



CITY OF TWIN FALLS
DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE
AGENDA
Wednesday, October 29, 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. Consideration of the Minutes from the May 15, 2014 Meeting
- III. Review member terms
- IV. Review and discuss the Fiscal Year 2014 Impact Fee Financial Report
- V. Discuss recommendation to the City Council regarding the fee increase scheduled for January 1, 2015
- VI. Next Committee meeting
- VII. Adjourn

Si desea esta información en español, llame Leila Sanchez al (208) 735-7287

**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 May 15, 2014 Meeting

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

III. Review Member Terms

In May, we welcomed three new Committee members: David Gagliano, Gerald Martens, and Susan Petruzzelli. In March 2015, Brent Jussel's first full term on the Committee will expire. Brent is eligible to be reappointed to a second full term, if he desires. Also in March, we have another one of our initial Committee members whose time on our committee will be expiring. Dusty Tenney has been on the committee since it was first created in 2008. He is not eligible for reappointment. We are also still short one committee member. That means that before our April meeting, we will need to fill two or three (depending on Brent's reappointment) vacancies on the committee. We have the required minimum number of Committee members who actively work in a building or development related field, so the new appointments can be any City resident.

2014 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
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	-
John Bonnett Chairman 2012	No	Second full term, expires 3/2016	Office: 736-9919 johnhbonnett@gmail.com
Brad Wills	Yes – Developer & Builder	First full term, expires 3/2016	bradw@willsinc.com bradwills@cox.net
Tony Hughes	Yes – Builder	Second full term, expires 3/2016	tony.stonecreek@gmail.com
David Gagliano	No	First full term, expires 3/2017	diamondpaintinginc@gmail.com
Gerald Martens	Yes – Developer & Engineer	First full term, expires 3/2017	gmartens@ehmnc.com
Susan Petruzzelli	Yes – Electrical Contractor	First full term, expires 3/2017	petz@cableone.net
Chris Talkington	Council Liaison	Appointed as Liaison 1/2012	CTalkington@tfid.org

IV. Review and discuss the Fiscal Year 2014 Impact Fee Financial Report

The 2014 financial report is attached for your review. Following your review, staff will prepare the Annual Impact Fee Report from the Committee to the City Council and will include the attached financial report.

In addition to the Financial Report, 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."

As you are all aware, the City recently adopted a significant update to the impact fee program, including several amendments to the capital improvement plans, the planning horizon, and the fee amounts. The Committee was very involved in the creation of the update. Following the Committee's update work, the revised program was reviewed by the Planning & Zoning Commission at a public hearing. The Commission recommended approval of the update to the City Council. The Council then reviewed and approved the update at a subsequent public hearing. The new program went into effect earlier this month, on 10/1/14.

As expected, the City's Building Inspections Department received an elevated number of building permit requests in the two weeks leading up to the update implementation. We received 11 new commercial permits and 13 new residential permits in the final two weeks of September. What we have typically seen over the last five years has been maybe 4 new commercial permits and 7 new residential permits in that same time frame. We feel the updated impact fees did cause some developers to change the timing of their permit requests.

By comparison, when we adopted impact fees for the first time on August 1, 2009, we saw over 70 new residential permits applied for in the 3 days before 8/1/09. Several of those permits were not picked up for over six months. Some expired altogether. Many of those permits were amended with change orders after their submittal.

For these reasons, we believe that the application increase in July 2009 was much more speculative than the slight increase prior to this update on 10/1/14. We believe that the permits applied for during the last two weeks of September would have come in anyway, but came in a little earlier than planned to beat the fee increase. Given our experience in 2009, we expected a greater increase of applications at the end of September than we actually realized. I believe that is an indicator that the program updates that were created are being more positively accepted by the building community than the new fees were in 2009.

Since the impact fee program was so recently updated, we do not have much data to suggest that any further changes are needed or not. However, the Committee should certainly discuss what, if any, recommendations to make to the City Council in this year's Annual Impact Fee Report. The Committee's recommendation will be included in the Report to the City Council, typically presented in December.

V. Discuss recommendation to the City Council regarding the fee increase scheduled for January 1, 2015

As recommended by the Committee, the Council allowed the 1/1/14 automatic increase to occur. That was a 1.4% increase and yielded the fee schedule provided below.

