



CITY OF TWIN FALLS
DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE
Thursday, April 29, 2010 – 12:00 p.m. Special Meeting
City Council Chambers
305 3rd Avenue East – Twin Falls, Idaho

MINUTES

DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE MEMBERS:

John Bonnett	Gary Burkett	Kent Collins Vice- Chairman	Jeff Gooding	Tony Hughes Chairman	Brent Jussel	Dusty Tenney	Doug Vollmer	Vacant
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PRESENT: Bonnet, Burkett, Gooding, Hughes, Jussel, Tenney, Vollmer

ABSENT: Collins

STAFF: Fields, Humble, Jones, Rothweiler

CITY COUNCIL LIAISON: None

- I. Call Meeting to Order
- II. Welcome new committee member, Brent Jussel
- III. Consideration of the Minutes from the October 27, 2009 Meeting
- IV. Discussion of the impact fee financial report
- V. Discussion on the status of the Committee's recommendation to update the Streets Capital Improvement Plan
- VI. Consideration of a recommendation to include impact fee eligible projects in the City's budget
- VII. Next Committee meeting
- VIII. Adjourn

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

I. Call Meeting to Order

II. Welcome new committee member, Brent Jussel

Committee Member Jussel introduced himself to the committee.

Community Development Manager Humble stated the Council appointed Brent Jussel to the Committee at their 4/19/10 meeting to fill the position that has been vacant since Glenda Dwight's term expired last year. Brent's appointment is a partial term appointment that will expire in 2012. We want to welcome him to the Committee. We are confident that he will be a great addition to the group. We still have one vacancy on the committee due to Bonnie Lezamiz's resignation.

III. Consideration of the Minutes from the October 27, 2009 Meeting

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

UNANIMOUSLY APPROVED

IV. Discussion of the impact fee financial report

PRESENTATION

Community Development Manager Humble stated the financial report is attached for your review. Also attached is a fee schedule showing the current fee amounts. As you will all recall, the adopting ordinance contained an automatic escalation clause. The fee amounts go up each January 1st by a percentage equal to the Municipal Cost Index. For this January 1st the fee increase was 1.1%. The attached schedule shows the new rates for each use.

City of Twin Falls
Impact Fees-Revenue and Expense Report

Revenue:	(through Mar 31st)		Totals
	2008-2009	2009-2010	
Residential-Police	\$ 2,820.00	\$ 9,230.63	\$ 12,050.63
Non-residential-Police	\$ -	\$ 960.90	\$ 960.90
Subtotal-Police	\$ 2,820.00	\$ 10,191.53	\$ 13,011.53
Residential-Fire	\$ 8,055.00	\$ 26,366.19	\$ 34,421.19
Non-residential-Fire	\$ -	\$ 2,690.32	\$ 2,690.32
Subtotal-Fire	\$ 8,055.00	\$ 29,056.51	\$ 37,111.51
Residential-Streets	\$ 4,065.00	\$ 12,933.82	\$ 16,998.82
Non-residential-Streets	\$ -	\$ 19,043.45	\$ 19,043.45
Subtotal-Streets	\$ 4,065.00	\$ 31,977.27	\$ 36,042.27
Residential-P&R	\$ 9,150.00	\$ 29,950.39	\$ 39,100.39
Subtotal-Streets	\$ 9,150.00	\$ 29,950.39	\$ 39,100.39
Interest Income	\$ -	\$ 23.49	\$ 23.49
	\$ -	\$ -	\$ -
Total Revenue	\$24,090.00	\$101,199.19	\$ 125,289.19
Expenditures:			
Police-Capital	\$ -	\$ -	\$ -
Fire-Capital	\$ -	\$ -	\$ -
Streets-Capital	\$ -	\$ -	\$ -
P&R-Capital	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Total Revenue over Expenditures	\$24,090.00	\$101,199.19	\$ 125,289.19

