom</b>	<b>1</b>					
Shelter(3500 sf)		1	LS	\$ 77,000.00	\$ 77,000.00	
Concrete Pad		4000	SF	\$ 2.50	\$ 10,000.00	
Picnic Tables		12	EA	\$ 1,200.00	\$ 14,400.00	
Grills		4	EA	\$ 300.00	\$ 1,200.00	
Restroom(500 sf)		500	SF	\$ 110.00	\$ 55,000.00	
Utilities		1	LS	\$ 20,000.00	\$ 20,000.00	
					\$ 177,600.00	\$ 177,600.00
<b>Picnic Shelter</b>	<b>2</b>					
Shelter Structure(1000 sf)		1	LS	\$ 20,000.00	\$ 20,000.00	
Concrete Pad		1500	SF	\$ 2.50	\$ 3,750.00	
Picnic Table		6	EA	\$ 1,200.00	\$ 7,200.00	
Grills		2	EA	\$ 300.00	\$ 600.00	
Paving Around/To Shelter		3000	SF	\$ 2.50	\$ 7,500.00	
					\$ 39,050.00	\$ 78,100.00



## REVISIONS TO THE ZONING AND DEVELOPMENT CODE:

Based on the analysis above, possible revisions to Section 5-4-6, Public Sites, Parks, and Open Spaces could read as follows:

- A. Any person who, after the effective date of this ordinance, seeks to develop land within the City of Grand Junction, by applying for a Planning Clearance for a building permit for a residential building or placement of a manufactured home, is required to pay a per unit parks and open space fee in the amount set forth in the adopted fee schedule. Land use types for which the fee shall be collected include the following units: 1) single family detached; 2) single family attached; 3) multifamily; 4) manufactured home; 5) hotel/motel; 6) any type of elderly or disabled persons housing; and 7) other residential.
- B. For all new construction of the above land use types requiring a Planning Clearance for a Building Permit, the owner or petitioner shall pay into the escrow fund for parks and open space acquisition and/or development. For the purpose of this section (5-4-6) only, new construction shall include construction of a principal structure or an addition to a principal structure where the addition constitutes thirty-five percent (35%) or more of the existing floor area of the structure. New construction shall also mean the conversion or new occupancy of existing building area to a land use for which parks and open space fees are required as listed in section 5-4-6 A.
- C. All residential uses in the Use/Zone Matrix (Section 4-3-4) which are classed under the general categories of Community Facilities - Public and Private Human Care/Treatment Facilities, which are non-profit uses, shall be exempt from the provisions of this section.
- D. If a Planning Clearance is requested for mixed uses, then the fee shall be determined using the fee schedule by apportioning the space committed to uses specified in the list in 5-4-6 A.
- E. If the type of construction that a residential building permit is applied for is not specified in the 5-4-6 A. above, the Administrator shall use the fee applicable to the most comparable type of land use included in the list.
- F. Fees shall be paid at the time of application for a Planning Clearance for a Building Permit.
- G. Private open spaces or recreational areas in planned developments shall not be a substitute for the required fee or dedication.
- H. The City Council, may, after recommendation by the Planning Commission, waive or defer the provisions of this section (5-4-6). In considering such a waiver or deferment, the City Council shall use the criteria established in Section 10-1-1 B.2. The City Council may accept the dedication of public land(s), park(s), and/or open space(s) in lieu of payment.

If the fair market value of dedicated land(s) is less than the total parks and open space fee for the entire development, the parks and open space fee will be reduced by the dollar amount of the fair market value of the dedicated lands, as determined by a certified appraisal. The remaining balance shall then be divided among the residential units of the

development and determined to be the parks and open space fee required for each unit.

In addition, the developer shall dedicate such public site(s), trail(s), riverfront greenbelt(s), park(s), and/or open space(s) as designated on the officially adopted Master Plan of the City.

- I. In instances where parks and open space fees were collected for previous construction, as specified under Section 5-4-6 A., a credit to the amount paid shall be granted when a site is subject to subsequent parks and open space fees.

Date: April 28, 1995

To: Larry Timm

From: Tom Dixon

Subject: Parks and Open Space fee triggers

### **I. Definition**

Parks and open space fees are an assessed payment related to the development of land. The fees are placed into an account that is escrowed for the acquisition and/or development of parks and open space.

### **II. Current fee structure**

Parks and open space fees are presently collected in two different manners, as outlined below:

1) Residential uses pay a fee of \$225 per unit for new construction. This fee is generally collected at the time of platting for subdivisions or at the time of planning clearance for multi-family units unless this fee had previously been paid.

2. Commercial and industrial development pay parks and open space fees whenever a review is required and processed through the rezoning, subdivision, planned development, or conditional use process. The fees are 5% of the fair market value of the unimproved land. The fair market value has to be determined by an accredited real estate appraiser that is not otherwise involved in the development. If the processing involves a commercial or industrial subdivision, the 5% assessment is required to be paid at the time of platting.

