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## Capital Improvement Impact Fees

Loveland Fire Rescue Authority (LFRA) provides fire protection, emergency medical services, specialized rescue, hazardous materials mitigation, community safety services, fire investigation and public education in a 187 square-mile area that includes the City of Loveland, the Town of Johnstown "2534" area and surrounding unincorporated Larimer County. LFRA responds to over 10,000 calls per year, and performs approximately 1,200 development reviews and 1,300 construction inspections annually.

The LFRA service area is experiencing a 2 to 2.5-percent annual population growth; projections assume this will continue annually until at least 2026. This increase has resulted in corresponding construction of residential subdivisions and commercial structures, and a 6-percent annual increase in call volume each year since 2013 (6,400 emergency responses in 2013, 8,600 in 2020). However, LFRA, like other fire districts throughout Colorado, has not been able to realize the full property tax revenue due to the Gallagher/TABOR legislation.

In 2016, the Colorado Legislature passed the Public Safety Fairness Act allowing fire districts to charge capital improvement impact fees to assist capital development of fire and emergency medical service resources to accommodate community growth. LFRA received approval from its board of directors, the Johnstown Town Council and Larimer County Board of Commissioners to implement the impact fees in 2018.

Impact fee approval does not require approval from the voters. Neighboring fire districts in Larimer County also have implemented impact fees.

The population of Larimer County is expected to double from the current 355,000 to approximately 700,000 in the next 30 years; a significant portion of this growth will be in the Loveland fire jurisdiction. Through extensive planning, LFRA identified the need for and constructed two new fire stations (Station 7 which is west and Station 10 which is east), in order to meet the additional demand for fire protection and emergency services. Additionally, the Loveland fire training center and the existing Fire Station 3 will need to be replaced, and Fire Stations 4 and 5 need to be renovated. The impact fee will help fund LFRA capital infrastructure, purchase new apparatus and equipment associated with new development, and may defer a mil levy increase to taxpayers.

[After a Nexus study \(prepared by BBC Research & Consulting](#) in 2021, the fee schedule was set at \$0.64 per square foot for a commercial building and \$0.13 per square foot for industrial use. Residential fees are \$1,060.82 for a single-family home and \$734.09 per dwelling unit for a multi-family building.

The impact fee is not charged for fire-protection systems, such as automatic fire sprinklers or fire alarm systems.



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## Frequently Asked Questions

What is Colorado HB1088 ("Public Safety Fairness Act")?

CONCERNING THE AUTHORIZATION FOR A FIRE PROTECTION DISTRICT TO IMPOSE AN IMPACT FEE ON NEW DEVELOPMENT, AND, IN CONNECTION THEREWITH, ENACTING THE "PUBLIC SAFETY FAIRNESS ACT".

The bill authorizes the board of a fire protection district to impose an impact fee on the construction of new buildings, structures, facilities or improvements, on previously improved or on unimproved real property, if the impact fee is:

- Reasonably related to the overall cost of the fire protection district's services; and
- Imposed in accordance with a fee schedule that is legislatively adopted by the board and that applies to all construction of new buildings, structures, facilities, or improvements.

When must the fire impact fee be paid?

Fees are collected from properties within the Loveland Rural Fire Protection District when building permits are issued for new structures. For residential buildings, this will be when the owner obtains a building permit at Larimer County or the Town of Johnstown, as applicable. For industrial or commercial buildings in unincorporated Larimer County, the fee will be paid when the applicant obtains a building permit at the Larimer County Building Department. For industrial or commercial buildings in Johnstown, the fee will be paid at the LFRA Community Safety Division, when the applicant obtains a building permit from the fire department. For projects in the City of Loveland, LFRA fees are rolled into the building permit fees; impact fees are not paid directly to the first district.

What is the impact fee for residential buildings?

The fee is \$1,060.82 for a single-family home and \$734.09 per dwelling unit for a multi-family residential structure. A "dwelling" is defined as any building or portion thereof that is used as the private residence or sleeping place for one or more people.

How much is the impact fee for a commercial building?

The fee for commercial-use development is calculated by multiplying the total square footage by 0.64. As an example, the impact fee for a 15,000 square foot commercial building would be \$9,600.00. Examples of commercial uses for LFRA impact fees include but are not limited to churches, hotels, motels, schools, office and professional buildings, banks, restaurants, nightclubs, retail stores, theaters, storage facilities (warehouses) and indoor sports facilities.

What is the impact fee for industrial property?

The fee for an industrial building is \$0.13 per square foot. The impact fee for a 10,000 square foot industrial building would be \$1,300.00 (10,000 x 0.13). Examples of industrial uses for the purpose of LFRA impact fees include but are not limited to manufacturing, fabricating, and oil and gas sites.

What is the impact fee for "mixed-use" buildings?

If a building is part-Commercial use and part-Industrial use, the impact fee will be assessed based on the majority use of the building (predominant square footage). If a building is combined residential use and either Commercial or Industrial use, the impact fee will be assessed using number of residential units, combined with square footage of commercial or industrial use.