2010 Impact Fee Schedule

Impact Fee Category	2010 Fees
Police Fees	
Residential (per dwelling unit)	\$ 190.07
Nonresidential (per square foot)	\$ 0.10
Fire Fees	
Residential (per dwelling unit)	\$ 542.91
Nonresidential (per square foot)	\$ 0.28
Street Fees	
Single Family (per dwelling unit)	\$ 273.98
Multifamily (per dwelling unit)	\$ 179.96
Retail (per square foot)	\$ 1.31
Office (per square foot)	\$ 0.40
Industrial (per square foot)	\$ 0.29
Institutional (per square foot)	\$ 0.08
Parks & Recreation Fees	
Residential (per dwelling unit)	\$ 616.71
Nonresidential (per square foot)	n/a
Total Fees	
Single Family (per dwelling unit)	\$ 1,623.67
Multifamily (per dwelling unit)	\$ 1,529.65
Retail (per square foot)	\$ 1.69
Office (per square foot)	\$ 0.78
Industrial (per square foot)	\$ 0.67
Institutional (per square foot)	\$ 0.46

*Automatic fee increase per ordinance #2960. Reflects the Municipal Cost Index of +1.1% from 1/1/09 to 1/1/10. Applies to new permits submitted on or after 1/1/10.

V. Discussion on the status of the Committee's recommendation to update the Streets Capital Improvement Plan

PRESENTATION

Community Development Manager Humble stated at the 10/27/09 meeting, the Committee made the recommendation to include two additional street projects in the impact fee calculations. The first is the Falls Avenue from Blue Lakes to Locust project. The second is the Eastland Road project. That project included a mile of new capacity, half paid for from impact fees and half from other City sources. The amount in the impact fee calculations is \$1.5m.

Staff presented the end of the year report to the Council, along with the Committee's recommendation earlier this year. The Council authorized staff to begin the public hearing process to amend the impact fee report. Staff is now preparing the update documentation necessary for the public hearings.

One issue that has caused us some additional work was the automatic increase language in the adopting ordinance. The increase is there to account for inflation of construction costs. However, the wording in the ordinance requires the fee amounts to increase by the inflation amount and not the project costs. An increase in the fees allows us to collect more money, but we still only collect the amount of money included in the capital improvement plans for each project, we just collect it a little faster. The inflation factor should be applied to project costs.

We realized the flaw with the inflation factor language as we began preparing the update documentation for the additional two street projects. That flaw made us go back to the beginning with our update work. Now we need to go through each CIP and update the project cost for every project by the inflation amount, before we add those two projects into the calculations. The amendment will also need to be prepared with a revision to the inflation language to apply the inflation figure to the project costs, rather than the fee amounts. This re-start has slowed us down a bit. We are still working on the update documentation and will proceed with the public hearings as soon as the documentation is prepared.

DISCUSSION FOLLOWED

The Committee Members agreed that the inflation factor be applied to the project cost not to the fee amounts. The recommendation to add the two street projects to the calculations was accepted by the City Council and staff will proceed to the public hearing process. The Committee asked to be notified when the amendment will take place.

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

PRESENTATION

Community Development Manager Humble stated the City has been collecting impact fees since August 1st, 2009. Those fees can only be spent on the projects included in the capital improvement plans contained in the Impact Fee Report. However, in order for the City to actually spend any money on a project, the project has to be included in the City budget. The Committee understood this process and scheduled the April Committee meeting primarily to provide input to City staff regarding the inclusion of impact fee eligible projects in the City's budget.

At this point, the City has not collected enough impact fees in any one category to completely pay for any of the CIP projects. However, we may still want to proceed with a project that is impact fee eligible, but pay for a lesser portion of that project with impact fees. With this in mind, staff would suggest that installing one of the traffic signals on the Streets CIP could be a project that the Committee may want to consider using impact fee funds for in the coming fiscal year. Specifically, there will be a need this summer to install the traffic signal at Pole Line Road and Grandview Drive. This signal is on the CIP with a \$400,000 price tag. Only 75% of that, or \$300,000, is eligible for impact fees though. Right now, we have not collected \$300,000, but we may want to consider using as much as we have collected (\$36,000) toward this signal. We can also discuss any other project that the Committee would like to bring up.

