



**CITY OF LOVELAND**  
 DEVELOPMENT SERVICES DEPARTMENT  
 Civic Center • 500 East 3<sup>rd</sup> Street • Loveland, Colorado 80537  
 (970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

**AGENDA ITEM:** 19  
**MEETING DATE:** 8/6/2013  
**TO:** City Council  
**FROM:** Greg George, Development Services Director  
**PRESENTER:** Greg George

**TITLE:**

A Resolution Amending Resolution #R-81-2012 Adopting the 2013 Schedule of Capital Expansion Fees for Fire and Rescue, Law Enforcement and General Government and Resolution #R97-2012 Adopting the 2013 Schedule of Street Capital Expansion Fees to Include New Capital Expansion Fees for Oil and Gas Facilities Pursuant to Section Chapter 16.38 of the Loveland Municipal Code

**RECOMMENDED CITY COUNCIL ACTION:**

Approve the resolution.

**OPTIONS:**

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

**SUMMARY:**

This is an administrative action. This resolution establishes capital expansions fees (CEFs) for oil and gas development within the city limits of the City of Loveland. The fees for law enforcement and general government would be based on the same fee rate as currently applied to other types of industrial development within the City. However, it's proposed that the fee rate for fire protection be increased over that for law enforcement to reflect the likelihood that there would be a greater impact in emergency response and capital needs for fire protection than for law enforcement. The street CEF would also be based on the same rate currently being charged for other new development, which is \$238.21 per trip end.

**BUDGET IMPACT:**

- Positive  
 Negative  
 Neutral or negligible

**BACKGROUND:**

Currently, the rates for fire protection, law enforcement and general government CEFs are applied to new building square footage. Since permanent buildings are not constructed as part of an oil and gas facility, the proposal is to apply the existing rates for law enforcement and general government, and a new rate for fire protection, to the land area identified on the application submitted to the Colorado Oil and Gas Conservation Commission (COGCC) as the size of the disturbed area after interim reclamation. This area is the size of the site after it is under production and is generally less than the size of the site during development.

The current CEF rate per square foot for general government is \$0.054 and for law enforcement it's \$0.045.

The current CEF rate for fire protection is \$0.03 per square foot. Based on research of the Colorado Code and the Fort Collins Municipal Code for assessing fees for capital improvements and expansion, Randy Mirowski, Fire Chief, Loveland Fire Rescue Authority, is recommending a new fee rate of \$0.0675 per square foot to be consistent with research indicating that fire protection fees should be approximately 50% higher than law enforcement fees for oil and gas facilities (see Exhibit 2).

Current applications pending review by the COGCC indicate that the size of the disturbed area after interim reclamation typically ranges from 3 to 5 acres, meaning that the typical CEFs for these three service areas would be in the range of \$19,602 ~~21,562~~ to \$32,670 ~~35,937~~.

The current rate for street CEFs is \$238.21 per trip end. City staff estimates that 4 trip ends per day per wellhead would result from vehicles accessing the site to either remove oil and gas, for routine inspections or for ordinary maintenance and repair. At this rate the street CEF would be \$952.84 per wellhead (\$238.21/trip end x 4 trip ends/wellhead). A typical oil and gas facility may have from 4 -10 wellheads, which would result in a street CEF of \$3,811.36 to \$9,528.40.

**REVIEWED BY CITY MANAGER:**

**LIST OF ATTACHMENTS:**

Resolution, including exhibits  
Memo from Randy Mirowski  
CEF Summary Table

**RESOLUTION # R-61-2013**

**A RESOLUTION AMENDING RESOLUTION #R-81-2012 ADOPTING THE 2013 SCHEDULE OF CAPITAL EXPANSION FEES FOR FIRE AND RESCUE, LAW ENFORCEMENT AND GENERAL GOVERNMENT AND RESOLUTION #R97-2012 ADOPTING THE 2013 SCHEDULE OF STREET CAPITAL EXPANSION FEES TO INCLUDE NEW CAPITAL EXPANSION FEES FOR OIL AND GAS FACILITIES PURSUANT TO SECTION CHAPTER 16.38 OF THE LOVELAND MUNICIPAL CODE**

**WHEREAS**, on November 20, 2012, Loveland City Council (“Council”) adopted Resolution #R-81-2012 (the “2013 CEF Resolution”) adopting a new schedule of capital expansion fees for calendar year 2013, pursuant to Loveland Municipal Code (the “Code”) Chapter 16.38; and

**WHEREAS**, on December 18, 2012, Council adopted Resolution #R-97-2012 (the “2013 Streets CEF Resolution”) adopting a new schedule of streets capital expansion fees for calendar year 2013, pursuant to Code Chapter 16.38; and

**WHEREAS**, the after adoption of the 2013 CEF Resolution and the 2013 Streets CEF Resolution, the City adopted Ordinance #5753 regulating oil and gas facilities within the City of Loveland and authorized Council to adopt capital expansion fees for oil and gas facilities by resolution, pursuant to Code Section 18.77.100; and

**WHEREAS**, this Resolution is intended amend the 2013 CEF Resolution and the 2013 Streets CEF Resolution to add new capital expansion fees related for oil and gas facilities pursuant to Code Section 18.77.100.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO AS FOLLOWS:**

**Section 1.** That Exhibit A to the 2013 CEF Resolution is hereby amended by the addition of the capital expansion fees for oil and gas facilities as set forth on the “**New 2013 CEF Exhibit A**” attached hereto and incorporated herein by this reference.

