

## City adopts new impact fee system

By CAMERON RASMUSSEN Staff writer | Posted: Saturday, December 31, 2011 10:00 am

SANDPOINT — Individuals with aspirations for a new local home will soon have a fresh set of impact fees to pay.

After some final tweaks, council members approved a new impact fee system developed by nationally recognized authorities at TischlerBise. The new fee structure, approved on Thursday, will go into effect Feb. 1.

The new fee structure breaks fees out more proportionally by home bedroom size, ensuring that larger developments contribute more substantially than more modest constructions. A new fee category supports multi-purpose trails, while broader categories address non-residential uses. Finally, the new plan fluctuates fees in urban renewal districts to address subsidies from the Sandpoint Urban Renewal Agency.

“They’re trying to incentivise construction of residential units in the area and this was one way to do that,” City Planner Jeremy Grimm said.

The council’s goal in crafting the new impact fees was to establish a structure that would support the existing level of services. Nevertheless, members still found some corners ripe for cutting Thursday night. Councilman Stephen Snedden spearheaded a motion to trim a Fire Department training facility fee from the document. The council approved the adjustment, and as a result, the full fire impact fee will require recalculation.

A second motion by Snedden aimed to tap off the impact fee fund for new fire engines and equipment. Snedden reasoned that the city could commit to five years without using impact fees for new apparatus purchases, and even without impact fees, grants and donations could come around.

“I think we could do a lot by saying, ‘We’re not going to purchase a new apparatus in the next five years — we’ll make due with what we have,’” Snedden said.

However, the majority of the council voted the motion down.

The lowered fire fee followed several reductions at the regular council meeting last Wednesday. Members first decided to trim the transportation projects to be funded through impact fees. They removed projects slated for Baldy Mountain Road, Woodland Drive, Larch Street and Ontario Avenue while retaining projects on Schweitzer Cutoff Road, Schweitzer Cutoff Road and Boyer Avenue, Pine Street and Division Avenue and Cedar Street and Boyer Avenue. The U.S. 2 extension or “Curve” project and a downtown two-way operation renovation also stayed on the list.

Those actions lowered the transportation costs covered by impact fees from a total \$4,304,243 to \$1,635,107.

City officials lowered the parkland improvement costs from \$103,073 per acre to \$75,000 per acre. As a result, the parks and recreation impact fee for an average single home will lower to \$2,018, a \$40.47 reduction.

Transportation impact fees will result in an average single family impact fee of \$1,305 outside the downtown urban renewal area and \$791 in the downtown urban renewal area. The average commercial development will cost \$2.75 per square foot outside the downtown urban renewal area and \$1.67 per square foot in the downtown urban renewal area.

Finally, the average single family home development will pay \$220 in police fees and \$369 in pathway fees, while the average commercial development will pay \$0.13 per square foot for police and \$0.21 per square foot for pathways. Fire fees were formerly an average \$567 for residences and \$0.94 per square foot for commercial, but those rates will fall somewhat with the removal of the training facility fee. These fees will remain the same in the downtown urban renewal area.

Altogether, the average single family impact fees will total \$4,479 outside the downtown urban renewal area, a \$597 increase over the old impact fee model. Inside the downtown urban renewal area, the total fees will run \$3,965, an \$83 increase. Once again, the final fees will be slightly lower due to the absence of a fire training facility fee.

For commercial construction, the average development outside the downtown urban renewal area will cost \$4.04 per square foot, a \$1.70 increase. Inside the downtown urban renewal area, the fees add up to \$2.96 per square foot, a \$0.62 increase.

It's also worth noting that in the new impact fee system, larger residential developments run up significantly higher impact fees compared to the old system. This change offsets the averages to some degree, and individuals building a smaller house with one to three bedrooms could find themselves paying a smaller impact fee bill than in previous years.