



Frederick-Firestone Fire Protection District Impact Fee Study

DRAFT REPORT

Draft Report

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Prepared for

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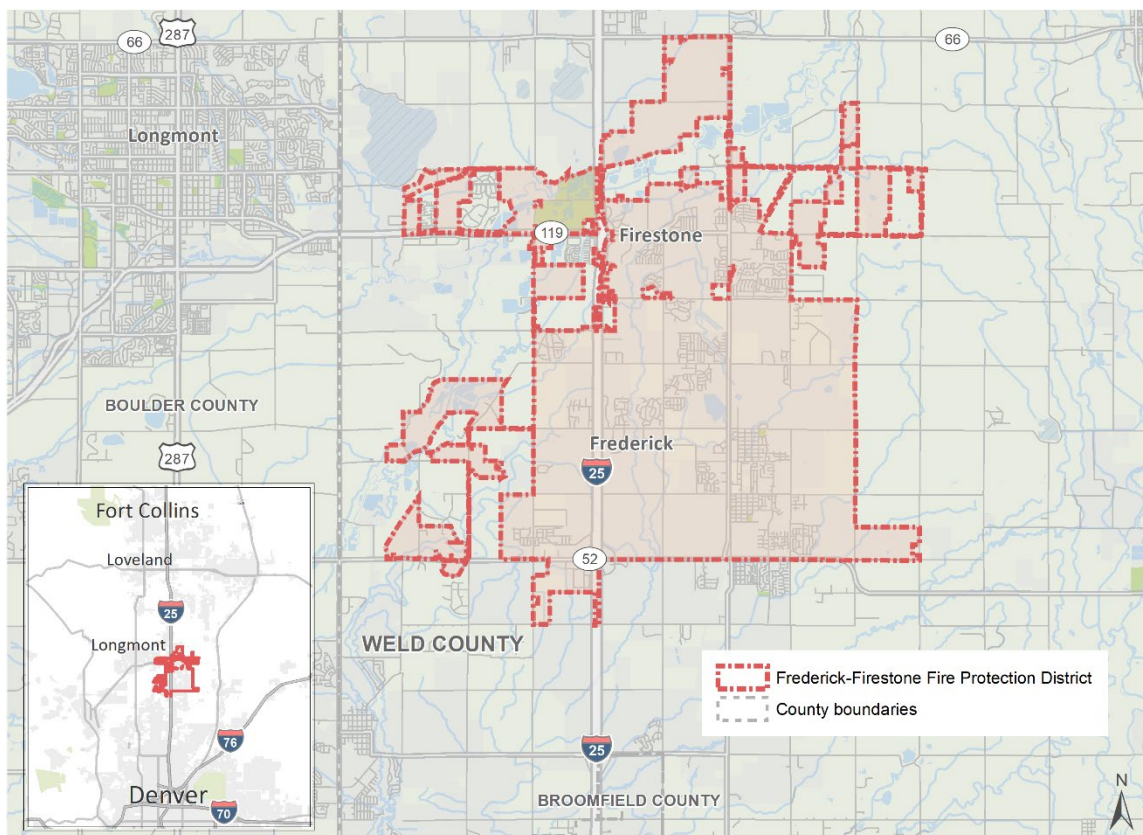
SECTION I.

Introduction

This report presents the analysis underlying the calculation of proportional development impact fees for Frederick-Firestone Fire Protection District. The District refers to itself as Frederick-Firestone Fire District or FFFD. This section describes fee design requirements and various implementation considerations for FFFD.

FFFD provides fire suppression, rescue, emergency medical, and other services across approximately 38 square miles of Weld County, encompassing the Towns of Frederick and Firestone and the surrounding unincorporated areas of the County.¹ The District currently operates five stations and is located approximately 30 miles due north of Denver, near the interchange of I-25 and CR-52.

Figure I-1.
Frederick-Firestone Fire Protection District Service Area



Source: BBC Research & Consulting from ArcGIS shapefiles, 2025.

