

City studies impact fee options

By CAMERON RASMUSSEN Staff writer | Posted: Tuesday, August 30, 2011 10:00 am

SANDPOINT — The Planning Commission is set to tackle the tricky issue of impact fees after an expert financial consultant presented his firm's study findings.

Carson Bise of the fiscal consultant firm TischlerBise recommended that the commission consider increasing several impact fees to cover the town's projected development.

City officials requested the study as a part of their regular reexamination of impact fees every five years. According to planning director Jeremy Grimm, Bise is the national authority on the subject.

"We were lucky enough to have the preeminent impact fee advising council in the country do this study for us," he said.

Impact fees are one-time payments to the city for new commercial or residential developments. According to Bise, the total fees are determined based on need, benefit and proportionality.

The study identified four areas in Sandpoint that warranted improvement through impact fees: parks and recreation, police, fire and transportation. Impact fees help ensure that those key institutions keep pace with the town's development. The collected fees can only be used for capital improvements.

According to Fire Chief Robert Tyler, the TischlerBise associates assigned to the study did an incredibly thorough job of analyzing the city's unique circumstances.

"What occurred in this study is far greater than what occurred in 2005," he said.

TischlerBise's findings recommended substantial increases in fees depending on the location of the development. Outside urban renewal areas, the study proposed an increase in maximum allowable fees for a single family home to an average \$7,048. Fees in the downtown urban renewal area would increase to an average \$6,533. Finally, fees in the northern urban renewal area would increase to an average \$6,595. The current average for all areas is \$3,882.

Similarly, fees for an average commercial development would increase to a proposed \$8.43 per square foot outside a renewal area, \$7.34 per square foot in the downtown urban renewal area and \$7.47 per square foot in the northern urban renewal area. The current total fee for all areas is \$2.34 per square foot.

Most commission members expressed an interest in lowering the study's recommended fees, especially given the city's recent increase in utility rates.

“It does seem like the increases are a little beyond what we can digest at this point,” commission member Shelby Rognstad said.