	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

However, we have since abandoned that fee schedule with the adoption of the program update effective 10/1/14. The new fee schedule is:

Total Fees	
Single Family (per dwelling unit)	\$ 1,994
Multifamily (per dwelling unit)	\$ 1,822
Retail (per square foot)	\$ 2.86
Office (per square foot)	\$ 1.20
Industrial (per square foot)	\$ 0.99
Institutional (per square foot)	\$ 0.61

The Municipal Cost Index percentage change from September 2013 to September 2014 is 1.64%. 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. The ordinance is set up so that the increase is automatic, unless the City takes action to prevent the increase from happening. Since recently adopted update became effective on 10/1/14, we may not want to increase the fees again so soon after their implementation. However, the current fees are based on project costs that were estimated early in 2014, so a cost escalator may be something worth considering. Either way, the Committee should discuss and make a recommendation to the Council regarding the increase scheduled for January 1, 2015.

VI. Next Committee meeting

The next regular meeting date is Thursday, April 23, 2015.

VII. Adjourn

City of Twin Falls
Summary of Impact Fee Activity

10/27/2014

	(preliminary)						
	08-09	09-10	10-11	11-12	12-13	9/30/2014 13-14	10/24/2014 14-15
REVENUES:						Total	
Residential Impact Fees-Police	\$ 2,820	\$ 20,924	\$ 16,726	\$ 25,748	\$ 36,926	\$ 43,378	\$ 146,523
Non-resid. Impact Fees-Police	\$ -	\$ 1,644	\$ 5,412	\$ 57,916	\$ 64,520	\$ 32,194	\$ 161,685
Subtotal-Police	<u>\$ 2,820</u>	<u>\$ 22,567</u>	<u>\$ 22,138</u>	<u>\$ 83,665</u>	<u>\$ 101,445</u>	<u>\$ 75,572</u>	<u>\$ 308,207</u>
Residential Impact Fees-Fire	\$ 8,055	\$ 60,063	\$ 47,776	\$ 73,520	\$ 105,271	\$ 123,712	\$ 418,397
Non-resid. Impact Fees-Fire	\$ -	\$ 4,602	\$ 15,150	\$ 155,071	\$ 181,642	\$ 68,153	\$ 424,619
Subtotal-Fire	<u>\$ 8,055</u>	<u>\$ 64,664</u>	<u>\$ 62,927</u>	<u>\$ 228,591</u>	<u>\$ 286,913</u>	<u>\$ 191,866</u>	<u>\$ 843,016</u>
Residential Impact Fees-Streets	\$ 4,065	\$ 30,545	\$ 23,734	\$ 42,530	\$ 51,288	\$ 57,803	\$ 209,965
Non-resid. Impact Fees-Streets	\$ -	\$ 21,773	\$ 46,497	\$ 173,666	\$ 192,210	\$ 143,034	\$ 577,181
Subtotal-Streets	<u>\$ 4,065</u>	<u>\$ 52,319</u>	<u>\$ 70,231</u>	<u>\$ 216,196</u>	<u>\$ 243,498</u>	<u>\$ 200,837</u>	<u>\$ 787,146</u>
Residential Impact Fees-Parks	\$ 9,150	\$ 67,402	\$ 54,270	\$ 82,022	\$ 119,510	\$ 140,432	\$ 472,787
Subtotal-Parks	<u>\$ 9,150</u>	<u>\$ 67,402</u>	<u>\$ 54,270</u>	<u>\$ 82,022</u>	<u>\$ 119,510</u>	<u>\$ 140,432</u>	<u>\$ 472,787</u>
Interest Income-Adj for Unrealized Gain or Loss	\$ -	\$ 2,137	\$ 1,846	\$ 8,778	\$ (4,411)	\$ 23,598	\$ 31,948
	<u>\$ 24,090</u>	<u>\$ 209,089</u>	<u>\$ 211,412</u>	<u>\$ 619,252</u>	<u>\$ 746,955</u>	<u>\$ 632,305</u>	<u>\$ 2,443,104</u>
EXPENDITURES:							
Street light project	\$ -	\$ -	\$ -	\$ -	\$ 37,260	\$ 373,482	\$ 410,742
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,260</u>	<u>\$ 373,482</u>	<u>\$ 410,742</u>
DIFFERENCE:	<u>\$ 24,090</u>	<u>\$ 209,089</u>	<u>\$ 211,412</u>	<u>\$ 619,252</u>	<u>\$ 709,695</u>	<u>\$ 258,823</u>	<u>\$ 2,032,362</u>
	<u>\$ 17,811</u>						<u>\$ 17,811</u>