



CITY OF TWIN FALLS
DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE
Thursday, May 15, 2014 – 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 Chairman	David Gagliano	Tony Hughes	Brent Jussel Vice- Chairman	Gerald Martens	Susan Petruzzelli	Dusty Tenney	Brad Wills	Vacant
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Special Meeting Notice Development Impact Fee Advisory Committee

- I. Call Meeting to Order
- II. Introduction of new Committee members
- III. Consideration of the Minutes from the March 13, 2014 Meeting
- IV. Election of Committee officers
- V. Discussion of the impact fee financial report
- VI. Consideration of a recommendation to include impact fee eligible projects in the City's budget
- VII. Next Committee meeting
- VIII. Adjourn

Si desea esta información en español, llame Leila Sanches al (208) 735-7287
Any person(s) needing special accommodations to participate in the above noticed meeting should contact Lisa A. Strickland at
(208) 735-7267 at least two (2) working days before the meeting.

I. Call Meeting to Order

II. Introduction of new Committee members

The Mayor and Council recently appointed three new members to our Committee. David Gagliano, Gerald Martens, and Susan Petruzzelli have all been appointed to their first three year terms. Welcome to the Committee. We look forward to working with you.

III. Consideration of the minutes from the March 13, 2014 meeting

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

IV. Election of Committee officers

The current officers are John Bonnett, Chairman and Brent Jussel, Vice-Chairman. We'll need a motion and vote to either re-affirm the current officers or select new officers.

V. Discussion of the impact fee financial report

The financial report is attached for your review. It was prepared including fee data through April 30, 2014. This financial report shows the second half of the impact fee for Chobani that were paid in 2013. The fee table is also provided below. It has been updated to show the fee increase from the January MCI automatic adjustment.

Impact Fee Rates

	Original	1/1/2010	1/1/2013	1/1/2014
Total Fees				
Single Family (per dwelling unit)	\$ 1,606	\$ 1,624	\$ 1,656	\$ 1,679
Multifamily (per dwelling unit)	\$ 1,513	\$ 1,530	\$ 1,560	\$ 1,582
Retail (per square foot)	\$ 1.68	\$ 1.70	\$ 1.73	\$ 1.76
Office (per square foot)	\$ 0.78	\$ 0.79	\$ 0.80	\$ 0.82
Industrial (per square foot)	\$ 0.67	\$ 0.68	\$ 0.69	\$ 0.70
Institutional (per square foot)	\$ 0.46	\$ 0.47	\$ 0.48	\$ 0.48

VI. Consideration of a recommendation to include impact fee eligible projects in the City's budget

As shown on the financial report, the City has collected \$388,571 in park impact fees. The current Parks Capital Improvements Plan (CIP) contains an impact fee funded project to expand the Parks Department shop at a cost of \$212,648. The need for expansion to the shop is driven by the additional park area that has come into the City's park system and the related personnel and equipment needed to maintain the additional acreage. The project has been on the CIP since we adopted the program in 2009. Parks Department staff has requested \$140,000 in the coming FY2015 budget to construct an addition to their current shop facility. The request is to fund that addition with park impact fee funds. The project is eligible for impact fee funding and we have enough money in the bank to cover the expense. As we have done before, we are asking for the Committee to review this request, discuss it, and make a recommendation to City administration and the City Council regarding the inclusion of this project in the upcoming FY2015 budget.

VII. Next Committee meeting

The next regularly scheduled meeting date is tentatively set for Thursday, October 23, 2014.

