



**CITY OF TWIN FALLS
DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE
Thursday, October 25, 2012 – 12:00 p.m. Special Meeting
City Council Chambers
305 3rd Avenue East – Twin Falls, Idaho**

AGENDA

DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE MEMBERS:

John Bonnett	Kent Collins	Jeff Gooding	Vacant	Tony Hughes	Brent Jussel	Dusty Tenney	Doug Vollmer	Brad Wills
Chairman					Vice- Chairman			

- I. Call Meeting to Order
- II. Consideration of the Minutes from the April 26, 2012 Meeting
- III. Review member terms
- IV. Review and discuss the Fiscal Year 2012 Impact Fee Financial Report
- V. Consider a recommendation to the City Council regarding the automatic fee increase scheduled for January 1, 2013
- VI. Next Committee meeting
- VII. Adjourn

**Any person(s) needing special accommodations to participate in the above noticed meeting should contact Lisa Strickland at (208) 735-7267 at least two working days before the meeting.*

I. Call Meeting to Order

II. Consideration of the Minutes from the April 26, 2012 Meeting

The minutes from the last meeting are attached and ready for your approval.

III. Review Member Terms

We were fully staffed on the Committee for one meeting. When Suzanne Hawkins was appointed to the City Council, she resigned her position on this Committee. So, we are back to being short one committee member.

2012 Development Impact Fee Advisory Committee Membership

City Code 2-10-3(A): There shall be (9) voting members of said Committee, to be appointed by the Mayor and confirmed by the City Council. Four (4) or more members shall be active in the business of development, building or real estate.

Name	Related Business	Term	Contact Information
John Bonnett Chairman 2012	No	First full term expires 3/2013	Office: 736-9919 johnhbonnett@gmail.com
Brad Wills	Yes – Developer/Builder	First partial term expires 3/2013	bradw@willsinc.com bradwills@cox.net
Tony Hughes	Yes - Builder	First full term expires 3/2013	tony.stonecreek@gmail.com
Kent Collins	Yes - Realtor	Second full term expires 3/2014	kent@prudentialidahohomes.com
Jeff Gooding	Yes - Builder	Second full term expires 3/2014	jgooding@pmt.org
Doug Vollmer	Yes – Developer/Appraiser	Second full term expires 3/2014	doug@areaidaho.com
Dusty Tenney	No	Second full term expires 3/2015	Office: 731-1934 dustytenney@yahoo.com
Brent Jussel Vice-Chairman 2012	No	First full term expires 3/2015	Office: 732-5730 x3006 bjussel@cableone.net
Vacant	-	Term expires 3/2015	-
Chris Talkington	Council Liaison	Appointed as Liaison 1/2012	CTalkington@tfid.org

IV. Review and discuss the Fiscal Year 2012 Impact Fee Financial Report

The 2012 financial report is provided below for your review. Following your review, staff will prepare the annual impact fee report from the Committee to the City Council and include the financial report below in the annual report.

**City of Twin Falls
Summary of Impact Fee Activity**

9/30/2012	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>	(Preliminary) <u>11-12</u>	<u>Total</u>
REVENUES:					
Residential Impact Fees-Police	\$ 2,820	\$ 20,924	\$ 16,726	\$ 25,748	\$ 66,218
Non-resid. Impact Fees-Police	\$ -	\$ 1,644	\$ 5,412	\$ 57,916	\$ 64,971
Subtotal-Police	<u>\$ 2,820</u>	<u>\$ 22,567</u>	<u>\$ 22,138</u>	<u>\$ 83,665</u>	<u>\$ 131,190</u>
Residential Impact Fees-Fire	\$ 8,055	\$ 60,063	\$ 47,776	\$ 73,520	\$ 189,414
Non-resid. Impact Fees-Fire	\$ -	\$ 4,602	\$ 15,150	\$ 155,071	\$ 174,823
Subtotal-Fire	<u>\$ 8,055</u>	<u>\$ 64,664</u>	<u>\$ 62,927</u>	<u>\$ 228,591</u>	<u>\$ 364,237</u>
Residential Impact Fees-Streets	\$ 4,065	\$ 30,545	\$ 23,734	\$ 42,530	\$ 100,874
Non-resid. Impact Fees-Streets	\$ -	\$ 21,773	\$ 46,497	\$ 173,666	\$ 241,937
Subtotal-Streets	<u>\$ 4,065</u>	<u>\$ 52,319</u>	<u>\$ 70,231</u>	<u>\$ 216,196</u>	<u>\$ 342,811</u>
Residential Impact Fees-Parks	\$ 9,150	\$ 67,402	\$ 54,270	\$ 82,022	\$ 212,845
Subtotal-Parks	<u>\$ 9,150</u>	<u>\$ 67,402</u>	<u>\$ 54,270</u>	<u>\$ 82,022</u>	<u>\$ 212,845</u>
Interest Income	\$ -	\$ 2,137	\$ 1,846	\$ 12,506	\$ 16,489
	<u>\$ 24,090</u>	<u>\$ 209,089</u>	<u>\$ 211,412</u>	<u>\$ 622,980</u>	<u>\$ 1,067,572</u>
EXPENDITURES:	\$ -	\$ -	\$ -	\$ -	\$ -
DIFFERENCE:	<u>\$ 24,090</u>	<u>\$ 209,089</u>	<u>\$ 211,412</u>	<u>\$ 622,980</u>	<u>\$ 1,067,572</u>