**Section 2.** That Exhibit A to the 2013 Streets CEF Resolution is hereby amended by the addition of the streets capital expansion fees for oil and gas facilities as set forth on the “**New 2013 Streets CEF Exhibit A**” attached hereto and incorporated herein by this reference.

**Section 3.** This Resolution amends the 2013 capital expansion fees adopted by the 2013 CEF Resolution and the 2013 streets capital expansion fees adopted by the 2013 Streets CEF Resolution, for all oil and gas facilities permit applications received after January 1, 2013.

**Section 3.** This Resolution shall take effect as of the date of its adoption.

ADOPTED 6<sup>th</sup> day of August, 2013.

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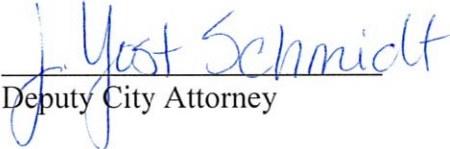
Cecil A. Gutierrez, Mayor

ATTEST:

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City Clerk

APPROVED AS TO FORM:

  
Deputy City Attorney

**“New 2013 CEF Exhibit A “**

**Exhibit A Capital Expansion Fees for 2013**

<b><u>Residential Single Family</u></b>	<b><u>Fee Level</u></b>
Per unit of housing	
Fire and Rescue	\$ 888
Law Enforcement	874
General Government	1,083
Library	722
Cultural Services / Museum	602
Parks	3,528
Recreation	1,572
Trails	527
Open Lands	884

<b><u>Residential Multi-family</u></b>	
per unit of housing	
Fire and Rescue	\$ 617
Law Enforcement	608
General Government	753
Library	502
Cultural Services / Museum	419
Parks	2,452
Recreation	1,092
Trails	366
Open Lands	614

<b><u>Commercial</u></b>	
Per square foot	
Fire and Rescue	\$ 0. <del>2931</del>
Law Enforcement	0. <del>3841</del>
General Government	0. <del>4144</del>

<b><u>Industrial</u></b>	
Per square foot	
Fire and Rescue	\$ 0.03
Law Enforcement	0.0 <del>45</del>
General Government	0.0 <del>56</del>

**Oil and Gas Facility**

Per square foot of the land area identified on the applicable application submitted to the Colorado Oil and Gas Conservation Commission as the “disturbed area” after interim reclamation

<u>Fire and Rescue</u>	<u>\$ 0.063</u>
<u>Law Enforcement</u>	<u>0.04</u>
<u>General Government</u>	<u>0.05</u>

~~**Note:** The review process for the street capital expansion fees are not yet completed. When the process has been completed, a revised fee schedule will be presented to Council.~~

**“NEW 2013 STREETS CEF EXHIBIT A”****Exhibit A****Schedule of Street Capital Expansion Fees for 2013**

<b><u>Land Use Category</u></b>	<b><u>Street CEF Amount</u></b>
<b>Residential (per dwelling unit or room)</b>	
Single Family Detached	\$ 2,279.61
Attached Single Family Dwelling	\$ 1,383.97
Multi-Family Dwelling (with 4 or more units) per unit	\$ 1,584.06
Assisted Living (per bed)	\$ 633.62
Nursing Home (per bed)	\$ 564.54
Mobile Home	\$ 1,188.64
Hotel (per room)	\$ 1,946.13
<b>Commercial (per square foot)</b>	
Retail Shopping Center*	
25,000 square foot or less	\$ 11.30
50,000 square foot	\$ 8.87
100,000 square foot	\$ 6.96
200,000 square foot	\$ 5.45
Bank with Drive Up	\$ 9.53
Free-standing Discount Store	\$ 6.55
Fast Food Restaurant with Drive Thru	\$ 35.45
High Turnover Sit-down Restaurant	\$ 10.91
Coffee/Donut Shop w/o drive-thru	\$ 32.16
Coffee/Donut Shop w/ drive-thru	\$ 58.49
New Car Sales	\$ 6.36
Auto – Oil Change & Emissions Service per bay	\$ 7,622.68
Quick Lube Vehicle Shop (per bay)	\$ 7,622.53
Convenience Store/Gas Station	\$ 32.22
Gas Station per pump	\$ 7,226.71
Car Wash (Automated) per SF	\$ 16.82
Car Wash (Self-Serve) per Wash Stall	\$ 12,863.03
Supermarket	\$ 8.28
Furniture Store	\$ 0.24
Health Club	\$ 6.27
Specialty Retail	\$ 5.27