VIII. Adjourn

City of Twin Falls
Summary of Impact Fee Activity

5/13/2014

4/30/2014

	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>	<u>13-14</u>	<u>Total</u>
REVENUES:							
Residential Impact Fees-Police	\$ 2,820	\$ 20,924	\$ 16,726	\$ 25,748	\$ 36,926	\$ 17,374	\$ 120,519
Non-resid. Impact Fees-Police	\$ -	\$ 1,644	\$ 5,412	\$ 57,916	\$ 64,520	\$ 24,078	\$ 153,569
Subtotal-Police	<u>\$ 2,820</u>	<u>\$ 22,567</u>	<u>\$ 22,138</u>	<u>\$ 83,665</u>	<u>\$ 101,445</u>	<u>\$ 41,453</u>	<u>\$ 274,088</u>
Residential Impact Fees-Fire	\$ 8,055	\$ 60,063	\$ 47,776	\$ 73,520	\$ 105,271	\$ 49,528	\$ 344,213
Non-resid. Impact Fees-Fire	\$ -	\$ 4,602	\$ 15,150	\$ 155,071	\$ 181,642	\$ 44,618	\$ 401,084
Subtotal-Fire	<u>\$ 8,055</u>	<u>\$ 64,664</u>	<u>\$ 62,927</u>	<u>\$ 228,591</u>	<u>\$ 286,913</u>	<u>\$ 94,147</u>	<u>\$ 745,297</u>
Residential Impact Fees-Streets	\$ 4,065	\$ 30,545	\$ 23,734	\$ 42,530	\$ 51,288	\$ 25,006	\$ 177,168
Non-resid. Impact Fees-Streets	\$ -	\$ 21,773	\$ 46,497	\$ 173,666	\$ 192,210	\$ 53,917	\$ 488,064
Subtotal-Streets	<u>\$ 4,065</u>	<u>\$ 52,319</u>	<u>\$ 70,231</u>	<u>\$ 216,196</u>	<u>\$ 243,498</u>	<u>\$ 78,924</u>	<u>\$ 665,232</u>
Residential Impact Fees-Parks	\$ 9,150	\$ 67,402	\$ 54,270	\$ 82,022	\$ 119,510	\$ 56,216	\$ 388,571
Subtotal-Parks	<u>\$ 9,150</u>	<u>\$ 67,402</u>	<u>\$ 54,270</u>	<u>\$ 82,022</u>	<u>\$ 119,510</u>	<u>\$ 56,216</u>	<u>\$ 388,571</u>
Interest Income-Adj for Unrealized Gain or Loss	\$ -	\$ 2,137	\$ 1,846	\$ 8,778	\$ (4,411)	\$ 15,917	\$ 24,267
	<u>\$ 24,090</u>	<u>\$ 209,089</u>	<u>\$ 211,412</u>	<u>\$ 619,252</u>	<u>\$ 746,955</u>	<u>\$ 286,656</u>	<u>\$ 2,097,454</u>
EXPENDITURES:							
Street light project	\$ -	\$ -	\$ -	\$ -	\$ 37,260	\$ 378,688	\$ 415,948
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,260</u>	<u>\$ 378,688</u>	<u>\$ 415,948</u>
DIFFERENCE:	<u>\$ 24,090</u>	<u>\$ 209,089</u>	<u>\$ 211,412</u>	<u>\$ 619,252</u>	<u>\$ 709,695</u>	<u>\$ (92,032)</u>	<u>\$ 1,681,507</u>



CITY OF TWIN FALLS
SPECIAL MEETING MINUTES
DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE
Thursday, March 13, 2014 12:00 PM
City Council Chambers
305 3rd Avenue East – Twin Falls, Idaho

DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE MEMBERS:

John Bonnett Chairman	Kent Collins	Jeff Gooding	Tony Hughes Vice-Chairman	Brent Jussel	Dusty Tenney	Doug Vollmer	Brad Wills	VACANT
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CITY STAFF: Humble, Rice, Spendlove, Strickland

MEMBER ATTENDANCE: Bonnett, Collins, Gooding, Hughes, Jussel, Tenney, Vollmer, Wills

STAFF ATTENDANCE: Humble, Rice, Rothweiler, Spendlove, Strickland

I. Call Meeting to Order

Chairman Bonnett called the meeting to order at 12:06 pm. and confirmed a quorum.

II. Consideration of Minutes: [February 20, 214](#)

Motion:

Commissioner Wills made a motion to approve the minutes. Commissioner Hughes seconded the motion. All members present voted in favor of the motion.

Unanimously Approved

Chairman Bonnett stated this is a public meeting and the public is welcome to hear the discussion however it is not a public hearing. The purpose of a public hearing is to give both sides the opportunity to state their case and defined their position, and in this situation both sides are not represented. Based on this information the determination is that the public will not be heard and reminded the public that any recommendation made today will move forward to the City Council for a final decision.

City Manager Rothweiler stated that if you take a black and white approach to the law where the right of the public is to observe government proceedings and transactions and a public hearing is an opportunity that is published and moves forward. However the City Council has a long standing history of opening items up to the public to hear comments and concerns of possibly impacted individuals; both sides may or may not occur and rarely even at a public hearing is there representation for both sides. He stated that there are individuals in the audience that are concerned about impact fees and how that impacts the future.

Motion:

Member Wills made a motion to allow for input from the audience by question from a Committee member. Member Hughes seconded the motion.

Motion Amendment:

Member Vollmer made a motion to amend that the public be allowed to speak at such time that they want by recognition. Member Gooding seconded the motion.

Motion Amended: Member Wills amended the original motion as stated by Member Vollmer; Member Hughes seconded the amended motion. All members present voted in favor of the motion.

Unanimously Approved

III. Discuss updates/changes to CIP program

- Police CIP Recap:
- Fire CIP Recap:
- Parks & Recreation CIP Recap:
- Streets CIP Recap:

Summary:

Chairman Bonnett summarized the changes that were recommended at the last meeting with regards to the Police, Fire, and Parks and Recreation Capital Improvement Plans. As for the Streets Capital Improvement Plan no recommendations passed therefore the meeting today will be to discuss other possible recommendations. He stated the votes from the last meeting indicated that including all of the streets was not acceptable however excluding all of the streets projects was not acceptable either.