DISCUSSION FOLLOWED

After much discussion on the use of the current funds available in the impact fee account. The committee was charged with making a recommendation.

MOTION

Committee Member Bonnett made a motion to approve spend \$36,000 of the Impact Fees on the signal located at Grandview & Pole Line Road. Committee Member Jussel seconded the motion.

DISCUSSION OF THE MOTION

The members discussed the fact that there will be additional money available to contribute to the signal at Grandview and Pole Line Road once the light is ready to be constructed and to consider allowing up to \$50,000 be used.

MOTION TO AMEND

Committee Member Gooding made a motion to amend the original motion to allow for up to \$50,000 of the Impact Fees to be used on the signal located at Grandview and Pole Line Road. Committee Member Bonnett seconded the motion. Roll call vote was taken and the motion failed 7-0.

ROLL CALL VOTE ON ORIGINAL MOTION

Roll call vote was taken on the original motion without the amendment and the motion failed 5-2. Committee Members Bonnett and Jussel voted in favor of the motion and Committee Members Burkett, Gooding, Hughes, Tenney, and Vollmer voted against the motion.

MOTION FAILED 5-2 RECOMMENDED FOR DENIAL

VII. Next Committee meeting

We are currently targeting Thursday, October 28, 2010 as the potential meeting date.

VIII. Adjourn

Chairman Hughes adjourned the meeting at 1:15pm.

DRAFT



CITY OF TWIN FALLS
DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE
Thursday, October 28, 2010 – 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	Gary Burkett	Kent Collins Vice- Chairman	Jeff Gooding	Tony Hughes Chairman	Brent Jussel	Dusty Tenney	Doug Vollmer	Vacant
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Present: Bonnett, Burkett, Collins, Gooding, Jussel, Tenney, Vollmer

Absent: Hughes

- I. Call Meeting to Order
- II. Consideration of the Minutes from the April 29, 2010 Meeting
- III. Review and discuss the fiscal Year 2010 Impact Fee Financial Report
- IV. Consideration of a request to update the Streets Capital Improvement Plan and amend the impact fee adopting ordinance
- V. Next Committee meeting
- VI. Adjourn

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

I. Call Meeting to Order

Vice Chairman Collins called the meeting to order at 12:00 pm and confirmed a quorum.

II. Consideration of the Minutes from the April 29, 2010 Meeting

Motion:

Member Gooding made a motion to approve the minutes as presented. Member Bonnett seconded the motion.

UNANIMOUSLY APPROVED

III. Review and discuss the Fiscal Year 2010 impact fee financial report

Community Development Director Humble reviewed the exhibits on the overhead. The 2010 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			
<u>Summary of Impact Fee Activity</u>			
	08-09	09-10	Total
REVENUES:			
Residential Impact Fees-Police	\$ 2,820	\$ 20,544	\$ 23,364
Non-resid. Impact Fees-Police	\$ -	\$ 1,644	\$ 1,644
Subtotal-Police	\$ 2,820	\$ 22,187	\$ 25,007
Residential Impact Fees-Fire	\$ 8,055	\$ 58,977	\$ 67,032
Non-resid. Impact Fees-Fire	\$ -	\$ 4,602	\$ 4,602
Subtotal-Fire	\$ 8,055	\$ 63,578	\$ 71,633
Residential Impact Fees-Streets	\$ 4,065	\$ 29,997	\$ 34,062
Non-resid. Impact Fees-Streets	\$ -	\$ 21,773	\$ 21,773
Subtotal-Streets	\$ 4,065	\$ 51,771	\$ 55,836
Residential Impact Fees-Parks	\$ 9,150	\$ 66,168	\$ 75,318
Subtotal-Parks	\$ 9,150	\$ 66,168	\$ 75,318
Interest Income	\$ -	\$ 800	\$ 800
Total Impact Fees Collected	\$ 24,090	\$ 204,505	\$ 228,595
EXPENDITURES:			
	\$ -	\$ -	\$ -
DIFFERENCE:	\$ 24,090	\$ 204,505	\$ 228,595

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.