¹ Frederick-Firestone Fire District, <https://www.fffd.us>

Objectives

Many fire districts in Colorado impose development impact fees for expansion of public infrastructure. Colorado statute and a series of United States Supreme Court decisions dictate the amounts that districts can charge in impact fees and how they can devise, impose, and spend them. Because of those requirements, FFFD retained BBC Research & Consulting (BBC) to prepare a report documenting the calculation of proportional and defensible impact fees to ensure it can maintain its existing service standards as development occurs in its service area.

This report documents BBC's analysis and recommendations for an impact fee that recovers the proportional capital costs associated with new development and in a manner consistent with the Colorado Revised Statutes.

Colorado Impact Fee Requirements

Development impact fees have been used in Colorado going as far back as the 1920s, when cities began charging developers for the water rights required to serve new development.² Other states also charged impact fees to new development, and in 1947 one of the first legal challenges to impact fees was filed in Illinois. In that case, the Illinois Home Builders Association sued the Hinsdale Sanitary District over its tap fee. The case was appealed all the way to the Illinois Supreme Court, which ruled that the District's fee was legal so long as the revenues were used for capital expenditures and not operating expenses.³

In Colorado, impact fee requirements were heavily influenced by a 1999 lawsuit between Krupp and the Breckenridge Sanitation District. The case, known as *Krupp v. Breckenridge Sanitation District*, was heard by the Colorado Supreme Court, which ruled that impact fees are legal so long as they meet certain requirements. The requirements defined in the ruling on *Krupp v. Breckenridge Sanitation District* were formally codified by the Colorado Legislature with the passage of Senate Bill 01S2-015, "An Act Concerning Land Development Charges That May Be Imposed by Local Governments."

The Bill, which modified Section 29-20-104.5 of Title 29 of Colorado Revised Statutes, allowed local governments to impose impact fees on new development to fund expenditures on capital facilities needed to maintain existing service standards.⁴ The impact fees are applicable to a broad set of land uses and can be calculated based on development characteristics of local land uses that roughly approximate each land use's burden on capital facilities. This enabling legislation allowed municipalities to charge a single impact fee to each type of development (e.g., residential, commercial, and industrial) rather than calculating fees on a case-by-case basis.

In 2016, the Colorado Legislature passed House Bill 16-1088, known as the "Public Service Fairness Act," which authorized fire protection districts organized under Article 1 of Title 32,

² Lillydahl, J.H, 1987. *Impact Fees in Colorado: Economic, Political, and Legal Overview*. Presented at A Symposium on Impact Fees, 1987 Conference of the American Planning Association. New York City. Cited in White and Dahl, 2001.

³ Carswell, A.T, 2012. *The Encyclopedia of Housing, Second Edition*. SAGE Publications. p. 385. ISBN 978-1-4129-8958-9. Retrieved 2023-04-03. Cited in Wikipedia, "Impact Fee;" accessed 2023-11-08 at https://en.wikipedia.org/wiki/Impact_fee.

⁴ Local governments were defined as counties; home rule municipalities; and statutory cities, towns, territorial charter cities.

C.R.S., or a fire authority established pursuant to Section 29-1-203.5, to levy impact fees on new development. The bill amended C.R.S. 29-20-104.5 to allow fire protection districts to charge development impact fees as a condition of issuance of a development permit and to use the funds for expenditures on capital facilities that provide fire protection, rescue, and emergency services related to the new development.

In May 2024, the Colorado Legislature passed SB24-194, known as the “Special District Emergency Services Funding Act,” allowing special districts to impose and directly collect impact fees on new development without the requirement of an intergovernmental agreement between the district and the local government body.

To meet the requirements of current Colorado legislation, development impact fees charged by a fire protection district must:

- Be a one-time charge imposed on new development;
- Quantify the reasonable impacts of proposed development on existing capital facilities and establish the impact fee or development charge at a level no greater than necessary to defray such impacts which are directly related to proposed development;
- Be reasonably related to the overall cost of capital. Fees must be fairly calculated and rationally based. Mathematical exactitude is not required, however, and the particular mode adopted by the district in assessing the fee is generally a matter of that district’s discretion;
- Ensure no impact fee or other similar development charge shall be imposed to remedy any deficiency in capital facilities that exists without regard to the proposed development; and
- Ensure that impact fees adopted by a local government do not require individual landowners to provide any site-specific dedication or improvements that meet the same need for capital facilities for which the district’s impact fee is imposed.