In addition to the Financial Report above, the Annual Impact Fee Report to the City Council should also include other recommendations from the Committee. City Code requires that the committee:

1. "File periodic reports, at least annually, with respect to the Capital Improvements Plan and report to the governmental entity any perceived inequities in implementing the plan or imposing the development impact fees; and"
2. "Advise the governmental entity of the need to update or revise land use Assumptions, Capital Improvements Plan and Development Impact Fees."

Therefore, the Committee should discuss what, if any, recommendations to make to the City Council in this year's Impact Fee Annual Report. Staff recommends that the Committee discuss this issue and make a recommendation to the Council regarding the Committee's desired updates, if any, to the Land Use Assumptions or Capital Improvement Plans. The Committee's recommendation will be included in the Annual Impact Fee Report to the City Council.

One item in particular that the Committee has asked to review is the growth projections used to calculate the impact fees. As you all know, the growth rate is a key factor in the impact fee program. Impact fees can only be

used to provide infrastructure needed to accommodate growth. The CIPs include projects needed because of growth. The cost of improvements is spread out among future development. So, if a growth projection changes, it could mean dramatic changes to the impact fee program. As growth slows, improvements will not be needed as soon and there will be fewer units to bear the cost of the improvements.

There has been a concern about the growth rate used in our impact fee program, particularly that the rate used is too high. The growth rate in the impact fee program was taken from the City's comprehensive plan. That plan was completed at about the same time that the impact fee report was completed, January 2009. The growth rate assumes about 550 new single family homes per year. In the three full years since the program was approved, we have experienced new single family construction starts of 159, 96, and 151 respectively – nowhere near the 550 per year anticipated in the program. This concern caused us to budget for an amendment to our Comprehensive Plan to review and potentially adjust our long term growth projections.

We have done some preliminary investigation into this issue. The City has hired Kushlan & Associates, a planning firm out of Boise, to assist the City with the creation of a Strategic Plan update. As part of the strategic plan work, Kushlan has provided us with some demographic and growth data that was prepared by Arthur C. Nelson, a professor at the University of Utah and the President and Director of the Metropolitan Research Center, also at the University of Utah. Arthur Nelson's work suggests that Idaho will see significant growth between now and 2030, particularly the Snake River Plane area of Idaho, with Twin Falls at the epicenter of that growth. His projections include a 2030 Twin Falls population of 67,000 people. The Comprehensive Plan estimates that the Twin Falls city population will be 66,471 in 2030. The two projections are nearly identical. This preliminary information suggests that if we were to go through a process to update our long term growth projections in the Comprehensive Plan, we'd end up with something very similar to what we already have. The preliminary information gives me a lot more confidence in what we've already established and suggests that we do not need to go through a revision or update.

V. Consider a recommendation to the City Council regarding the automatic fee increase scheduled for January 1, 2012

As recommended by the Committee, the Council has elected for two years in a row to forego the automatic fee increase (1.1% on 1/1/11 and 5.1% on 1/1/12). Fee amounts have not changed since January 2010. The current fee schedule is below.

Total Fees	Original	
	Fees	1-Jan-10
Single Family (per dwelling unit)	\$ 1,606	\$ 1,623.67
Multifamily (per dwelling unit)	\$ 1,513	\$ 1,529.64
Retail (per square foot)	\$ 1.68	\$ 1.6985
Office (per square foot)	\$ 0.78	\$ 0.7886
Industrial (per square foot)	\$ 0.67	\$ 0.6774
Institutional (per square foot)	\$ 0.46	\$ 0.4651

The reason for last year's recommendation to forego the automatic fee increase was directly related to the state of the economy and the level of building activity in the community. Building activity is still low, but rising. Fiscal Year 2012 increased over Fiscal Year 2011 in nearly every category. However, the Committee may still want to discuss whether or not to make a similar recommendation to the City Council regarding the automatic fee increase scheduled for January 1, 2013.

The current Municipal Cost Index percentage change from August 2011 to August 2012 is 1.3%. We won't know exactly what the percent change in January will be until then. As a reminder, the inflation factor built into our impact fee ordinance is there to accommodate for project cost increases. So, if the City chooses not to increase the fees again this year, our fee collections will again fall behind the project costs.

VI. Next Committee meeting

The next tentative meeting date is Thursday, April 25, 2013.

VII. Adjourn