DISCUSSION FOLLOWED:

- Member Gooding stated he has concerns with the automatic inflation adjustment clause that seems to only allow for increases. Should the verbiage allow for up and down adjustments.
- Community Development Director Humble stated the code reads that in January of each year the fee schedule will be automatically adjusted for increases. The question may be is the Municipal Cost Index the appropriate gauge for the fee establishment.
- Assistant City Manager Rothweiler stated that there are other cost indexes that could be used however the selection of an index needs to be defensible and base on a common collection of known values. There could be parameters on the index that would allow for increases or decreases, the index removes the politics.
- Member Gooding asked at what point can this committee make a recommendation to change the capital improvement plan.
- Community Development Director Humble stated this committee can make a recommendation at any time .
- Assistant City Manager Rothweiler explained that if the MCI index were reviewed today, the committee would be looking at an approximate increase of 3.4%. The MCI index is updated monthly. He suggested that he believes that there are several areas of concern. The 1.5 million dollar per lane mile is that accurate for today, based upon what is being seen in the market, he would expect that this amount is a little high. The 3.4% escalation is another concern because of how slow and soft the housing market is currently. There is a list of Capital Improvement Projects that was created based on the thought that there would be 551 homes built annually, currently that is not the case. If you are going to maintain the current list of improvements but decrease the amount of homes being constructed that will significantly increase the cost of the impact fee. These improvements could also be postponed because the level of development is not occurring as anticipated; meaning the improvements may not be needed as soon as expected. His suggestion would be that the automatic price increase not be implemented in January and at the next meeting the Committee would be able to review the Capital Improvement Plan , the automatic escalator, and get an idea of the true amount of development and go back and make refinements with a policy change that this will be done on a more regular schedule to get a sense of whether or not all of these things match with reality.
- Member Bonnett stated his concern is that we have begun to collect the impact fees and the clock started ticking in August of 2009 and if the funds are not used for their intended funds the money has to be refunded.
- Assistant City Manager Rothweiler explained that there is truly only one area where the revenues could not be used. The amount of money collected for street projects there is not enough money to cover an entire project so all of that money will be able to be use. If parks projects are reviewed that money can be used in completing some of those projects. However the fire fees are being collected to construct another fire station and additional equipment for that station, which is a project that may not be warranted. Communications projects that impact both fire, police and parks have arisen that may warrant some discussion.

- Member Bonnett requested that the department heads give this committee a recommendation on what growth projects the impact fees should be used for and when.
- Community Development Director Humble stated he does have some concerns with the fees being collected for fire however he is not prepared to discuss what the options would be without talking to the Fire Department. Communications is the only project that he currently see would be warranted and the fire portion of the project could be paid for today with the money that has been collected. A new call center, tower installations may be needed and they are working with a communications consultant that will tell the City what portion of the improvements are needed because of growth. Currently it look as though the capital being collected for the fire portion of the Capital Improvement Plan the City may not be able to spend completely because the money can only be spent if the improvements are needed because of growth. There are changes that can be made to the plan to correct this problem but the report from the communications consultant will not be able until January. In April there could be a more in depth discussion. If changes need to be made to the Capital Improvement Plan a public hearing has to take place for Planning & Zoning and the City Council. Suspending the increase in the escalator fee is a quick process it is just a matter of having the City Council approve the recommendation.
- Assistant City Manager Rothweiler explained that fees should not be suspended however consideration should be made for adjusting the Capital Improvement Plan. A recommendation to freeze the escalator currently could be made by the committee so that a review can take place.

MOTION:

Member Tenney made a motion to recommend that the scheduled escalator increase to the impact fee be suspended. Member Bonnett seconded the motion. All members present voted in favor of the motion.

MOTION:

Member Tenney made a motion that the committee examine the Capital Improvement Plan and the growth rate at the next meeting. Member Bonnett seconded the motion. All members present voted in favor of the motion.