Because the setting of rates and fees involves many questions of judgment and discretion, districts have the flexibility to choose the most appropriate rate-setting method so long as it uses reasonable assumptions and logic in the basis of calculating the development impact fee schedule.

U.S. Supreme Court Decisions

In *Sheetz v. County of El Dorado* (2024), the U.S. Supreme Court unanimously ruled that impact fees are subject to the Takings Clause of the Fifth Amendment of the U.S. Constitution. The two most notable court decisions that are used to analyze takings clause cases are often referred to as *Nollan* and *Dolan*⁵.

Guidance from these decisions requires that there be an "essential nexus" between the exaction/fee and the state interest being advanced by that exaction. In the more recent *Dolan v. City of Tigard* (1994) decision, the U.S. Supreme Court held that in addition to an essential nexus, there must be a "rough proportionality" between the proposed exactions and the project impacts that the exactions are intended to mitigate. In *Dolan*, the court further states that rough proportionality need not be derived with mathematical exactitude but must demonstrate some relationship to the specific impact of the subject project:

*"We think a term such as 'rough proportionality' best encapsulates what we hold to be the requirements of the Fifth Amendment. No precise mathematical calculation is required, but the city must make some sort of individualized determination that the required dedication is related both in nature and extent to the impact of the proposed development."*⁶

Over the past two decades since *Dolan*, many fire districts have imposed impact fees; thus, there now is a broad set of common practices when considering how best to reflect these judicial and statutory requirements in fee design efforts.

Fee Applicability

As noted above, fire districts can only use impact fee revenue to cover the costs of any necessary expansion of capital facilities that are required to serve new development. In addition, fee amounts can only be set in a manner that is proportional to the cost of capital facility expansion needed to maintain—but not improve—existing standards of service.

Capital facilities. *Capital facilities* are the physical component of public services. Under Colorado statute, the definition of *capital* can include all equipment that has at least a five-year lifetime. It does not include personnel or any operational elements of service costs, even in circumstances where new staff are required to operate new facilities. Capital facilities generally include buildings, apparatus, vehicles, office furniture, and other support facilities.

⁵ *Nollan v. California Coastal Commission*, 483 U.S. 82; 1987 and *Dolan v. City of Tigard* (1994) 114S.Ct. 2309.

⁶ *Dolan v. City of Tigard* (1994) 114S.Ct. 2309.

Nature of capital investments. Not all capital facility costs are associated with community growth or with the expansion of capacity. Most fire districts make investments in capital facilities not because of growth pressures but for the repair and replacement of existing capital. For example, fire districts often make capital investments related to:

- *Repair and replacement of existing facilities*, such as annual building maintenance or replacing a roof;
- *Betterment of existing facilities*, such as introducing new services or improving existing capital facilities without increasing service capacity; and
- *Facilities expansions*, such as expanding an existing building to accommodate growing personnel requirements.

Fire districts are not allowed to account for such investments as part of impact fee calculations nor are they allowed to expend impact fee funds on such investments.

Capital Standards

In designing impact fees, fire districts must determine the appropriate capital standards applicable to each category of infrastructure. Facility standards can vary widely between districts. Whereas some states have legislation that describes such criteria with great specificity, other states—like Colorado—use more general standards. There are two primary approaches for calculating capital standards.

Capital buy-in approach. Capital standards can be estimated using the replacement value of specific capital facilities and the qualified equipment necessary for each category of capital facilities. For example, a city of 2,500 homes with a 20,000 square foot recreation center that has a replacement value of \$5 million would have a recreation center standard of 8 square feet per housing unit (i.e., $20,000 \text{ square feet} / 2,500 \text{ homes} = 8 \text{ square feet per home}$) and a replacement value of \$250 per square foot (i.e., $\$5 \text{ million} / 20,000 \text{ square feet} = \$250 \text{ per square foot}$). Thus, each existing residence would have an embedded recreational investment of \$2,000 per home (i.e., $\$250 \times 8 \text{ square feet} = \$2,000 \text{ per home}$), representing the community's recreational facility standard, which is what a developer could be charged for recreational facilities for each new unit.