**Office (per square foot)**

General Office Building\*

25,000 square feet or less	\$	4.37
50,000 square feet	\$	3.73
100,000 square feet	\$	3.17
200,000 square feet	\$	2.71
Medical/Dental Office Building	\$	8.61
Hospital	\$	3.93
Place of Worship	\$	2.17

**Industrial (per square foot)**

Manufacturing	\$	0.91
Warehousing	\$	0.85
General Light Industrial	\$	1.66
Mini-warehouse	\$	0.60

**Oil and Gas Facility (per wellhead) \$ 952.84**

Street Capital Expansion Fees are determined by multiplying the number of weekday trips for the proposed specific use(s) as defined and reported in the current edition of the Institute of Transportation Engineers' *Trip Generation Manual* (ITE Manual) and handbook by the percentage of primary trips for that use (per current ITE Manual and handbook) and by \$238.21 (cost per trip end for 2013). Please refer to the ITE Manual for specific information related to the categories listed above as well as for those not listed, as this Schedule is not intended to be all inclusive. Traffic data used for CEF calculation must be found reliable by Public Works Department Transportation Development Review Division (TDR) Staff and final CEF determination will be made only in conjunction with a complete building permit submittal. These fees are based per square foot of floor area or dwelling unit (unless otherwise noted). For purposes of calculating the Street CEF for oil and gas facilities, the number of trip ends per wellhead used is 4.0 trip ends.

\* The fees listed for these uses are size-specific and are provided for reference only. The actual Street Capital Expansion Fees will be established based on the total square footage of the structure, inclusive of any additions, in conjunction with trip information from the ITE Manual, as deemed reliable by City TDR Staff.



Loveland Fire Rescue  
Authority

# Memo

To: Greg George, Development Services Director, City of Loveland  
From: Randy Mirowski, Fire Chief Loveland Fire Rescue Authority *rm*  
Date: 19 July, 2013  
Re: Gas and oil CEFs for hydraulic fracturing installations

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Greg I am offering some observations and some supporting data, for a rationale charge structure for impact and capital expansion fees for oil and gas installations. I could find little in the way of empirical data to assist me for exact comparisons or information specific for the appropriate amount for fees. However, there is some information that I gathered (generic) from the Colorado Code and the Fort Collins Municipal Code for assessing fees for capital improvement and expansion. Thus, here is my take on this matter based on what I found.

The "Code" seems to suggest that when assessing such fees that **Fire Fees** are approximately 50% more than what **Police Fees** are listed. I'm certain that the rationale for this is that the expected impact will likely be greater in emergency response and in capital expansion for Fire than for Police. This projected impact is consistent with what we have heard from other Fire Chiefs and from our discussions between Chief Hecker and me.

Thus, assuming the Police numbers you listed are correct, at ~~.0450~~, Fire Fees would need to go to ~~06075~~ to achieve the level of what the code suggests (based on a ratio of 50% greater than what Police Fees are).

Greg, a specific assessment that I would suggest using, can be found in the City of Fort Collins Municipal Code for expansion improvement fees. They (Fort Collins) have a similar situation as us with the fire authority and police services, so it would seem reasonable that this ratio could be used with an assurance of it being comparative and accurate to Loveland.

I will provide the link for the Code below so that you can review it for yourself. <http://www.colocode.com/ftcollins/municipal/chapter7-5.htm#sec7d5d30>

Please see Section 7.5-29 and Sections 7.5-30 for the comparisons. Thanks for the opportunity to weigh in on this, Greg.

<b>City of Loveland</b>		<b>Revised 8/2/2013</b>			
<b>Oil &amp; Gas Site Capital Expansion Fees</b>					
<b>Type of Fee</b>	<b>Unit cost</b>	<b>Units</b>	<b>Cost</b>	<b>Basis</b>	
1) Streets Capital Expansion Fee	\$238.21	4 trip ends per day	\$952.84	per well drilled	
2) Fire Protection Capital Expansion Fee	\$0.060	130,680 square feet	\$7,840.80	for the site one time	
3) Law Enforcement Capital Expansion Fee	\$0.04	130,680 square feet	\$5,227.20	for the site one time	
4) General Government Capital Expansion Fee	\$0.05	130,680 square feet	\$6,534.00	for the site one time	
			<b>\$20,554.84</b>	CEF total	

**Notes:**  
 The Streets Capital Expansion Fee is based on four trip end per day over the whole life of the drilling site.  
 - During construction the daily trips might be much higher, but the average trips over the life of of the well site are estimates to be four over the life of the drilling site.  
 The example above assumes a 10 acre gross development area site with a 3 acre site size after Interim Reclamation.

Exhibit 3 with Revision