



Hailey preparing to tweak impact fees

Council questions flat rate for commercial units

by **TONY EVANS**

The Hailey City Council reviewed proposed changes to the city's development-impact fee rates Monday, overturning some changes recommended by a development-impact-fee committee and passed by the Hailey Planning and Zoning Commission last month.

Development-impact fees are assessed to developers under the city's stated policy that "development pays for itself," rather than impacting existing residents.

The fees are used to fund the city's capital-improvement plans.

The City Council also accepted growth projections Monday from a 2012 study conducted by Richard Caplan Associates. They indicate that the city will grow slowly over the next few years, but increase to an average rate of 2.5 percent per year between today and 2032, bringing an additional 5,600 residents.

Growth was projected in 2007, when the last development-impact-fee amendment was passed, to increase by 4.75 percent per year. In 2007, the city expected 156 additional jobs to come to the city each year. Today, in light of the current recession, the city expects 90 additional jobs per year.

The council agreed Monday with P&Z's recommendation to eliminate development-impact fees for daycare businesses, and decrease the fee for a single-family dwelling from \$2,629 to \$1,810, but questioned the averaging of fees at a flat rate of \$4 per square foot across seven categories of commercial units.



The city currently assesses commercial fees at between \$2.57 and \$6.66 per square foot of floor area, depending on the category and size of the business. City Administrator Heather Dawson said the change to a flat rate was recommended to remove potential financial impediments to businesses seeking to relocate.

Because there are so many vacancies in the business zone, Dawson said a flat rate would simplify the process of businesses situating themselves at the best location, "without struggling with the different fees across the city."

Mayor Fritz Haemmerle pointed out Monday that the flat rate would raise fees for small offices in particular, potentially increasing rental rates for tenants.

"This would punish the little guy the most," Hammerle said.

The Council will review the proposed fee changes again on Sept. 20 at City Hall.

In other Hailey news, the City Council amended the zoning ordinance to allow retail sales to make up half of wholesalers' business in the Limited Business zone.

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