One important dimension of the capital buy-in approach is the use of the replacement value of each asset. As mentioned earlier, the purpose of impact fees is to maintain the current level of service. Therefore, the value of each asset should be assessed by its current functionality, not its dollar value. For example, even if a dump truck were purchased in 1980 and its present resale value is less than \$10,000, the replacement value for that dump truck would be equal to the market rate of a new unit that performs the same function as the original vehicle.

If capital standards are defined using a capital buy-in approach, then calculations of those standards must account for any debt that applies against the relevant capital facilities. Because current residents are already responsible for that debt, it would be duplicative and inappropriate to charge developers impact fees that also include that debt.

Plan-based approach. Fire districts can also use a *plan-based approach* to set capital standards, which relies on capital improvement or other specific plans to estimate the value of capital required to serve future development. A plan-based approach requires forecasts of residential and commercial growth and detailed data on capital expansion plans and costs. Plan-based approaches must focus on expansion-related projects or the expansion portion of projects rather than betterment or replacement projects.

Other Considerations

Over time, some consensus has emerged on how best to ensure that impact fees comply with state statutes and court rulings. Many of the factors that fire districts must consider in designing fees appropriately are described above, but BBC also presents other considerations to be made:

- **Land use allocation.** Courts have indicated that all forms of development that have facility impacts—that is, residential, industrial, and commercial developments—must pay their fair share of expansion costs. If one type of development is exempted from fees, then fees may not be sufficient to cover expansion costs that result from new development.
- **Use specificity.** Impact fee calculations vary between different forms of land use. When compelling evidence is available that the forms, sizes, or uses of particular types of development will result in substantially different demands for fire protection services, then a district's impact fees should reflect that information.
- **Fund balance.** A fire district's impact fee fund balance represents cash investments the existing community has made in capital expansion. When utilizing the capital buy-in approach for calculating development impact fees, these cash investments are combined with capital facilities valuations to arrive at the total capital investment that the community has made.
- **Redevelopment.** The application of impact fees raises questions about how to deal with the redevelopment of existing properties. The redevelopment of a residence—even if it involves full scraping—does not lead to an increase in service demands, because it is still one residential unit with no implications for service delivery costs or capital needs. In contrast, the redevelopment of a larger lot into multiple homes would be assessed an impact fee based on the net number of new residential units, because there would be clear implications for service delivery and capital needs. Commercial redevelopment would be subject to the same considerations.
- **Waivers.** Fire districts should not waive fees unless the funds are reimbursed from other sources such as the general fund or other contributions by the developer to system expansion that meets or exceeds the calculated fees.
- **Timing.** Fees should be assessed at the time that building permits are issued.
- **Updates.** Impact fee calculations should be updated periodically to account for changes in costs and asset values. Most fire districts update their fees every year using an inflation multiplier and conduct updates to their impact fee studies every three to five years.

SECTION II.

Impact Fee Derivation

As described in Section I, there are several types of information that fire protection districts must consider to appropriately set their development impact fees, including determining capital standards. BBC used data from various sources to make appropriate considerations in developing development impact fees for Frederick-Firestone Fire Protection District.

- **Capital standards.** BBC used FFFD’s current investment in capital facilities as the basis for determining capital standards for the fee update – known as the capital buy-in approach. We obtained the information directly from the District. The valuation included estimates of investments in furniture, fixtures, and durable equipment. Calculations of capital standards must account for any debt that exists in connection with relevant infrastructure. At the time of this study, FFFD has outstanding debt totaling \$9.7 million against Station 5. To determine the District’s net equity in its assets, the debt amount has been subtracted from the station’s replacement value.
- **Land use allocation.** It is important for fire districts to determine how impact fees should be allocated according to land use so that all forms of development pay their fair share of expansion costs. Although FFFD does not maintain a database of relevant land use, data from the Weld County Assessor’s Office indicates that approximately 77 percent of current development in FFFD’s service area is for residential purposes while 23 percent is for non-residential.¹ BBC allocated the value of FFFD’s capital facilities following the above land use distribution, as future development in the region is not expected to differ substantially from existing land use patterns.
- **Use specificity.** To the extent possible, impact fees should reflect the degree to which different forms, sizes, and uses of particular types of development will result in different demand for fire protection services.
- **Fund balance.** When using the capital buy-in approach, the balance of a fire district’s impact fee fund must be combined with capital facilities valuations to arrive at the total capital investment. At the time of this study, the balance of the District’s impact fee fund is approximately \$538,000.
- **Proportionality.** By using FFFD’s current investment in capital facilities to derive capital standards and then setting fee rates to replace the current standards of facility investment, BBC has ensured that proportionality has been reasonably and fairly derived. New growth is simply replicating its proportional share of an existing facility standard. Existing standards will be the standards to which new growth will be held accountable.