Discussion Followed:

- Member Hughes asked about the public hearing procedure with regards to changes to the impact fees.
- Community Development Director Humble explained that all of this information will move forward through a public hearing process and include recommendations that have been made by this Committee.
- Member Hughes stated since the last meeting he realizes that approving all of the streets projects is not acceptable but to delete all of the projects from the list is also not acceptable. He would recommend that a list of projects be on the CIP and rather than assigning a percentage of growth going to a specific project the money be collected up to a specific amount once and when a project needs to be done it comes back to this body before moving forward. Basically doing the same thing with streets that has been done with traffic signals.
- Community Development Director Humble explained that each project has a different contribution required by the City.
- Member Hughes stated he thinks narrowing it down to specific projects is difficult. If the amount collected was set at a certain number and the project was picked as needed would be a little easier to manage.
- Member Tenney stated that with this recommendation it makes it so that impact fees are going to pay for 10% of the growth. This decision would essential create a different approach to the intent of the impact fee.
- Member Hughes stated on streets it is very difficult to rationalize the specific projects, having a cap would be easier than having a specific project and trying to justify that the project is allocated to 100% of growth.
- Member Collins stated that impact fees are having an impact in the market. When you start requiring a \$7 or \$8 dollars a square foot retail impact fee that would kill development. He is not clear on how to justify an increase substantially without hurting the market.
- Member Vollmer explained that the \$2000.00 impact fee can help stop the approval of loans for entry level home buyers. The effort put into collecting this money versus the amount that has been collected is difficult to justify. He wonders if the calculations are incorrect or if the calculations are based on numbers that have been predicted that didn't happen and are not going to happen anytime soon.
- Member Tenney stated that, in essence, tax dollars would pay for growth impacts.
- Member Vollmer stated that it has been done that way for 50 years.
- Member Wills asked Mr. Brent White a member of the audience to explain what he is seeing and how impact fees are impacting the market.

Public Comment:

- Brent White, representing Woodbury Corp. (Magic Valley Mall & Other Retail Centers) reviewed the history of development, there used to be a balanced risk and things have changed tremendously since 9/11 and the recent bail outs. Now the tenant is not playing, they are requiring specific clauses that require multiple commitments. One used to commit and others would follow now they won't commit unless everyone does. If

the performance is not right they have the right to walk away from the commitment and co-tenants have stated if the primary tenant moves out they want their rent to be reduced. The question is how much return do you want on the investment it used to be 10-12% and now it is 8-9% return. If the tenant walks away because of their numbers the percentage reduces to 6%, the co-tenant reduces its rent. These fees deduct from their return on investment, the current impact fee rates have accounted for what the numbers are today. Another \$3.00 +/- per sq. ft. increase makes the return minimal and people may decide not to move forward with their project.

- Member Hughes asked if timing of the changes were scheduled would that make a difference.
- Mr. White stated a change to the equation before the financing is complete makes it difficult to get people to sign commit.
- Community Development Director Humble stated there is an issue related to implementation dates. Originally when the impact fees went into effect a notice was given to the public to get people ready for the change especially for people that are in the negotiation process. He would anticipate that would happen in this case also.

Motion:

Member Hughes made a motion to provide a list of streets projects on the Streets CIP and to allocate \$1.5 million to be used towards a project on the list with approval by the Impact Fee Committee when the project becomes necessary. Member Vollmer seconded the motion. Members Vollmer, Hughes, Jussel, Collins, Bonnett and Wills voted in favor of the motion. Members Tenney and Gooding voted against the motion.

Motion Passed 6-2

		Current	\$Diff	%Diff
Street Fees				
Single Family (per dwelling unit)	\$ 501	\$ 283	\$ 218	77%
Multifamily (per dwelling unit)	\$ 329	\$ 186	\$ 143	77%
Retail (per square foot)	\$ 2.40	\$ 1.36	\$ 1.04	76%
Office (per square foot)	\$ 0.74	\$ 0.42	\$ 0.32	75%
Industrial (per square foot)	\$ 0.53	\$ 0.30	\$ 0.23	79%
Institutional (per square foot)	\$ 0.15	\$ 0.08	\$ 0.06	79%

Discussion Followed:

- Community Development Director Humble explained he thinks that this will work and the staff could provide a list of growth related projects that would be bigger than the one presented.
- Member Hughes stated with a cap it would be easier to provide a larger list.
- Community Development Director Humble explained that he thinks if the impact fee is too high it will discourage growth.
- Member Gooding stated he has an issue with a longer list and it becoming a catch all.
- Member Hughes stated if it is done as proposed in the motion staff has to come back to the Impact Fee Committee to request approval for the use of the Impact Fee money. This provides a process for them to go through.

Motion:

Member Gooding made a motion that if the proposed changes are approved that implementation of the change be scheduled to occur October 1, 2014. Member Collins seconded the motion.

Unanimously Approved

Chairman Bonnett thanked all of the outgoing members for their service.

IV. **Next Committee meeting:** April 24, 2014 11:30

V. **Adjourn:**
Chairman Bonnett adjourned the meeting at 2:00 pm.

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