

Fire Capital Expansion Fees Poudre Valley Fire Protection District/ Poudre Fire Authority

Date: February 4, 2021

Background brief:

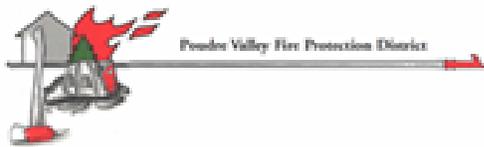
The Town of Timnath and the Poudre Valley Fire Protection District/Poudre Fire Authority (PFA) are working to implement a Fire Capital Expansion Fee to help the fire department pay for the costs of building fire stations within the District.

The purpose of a capital expansion fee is to defray the cost of capital facilities needed to serve new development. Each new unit of development (residential dwelling unit per square foot or commercial/office/industrial building unit per square foot) causes a small increase in the demand for fire and rescue services, so each new unit pays its fair share of the cost of providing the next needed fire station or other capital equipment to provide that service. When the fees from all the new units are added together, the next fire station can be built to provide those services.

In Timnath, the Town saved up funds that would have been allocated to PFA for fire services over a number of years to help pay for Station 8 near Timnath's Town Center building on Signal Tree Drive. For the next fire station and future facilities, a capital expansion fee will allow PFA to accumulate funds over a number of years and in proportion to the amount of development that occurs within the town.

There are several generally accepted requirements for the establishment of an impact fee, including:

- Fees can only be levied on new development.
- The revenue from the fees may only be used for expansion of capital facilities or capital equipment with a life-span of five years or more and may not be used for operations of the service or remedying existing deficiencies;
- Fee revenues must be maintained in a separate revenue account and only used for their stated purpose.
- Fees must be applied to all new development, including residential and non-residential; and
- There must be a relationship between the fees charged and the benefit received by the fee payer.



The proposed fees will closely track those charged by the City of Fort Collins because it is the District's partner in providing fire and rescue services in the PFA jurisdiction. The calculations for these fees is based on the cost of a fire station, divided by the properties which will be served by a typical station. The fees being proposed to begin in 2021 will be:

	One-time fee at time of building permit
Residential development per dwelling unit	
Residential, up to 700 sq. ft.	\$466
Residential, 701-1,200 sq. ft.	\$631
Residential, 1,201-1,700 sq. ft.	\$686
Residential, 1,701-2,200 sq. ft.	\$697
Residential, over 2,200 sq. ft.	\$776
Non-Residential, per 1,000 sq. ft.	
Commercial	\$588
Office and Other Services	\$588
Industrial/Warehouse	\$137

Common Questions regarding Capital Expansion Fees:

1. When will the fee be implemented?

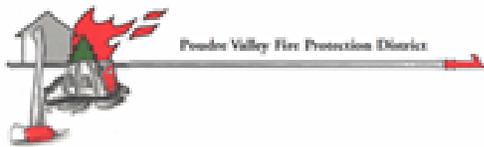
Town Council will be asked to consider adoption of the fee at its February 23rd Council Meeting. If it is approved at that time, the Town would expect to implement the fee on June 1, 2021.

2. Where will the next station in Timnath be built?

PFA currently projects that the next station will likely be needed in the northeast part of the district, and likely east of I25. The specific location is under review now and PFA hopes to purchase land for the facility in the coming year to two years.

3. When will the next station serving Timnath be built and staffed?

PFA builds and staffs fire stations when enough call volume is present in an area to warrant a new company. Generally, that happens when there are approximately 500 calls per year for service from an area and when response times from existing stations are not short enough to meet standards. This means



that the need for a station will be driven by the amount of development that is creating demand for service. As more development happens, and more capital expansion fees are collected, demand will increase and result in the need for a new station.

4. Who pays the fee?

Fees will be collected by the Town at the time of building permit. Typically, builders include the cost of all fees in the property owner's purchase price.

5. Do the fees pay for hiring firefighters and staffing the station?

These one-time fees are used only for the capital facilities and equipment needed to open a new station. New development will pay its fair share of operations costs through other tax methods.

Thank you!

On behalf of Poudre Valley Fire
Protection District/Poudre Fire Authority:
Fire Chief, Tom DeMint

On behalf of the Town of Timnath:
Town Manager, Aaron Adams