¹ Non-residential development includes commercial, retail, office, institutional, industrial, and warehouse space.

FFFD Budget Overview

Property tax revenues for FFFD's general fund are collected through the District's 13.900 property tax mill of properties that are within the District's service area. A millage rate is the tax rate used to calculate local property taxes and represents the amount per every \$1,000 of a property's assessed value that a district would charge.

The 2025 FFFD Budget Summary shows the District anticipates total revenues of approximately \$18.2 million in fiscal year 2025, the majority of which is tax-related revenue from general property taxes (\$11.9 million).² The District anticipates expenditures totaling \$26.4 million, and these are allocated to personnel costs—including salaries, benefits, and administration—as well as supplies, maintenance, and normal operational costs. An additional component of the total is \$7.6 million in capital expenditure anticipated in 2025, notably for the construction of a new station and purchase of apparatus and equipment. As discussed in Section I, capital investments are generally used for repair and replacement, betterment of facilities and service standards, and facilities expansion.

Property tax revenue that funds FFFD's operating budget will continue to be dedicated to the District's ongoing operational expenses and may not be sufficient to fund the District's growth-related capital facilities needs. With impact fees, new development pays for an equitable share of new facilities and existing taxpayers will not be responsible for subsidizing growth. In addition, FFFD's general operating funds can be reserved for other, non-growth-related uses.

Impact Fee Calculations

BBC's methodology for updating FFFD's impact fee includes the following tasks:

1. Quantify the capital facilities investment needed to maintain current level of service;
2. Develop estimates of FFFD's current land use pattern; and
3. Calculate the fire protection capital costs per unit of development (per residential dwelling unit or per square foot of non-residential development).

Capital facilities investment. A conservative method of establishing FFFD's current level of service for fire protection is to quantify its financial investment in capital facilities. Specifically, the District has four types of capital facility-related assets that should be included in a calculation of current infrastructure investment:

- Buildings and structures, including fire stations and administrative buildings;
- Major vehicles and apparatus, such as fire engines and specialized vehicles;
- A variety of lifesaving and fire-fighting portable equipment and other property; and
- The District's impact fee fund balance.

² FFFD 2025 Budget Summary

Figure II-1 presents FFFD’s current capital facilities and the replacement values included in impact fee calculations. FFFD has a \$9.7 million debt against Station 5, which is subtracted from the asset replacement value to capture only the District’s equity. As shown in the last row of Figure II-1, the total replacement value of FFFD’s current capital facilities is approximately \$70 million.

Figure II-1.
Frederick-Firestone Fire Protection District Current Assets, 2025

Type of Capital Facilities	Replacement Value	Debt Against Asset	Equity Position for Fee Calculation
Buildings and Land			
Station 1, 31 Walnut Drive, Frederick	\$7,200,000	-	\$0 = \$7,200,000
Station 2, 3991 Rowe Street, Frederick	\$8,668,000	-	\$0 = \$8,668,000
Station 3, 6800 Tillbury Avenue, Firestone	\$8,306,000	-	\$0 = \$8,306,000
Station 4, 10706 WCR 7, Frederick	\$12,578,000	-	\$0 = \$12,578,000
Station 5, 3725 Glacier Way, Frederick	\$13,464,000 ^[1]	-\$9,687,642	= \$3,776,358
Administration Building	\$11,814,000	-	\$0 = \$11,814,000
Vehicles and Apparatus			
Specialized engines, aerial, rescue, and pumper trucks	\$10,525,378	-	\$0 = \$10,525,378
Ambulances	\$2,002,000	-	\$0 = \$2,002,000
Support and fleet vehicles & apparatus	\$1,780,800	-	\$0 = \$1,780,800
Miscellaneous Equipment			
Equipment including medical, extraction, portable, communications, and IT	\$2,759,268	-	\$0 = \$2,759,268
Impact Fee Balance			
Fund Balance	\$537,917	-	\$0 = \$537,917
Total Value of Fire Capital Facilities for Fee Calculation			\$69,947,721

