

M E M O R A N D U M

TO: Mayor and Members of City Council

FROM: Traci Wieland, Community Resources Director

CC: Kathy Hodgson, City Manager

DATE: February 2, 2026

SUBJECT: Park and Open Space Dedication Ordinance Update

Parkland dedication requirements enable the City to require new developments to pay a proportionate share of the costs of accommodating park demand created by adding new residents to the community. The City first adopted the parkland dedication requirements in 1983, which have been revised and updated numerous times since then. City Council most recently revised the parkland dedication requirements in February of 2025 to ensure delivery of the appropriate amount of parkland, fees, and/or improvements to serve the new residents of the individual development project. These requirements are located within the Building and Construction portion of the Lakewood Municipal Code, Chapter 16 of Title 14.

Revised Regulations

The revised regulations provide options for residential developers to dedicate land to serve as park or open space, complete improvements in lieu of dedicating land, pay a fee in lieu of dedicating land, or a combination of the options. The updated regulations established a preference for land to be dedicated from the development site to meet the neighborhood park requirements, if feasible, especially in those areas of the City that have been found to be in need of parkland and open space relative to the rest of the City. The City continues to make the determination on whether a developer may dedicate land, make improvements in lieu, or pay a fee in lieu. The revisions added creative options for Community Resources to collaborate with developers to make important park and open space improvements or provide neighborhood parkland that is privately maintained with a public access easement.

The updated requirements also established new transparency requirements which include:

- A process for residents to give input on where and how the fee in lieu funds will be spent.
- An annual report provided to City Council and the public on how the fee in lieu funds have been spent.
- A process for posting decisions by the Community Resources Director to accept any portion of the parkland dedication requirement as a fee in lieu.

- A review process for the director’s decisions on certain projects. This includes projects where 100 percent fee in lieu is accepted and where the development’s projected population will be 50 residents or more.

Lastly, the new requirements include an annual review of the fee in lieu. In June of 2024, the per acre fee increased to \$432,727, based on market data for parkland.

Implementation of Revised Regulations

The revised ordinance went into effect February 24, 2025, and staff worked diligently to implement the new requirements. Below is a review of what was completed.

- Parkland dedication information is readily available on the City website at LakewoodCO.gov/ParklandDedication. The website includes a historical overview and background information related to parkland dedication, highlights of the requirements, case-notifications for appealable and non-appealable cases that involve acceptance of fee in lieu, and a public feedback form for appealable cases and use of parkland dedication fees. While the City has not received any submissions to date via the public feedback form, staff routinely has phone and email communication with residents regarding development cases under review, so the number of submissions via the form is not indicative of the number of residents providing overall feedback. This memorandum will be added to the City website, and a link will be included in an upcoming Friday Report email newsletter to further transparency efforts.
- New accounting structures are in place for the revised collection of fees in lieu according to City Council Ward as opposed to Planning District. Fees in lieu collected prior to April 1, 2025 will be expended within the Planning District associated with the development project. Fees in lieu collected on or after April 1, 2025 will be expended within the City Council Ward of the applicable development project.
- The City provided comments related to parkland dedication on 23 development cases subject to the *2018 parkland dedication requirements*. Parkland dedication fees collected in 2025 subject to the 2018 ordinance totaled \$113,190 in District 1 and \$64,260 in District 5. These funds have not been allocated to projects. Balances from previous years were used for the following projects: Wright Street Park, approximately \$1 million; Graham Park, approximately \$100,000; and Quail Park, approximately \$400,000. Final numbers will not be available until the audit is completed.
- The City has provided comments related to parkland dedication on 29 development cases subject to the *2025 parkland dedication requirements*. Only **two** of those cases moved to final project submittal and required public posting of the Community Resources Director’s decision. One case did not meet the projected population threshold of 50 and was not appealable. The other case met the projected population threshold with information posted at the development site and on the City website. No appeals were received after the 30-day posting requirement for the decision to accept 100% fee in lieu. Parkland dedication fees collected in 2025 subject to the 2025 ordinance update totaled \$92,820 by City Council Ward, which is the lowest collection level since 2012. These funds have not been allocated to projects.

<i>Community Park</i>		<i>Neighborhood Park</i>	
Ward 1	3,895	Ward 1	3,245
Ward 4	46,740	Ward 4	38,940

- The City worked closely with applicants to educate, inform, and collaborate to move toward increased parkland dedication, especially in those areas of the City that have been found to be in need of parkland and open space relative to the rest of the City.
- Community Resources has been working closely with several developers on sites that include an affordable housing component but do not fully meet the requirements to waive parkland dedication. Thus far, only one project has proposed a concept that meets the parkland dedication exemption that requires 100% of units be affordable pursuant to the metrics outlined in Proposition 123 (C.R.S. § 29-32-101(2)), with such income restrictions documented through recorded deed restriction for a minimum period of twenty years.

Observations and Recommendations

The number of development projects that reached formal project submittal halted in late 2024, then slowly increased over the course of 2025 after the revised requirements went into effect in February. Staff expects the number of projects reaching final project submittal in 2026 to continue to remain low compared to previous years.

Lakewood’s Economic Development Department indicates Lakewood’s residential market will continue to soften, with projects taking longer to sell and lease once they’re built. At the same time, developers are facing higher construction and labor costs, higher interest rates, and increasing insurance premiums that are challenging project feasibility. The future of the zoning code adoption also creates uncertainty within the development community. Staff believes the increase in the per acre fee in lieu of \$254,545 per acre in 2018 to \$432,727 in June of 2024 continues to be reasonable as affordability continues to be a concern and priority for City Council and as parkland values have recently decreased. A per unit comparison is depicted in the table below to illustrate the progression of fee increases.

	1983 Per Unit	2018 Per Unit	2025 Per Unit
Single Family	700	4200	7140
Multi Family	700	2100	3570
Senior	700	1750	2975

At this time, City staff collectively do not recommend increasing the per acre fee in lieu, currently set at \$432,272, as it may be one component of many that could further constrain housing construction, particularly infill and multifamily development, when the market is already less predictable and unstable.

Staff does not currently recommend making any revisions to the current requirements until additional data is collected and additional plan review is completed, allowing for a more robust discussion and consideration of potential revisions to the ordinance and/or the per acre fee in lieu. Staff recommends continuing to look at this issue over the coming year in the context of other City initiatives that have the potential to add to the cost of development, including work by the Housing Policy Committee on inclusionary housing policy.