### **III. Residential triggers**

There is a wide range of fee assessments for parks and open spaces utilized by different communities. For the most part, residential development is the primary generator of demand for parks and open space. Therefore, a strong case can be made that residential development should pay the major portion of new park and open space acquisition.

Some communities have concentrated their parks and open space fees solely on residential development since a direct correlation between increases in residential development and increased demand for parks and open space has been established. In specific instances, a correlation has been found between other dependent variables and park demand. These include the amount of square feet for individual residential units, the number of bedrooms in a residence, and the selling price of the residence.



The County of Palm Beach, Florida has instituted a park fee structure based on the number of square feet of a residential unit. It was found in their study that a direct relationship existed between the square footage of a residential unit and the number of persons residing in that unit. Based on this finding and on the premise that the more individuals in a household the more demand that particular household would put on the park system, a sliding scale assessment was established. This method is based on proportionality and not on income so it is legally defensible.

In Colorado, the City of Fort Collins has a park fee of \$779 per residential unit. The City of Boulder has park fees of \$1,215.20 per single-family residential unit and \$810.40 per multi-family unit. The City of Longmont currently has a Park Improvement Fee of \$978 per dwelling unit.

The Fort Collins park fee was initially instituted in 1969 as a response to City-wide park deficiencies caused by rapid development. At that time, the Parkland Fund fee was set at \$40 per dwelling unit.

The Boulder fee structure resulted from studies and average cost breakdown to determine the financial impact each new housing unit was placing on the parks and open space system. In the case of Boulder, these fees go to pay for a substantial amount of the land cost associated with acquisition of the open space buffer around a portion of the City. Longmont has also used a methodology to create a defensible fee assessment and it is required by ordinance to be reviewed annually to determine its appropriate amount.

#### **IV. Commercial and industrial triggers**

The current 5% assessment on commercial and industrial development that undergo a review noted above presents difficulties in determining a fair parks and open space impact and assessment. The Colorado cities noted above have placed the emphasis on parks and open space fees almost exclusively on residential development.

Because it is unclear how a nexus might be established between commercial/industrial development and increase demand and impact on a City's system of parks and open spaces, the 5% fee should not be considered for increase at this time. Adjustments to these fees should occur only after a complete study is undertaken which will analyze the relationship between the demand generated for and the cost of providing parks and open space for commercial and industrial types of land development. Presently, there is no substantive basis for the assessment of this fee.

#### **V. Conclusion**

If the City chooses to modify its current parks and open space fee structure, there are several factors that should be considered, and some possible changes to how the fees are assessed and collected, as noted below:

1) The fee should be collected at the time of the building permit and not at the time of platting. Platting lots does not create need for more parks and open space, residential development does. Sometimes subdivisions are platted but are not immediately built, the time differential can sometimes be years. If challenged the City would be hard pressed to confirm a nexus between platting lots and increased demand for parks. However, the actual construction of a new residence could clearly be related to park demand.

2) The fee could be based on a proportionality factor such as square footage of a residential unit. This would ensure that demand for parks is more evenly equated with actual impact. Presently, the \$225 per unit fee is extremely regressive - a 1,000-square foot house pays the same fee as a 3,500-square foot residence. Likewise, a house being constructed for \$90,000 pays the same fee as a house being constructed for \$350,000. The present fee structure constitutes a subsidy from low-income to high-income residents.

3) Any fee alteration should be phased over a period of time, in a range of six to 18 months. This would allow the development community to adjust building costs and selling prices to a new fee structure which, in turn, would abate some of the concerns about costs having to be absorbed by the builder. Or, a two-year step-up fee structure might need to be considered to get to the fee level the City desires. From that point on, an annual evaluation should occur to make sure the fee is adequate. The cities of Fort Collins, Boulder, and Longmont all have this annual review, usually with the intent of increasing the fee. For the City of Fort Collins, this is tied to the Boulder/Denver Consumer Price Index and is currently slated at a 4.4% increase.

4) For platted lots that have previously paid the \$225, the fee structure would apply after the 6 to 18 months transition period or the two-year step-up structure. These lots would simply be due the balance between the new fee minus \$225 whenever a building permit was requested. This would allow the cost to be paid by the actual residents of the lot which are the generator of the park demand.

5) A formal analysis should be undertaken prior to establishing a modification in the parks and open space fee structure to make it legally defensible and, perhaps, publicly palpable. One manner of analyzing the parks and open space fees would be to determine the average cost per individual of providing a parks system. This information would then be the basis for establishing a per person fee. Once this is established, household size as it relates to square footage of residential units can be determined using census information and doing an analysis that statistically associates people per square feet of residences. This relationship would then be used to create fee categories based on thresholds of the square footage of residential units (see Table 1, Palm Beach County Park Impact Fees).