Notes: [1] From its 2022 General Obligation Loan, the District has drawn down funds totaling approximately \$9.7 million for the construction of Station 5. This existing debt has been subtracted from the full replacement value of the station to reflect the District’s equity in the asset. Remaining proceeds from the GO loan will be put toward District facilities not yet built.

Source: Frederick-Firestone Fire Protection District; BBC Research & Consulting, 2025.

Current land use. BBC used the current pattern of development in FFFD’s service area as a basis for allocating capital expansion costs between different types of land uses. Figure II-2 presents the breakdown of units and square footage for residential and non-residential development, based on current data from the Weld County Assessor. As shown in Figure II-2, the majority of the development in the service area is residential (72 percent single family residential and 5.5 percent multi-family residential) while 23 percent is non-residential.

**Figure II-2.
Residential and Non-
residential Square
Footage in the FFFD
Service Area, 2025**

Source:
Weld County Assessor; BBC
Research & Consulting, 2025.

Development Type	Unit Count	Total Square Footage	Percent of Total Square Footage
Residential	13,177	24,899,513	77.2%
Single family residential	11,655	23,125,498	71.7%
Dwellings less than 1,000 SF	347	294,153	0.9%
Dwellings 1,000 to 1,499 SF	2,195	2,867,108	8.9%
Dwellings 1,500 to 1,999 SF	3,897	6,829,205	21.2%
Dwellings 2,000 to 2,499 SF	3,040	6,758,669	20.9%
Dwellings 2,500 to 2,999 SF	1,490	4,044,035	12.5%
Dwellings 3,000 to 3,499 SF	531	1,694,523	5.3%
Dwellings 3,500 to 3,999 SF	78	289,486	0.9%
Dwellings 4,000 to 4,499 SF	58	240,464	0.7%
Dwellings 4,500+ SF	19	107,855	0.3%
Multifamily residential	1,522	1,774,015	5.5%
Non-residential	791	7,366,459	22.8%
Commercial, retail, & office	346	2,307,775	7.2%
Warehouse & industrial	388	4,003,412	12.4%
Public & institutional	57	1,055,272	3.3%

Impact fee calculation. Figure II-3, on the following page, uses FFFD’s current service standards and capital replacement costs to determine appropriate residential and non-residential fees. BBC used the existing land use patterns in the District’s service area as a proxy for the assignment of costs to particular types of development. Figure II-3 presents fee calculations for each relevant type of development. The total \$69.9 million value of FFFD’s capital facilities is shown in Figure II-3 and is a core component of the fee calculation.

- The first step in calculating impact fees was to allocate the total value proportionally to each type of development, based on existing land use patterns in the District’s service area. Thus, BBC allocated \$50.1 million to single family residential development (or, 71.7 percent); \$3.8 million to multifamily residential development (or, 5.5 percent); and \$16.0 million to non-residential development (or 22.8 percent).
- Next, BBC calculated the amount that each new unit of development must pay to replicate the existing service standard by dividing each development type’s capital burden by the existing number of development units. For example, the \$3.8 million of capital associated with multifamily residential development was divided by the existing number of 1,522 multifamily units to derive a per-unit value.

The result of allocating the capital burden in the manner described above resulted in full cost-recovery impact fees shown in the rightmost column of Figure II-3. For example, maximum fees are \$4,820 for a 2,400 square foot house, \$2,527 for a multifamily dwelling, and \$2.17 per square foot for non-residential development. FFFD can choose to charge less than the amounts shown in Figure II-3, but it must apply discounts uniformly to all land use categories.