IV. Consideration of a request to update the Streets Capital Improvement Plan and amend the impact fee adopting ordinance

Community Development Director Humble reviewed the exhibits on the overhead . He stated at the 10/27/09 meeting, the Committee made the recommendation to include two additional street projects in the impact fee calculations. The first is the Falls Avenue from Blue Lakes to Locust project. The second is the Eastland Road project. That project included a mile of new capacity, half paid for from impact fees and half from other City sources. The amount in the impact fee calculations is \$1.5m.

Staff presented the end of the year report to the Council, along with the Committee's recommendation earlier this year. The Council authorized staff to begin the public hearing process to amend the impact fee report. Attached is a document showing all the changes to the Impact Fee Report as a result of adding these two street projects. The document only shows those paragraphs and tables that have changes.

You are all aware that the impact fee adopting ordinance included an automatic escalation clause. On the first day of each successive calendar year, the impact fee amount will increase by the municipal cost index amount. This year, that increase was 1.1%. The changes shown on the attached document are all made to the Impact Fee Report as if there is no escalation applied. Staff feels that it is best to make the changes this way to avoid having to amend the Impact Fee Report every year. Since the Impact Fee Report is adopted as a chapter of the City's Comprehensive Plan, amending it requires a series of public hearings. Since the escalation clause is already included in the adopting ordinance, the public hearings are not necessary for the fee to increase. So, to include the escalation clause information within the Impact Fee Report would only cause a drawn out public hearing process where one is not necessary. Therefore, we propose to adopt the changes to the Impact Fee

Report as shown on the attachment and then maintain a separate fee schedule that is updated annually to reflect the escalation amounts.

We mentioned to you in the April Committee meeting that we have a concern about the automatic increase language in the adopting ordinance. The increase is included to account for inflation of construction costs. However, the wording in the ordinance requires the fee amounts to increase by the inflation amount and not the project costs. An increase in the fees allows us to collect more money from each builder, but we still only collect the total amount of money included in the capital improvement plans for each project, we just collect it a little faster. The inflation factor should be applied to project costs. Therefore, staff recommends that the adopting ordinance be amended to say that the automatic escalation clause be applied to the project costs rather than the fee amounts. A series of public hearings are required to implement the changes discussed above. Following the public hearings, if approved by the Council, a new adopting ordinance will be required. Staff proposes to amend the automatic escalation language in that ordinance update.

Staff recommends that the Committee recommend that we proceed with the public hearing process to amend the Impact Fee Report as presented in the attachment. Staff also recommends that the Committee recommend that the adopting ordinance be amended to apply the automatic escalation clause to the project amounts rather than the fee amounts. Following the Committee's recommendations, a public hearing will be scheduled before the Planning & Zoning Commission. The Planning & Zoning Commission will review and make a recommendation on whether the proposed changes are in compliance with the City's Comprehensive Plan. Following the Planning & Zoning Commission recommendation, a public hearing will be scheduled before the City Council. The Council will review and act on the entire proposal.

DISCUSSION FOLLOWED:

Assistant City Manager Rothweiler explained the reason for this discuss is that the City has issued 159 permits for the construction of new homes this year which is considerable less than the prior fiscal year. In the prime months of construction there were only 37 permits issued and will most likely issue less then this between now and the time that this report is reviewed again.

Community Development Director Humble explained the money collected for road projects is not as big of a concern to him as project for the fire department. Growth is substantial enough to warrant road construction however not enough to warrant a new fire station. In October there has been approximately 4 permits issued with maybe 4 or 5 permits issued over the next six months.

MOTION:

Member Bonnett made a motion to recommend that the City Council refrain from updating the Streets Capital Improvement Plan and amending the adopted impact fee ordinance until after this committee's next meeting. Member Tenney seconded the motion. Members Bonnett, Jussel, & Collins voted in favor of the motion. Members Gooding, Burkett, Tenney and Vollmer voted against the motion.

MOTION FAILED

THE SCHEDULED UPDATE TO THE STREETS CAPITAL IMPROVEMENT PLAN WILL PROCEED AS PLANNED

V. Next Committee meeting

We are currently targeting Thursday, April 28, 2011 as the potential meeting date.

VI. Adjourn

Vice Chairman Collins adjourned the meeting at 1:00 pm.