**Figure II-3.
Maximum Allowable Impact Fees for FFFD**

Calculation of Impact Fees						
	Value of Fire Capital Facilities	Current Land Use Distribution	Costs by Land Use Category	Existing Development	Impact Fee	
Single family residential		71.7%	\$50,132,563	11,655		
Dwellings up to 1,499 SF	x	9.8%	= \$6,853,133 /	2,542	=	\$2,696 per dwelling
Dwellings 1,500-1,999 SF	x	21.2%	= \$14,804,678 /	3,897	=	\$3,799 per dwelling
Dwellings 2,000-2,499 SF	x	20.9%	= \$14,651,767 /	3,040	=	\$4,820 per dwelling
Dwellings 2,500-2,999 SF	\$69.9 million	x	12.5% = \$8,766,853 /	1,490	=	\$5,884 per dwelling
Dwellings 3,000-3,499 SF	x	5.3%	= \$3,673,468 /	531	=	\$6,918 per dwelling
Dwellings 3,500-3,999 SF	x	0.9%	= \$627,562 /	78	=	\$8,046 per dwelling
Dwellings 4,000-4,499 SF	x	0.7%	= \$521,289 /	58	=	\$8,988 per dwelling
Dwellings 4,500+ SF	x	0.3%	= \$233,813 /	19	=	\$12,306 per dwelling
Multifamily residential	x	5.5%	= \$3,845,795 /	1,522	=	\$2,527 per multifamily dwelling unit
Non-residential	x	22.8%	= \$15,969,363 /	7,366,459	=	\$2.17 per square foot

Notes: Existing development is listed in dwelling units for residential and in square feet for non-residential.

Non-residential development includes commercial, retail, office, institutional, industrial, and warehouse space.

Source: Frederick-Firestone Fire Protection District; Weld County Assessor; BBC Research & Consulting, 2025.

Discussion of impact fee results. Within Weld County, FFFD serves a moderately extensive area with rapidly expanding development. This section of the Front Range corridor is among the fastest-growing areas in Colorado. Between 2010 and 2020, population increased dramatically in both Frederick (67 percent increase) and Firestone (61 percent increase),³ and the District has expanded its capital facilities to meet the service demands of the growing residential and non-residential development.

The recommended maximum impact fees (Figure II-3) are comparable to several fee studies that BBC has recently conducted for Colorado fire districts. Updated fees reflect the current value and reality of providing comprehensive fire protection services to an area of mixed and densifying development. The fee study process underscores the District’s commitment to sustaining a high level of service and to equipping its personnel with the facilities and resources needed to respond effectively.

³ U.S. Census Bureau Decennial Census, 2010 and 2020.

Impact fee revenue projections. Impact fees can bring substantial revenue to the District, helping to support necessary facilities expansion as development occurs in the community. Southwestern Weld County—particularly towns such as Frederick and Firestone—has seen an explosive amount of growth in recent decades. Between 2010 and 2020, Frederick’s population increased by 67 percent, from 8,700 to 14,500 residents. Firestone’s population increased by 61 percent in the same period, from 10,100 to 16,400 residents.⁴ This equates to annual growth of approximately 5 percent each year. More recent population data from the Colorado State Demography Office show that this trend has continued in the years since 2020, and that in the decade between 2013 and 2023, Frederick grew by 71 percent and Firestone grew by 68 percent, while Weld County as a whole grew by 33 percent.⁵

The growth trend in Frederick and Firestone is projected to continue. BBC developed revenue estimates for the District using household and employment projections for 15 small-area analysis zones in relevant sections of Frederick, Firestone, and unincorporated Weld County. Projections were derived from the Denver Regional Council of Governments UrbanSim model.⁶ Growth in the number of households in the District is projected at approximately 4.2 percent annually through year 2030, and growth in employment within the District service area is projected at 1.3 percent annually through 2030.

BBC combined these growth projections with the Weld County Assessor data on existing development and the recommended impact fees (shown in Figure II-3) to project potential fee revenues for the District annually from 2025 through 2030. These revenue projections, shown in Figure II-4 on the following page, assume that new development occurs in proportion to existing development and that dwellings increase with household growth while non-residential development increases with employment growth.

⁴ U.S. Census Bureau Decennial Census, 2010 and 2020.

⁵ Colorado State Demography Office, County and Municipal Population Timeseries, <https://demography.dola.colorado.gov>

⁶ Denver Regional Council of Governments, Regional Data Catalog, <https://data.drcog.org>

**Figure II-4.
Projected Annual Impact
Fee Revenues for FFFD,
2025 to 2030**

Note:

Projected development is shown in dwelling units for residential development and in square feet for non-residential development.

Source:

DRCOG Small-area Forecasts 2020; Frederick-Firestone Fire Protection District; Weld County Assessor; BBC Research & Consulting, 2025.

Development Type	Projected Average Annual Growth (dwelling units or sq. ft.)	Projected Annual Revenue 2025 to 2030
Single family residential		
Dwellings up to 1,499 SF	106	\$285,772
Dwellings 1,500-1,999 SF	163	\$619,236
Dwellings 2,000-2,499 SF	127	\$612,097
Dwellings 2,500-2,999 SF	62	\$364,795
Dwellings 3,000-3,499 SF	22	\$152,196
Dwellings 3,500-3,999 SF	3	\$24,137
Dwellings 4,000-4,499 SF	2	\$17,975
Dwellings 4,500+ SF	1	\$12,306
Multifamily residential	64	\$161,715
Non-residential	96,520	\$209,241
Total projected annual revenue		
	Low estimate (25% below avg.)	\$1,844,603
	Average estimate	\$2,459,471
	High estimate (25% above avg.)	\$3,074,339

As shown in Figure II-4, impact fees from future development within the FFFD service area are expected to generate between \$1.8 million and \$3.1 million annually for the District over the next five years, depending on the actual development experienced. These projections illustrate the potential for impact fees to contribute substantially to FFFD’s funding for capital expansion, ensuring that the District’s services keep pace with regional growth without overburdening existing development.

SECTION III.

Summary and Recommendations

The residential and non-residential development impact fees that BBC recommends for FFFD's consideration represent maximum allowable amounts. FFFD may choose to adopt fees below these amounts. If doing so, the District must apply discounts uniformly to all land use categories.

BBC offers the following recommendations regarding implementation of impact fees for Frederick-Firestone Fire Protection District:

- FFFD should provide the development community with a minimum of three to six months' notice prior to implementing updates to the impact fee schedule. This advance notice ensures developers have sufficient time to adjust project budgets and timelines.
- FFFD should establish a process to address unique scenarios that may require further individualization of impact fees. This process should include a mechanism allowing property owners to present data if they believe the fee, as applied, does not accurately reflect the specific impacts of their development, ensuring compliance with *Sheetz v. County of El Dorado, Cal., 601 U.S. 267 (2024)*.
- FFFD should maintain its impact fee fund in an interest-bearing account that is separate and apart from its general fund. All fees collected in accordance with the impact fee schedule shall be deposited and accounted for as required in *Colorado Revised Statutes Title 29, Article 1, Part 8, Section 29-1-803*.
- FFFD should adhere to a written policy governing expenditure of monies from its impact fee fund. Withdrawals from the impact fee fund should only be used to pay for growth-related capital facilities with a service life of five or more years. All proceeds shall be used in conformance with *Colorado Revised Statutes Title 29, Article 20, Part 1, Section 29-20-104.5*.
- FFFD should prohibit the payment of operational expenses with impact fees, including the repair and replacement of existing facilities not necessitated by growth. In cases where FFFD expects new capital facilities to partially replace existing capacity and to partially serve new growth, the District and its legal counsel should determine, to the best of its ability, what percentage of repair and replacement is necessary to serve new development and should use that as the basis of allocating funding for repair and replacement needs.
- FFFD should update its impact fee studies periodically (e.g., every three to five years) as it invests in additional equipment and facilities and as future development occurs, to ensure its impact fees reflect its existing service standards.
- Between updates, FFFD should adjust its impact fees annually at the start of each year based on the U.S. Bureau of Labor Statistics' Mountain-Plains Information Office's consumer price index for the Mountain-Plains Region.¹

¹ <https://www.bls.gov/regions/mountain-plains/cpi-summary>