

# Life after impact fees

By **BRIAN WALKER/Staff writer** | **Posted: Thursday, April 11, 2013 12:00 am**

HAUSER - For a year and a half, Rob Thomas scratched and clawed over impact fees.

In the meantime, his storage unit project in the Hauser area was stalled because it didn't make business sense to continue to build with the fee structure that was in place. He appealed the fees, lost and continued to plead his case and research the fees.

"It was a long, hard fight," he said. "But I never quit."

This spring marks a new beginning for Thomas since the fees - charged by taxing districts to make new growth mitigate its impact on services - were suspended by Kootenai County commissioners in December.

"We're busier than we were five years ago (just before the recession hit) and it's not even summer yet," Thomas said. "We're just trying to keep up day to day so we don't fall behind."

"Since impact fees no longer exist, it's a different game for me now."

Thomas has increased his help from two workers to 13 in the past four months. He has built four buildings and has plans to construct seven more.

Thomas estimates that he has spent \$750,000 on the project and plans to spend about that much more.

Impact fees, Thomas said, made the difference between him being able to proceed with his project or not.

The fees would have made up about 40 percent of his total construction costs, Thomas said.

Since the fees were suspended, Thomas was refunded about \$8,000 from the Post Falls Highway District from fees that had been collected and he's expecting about \$3,000 to be returned from Kootenai County.

Commissioners in February agreed to refund \$286,935 in impact fees to more than 180 property owners and/or builders. That includes fees collected for the jail, the parks department, highway districts and the sheriff's department.

The fees could be revamped and revived in a year.

The fees drew plenty of controversy and protests. While few argued with the intent of the fees - to make growth pay for itself - others argued they hampered growth during a time when jobs were needed and that there were flaws in how the fees were calculated. The fees, collected by the county, were in effect a year and a half before they were suspended.

One of Thomas' beefs was that the fees were calculated solely on square footage of his business, not on the impact it made on services. Therefore, his storage business, which has a relatively low impact, was charged the same fee as the same-sized business that generates a lot of traffic each day.

"All I wanted was a fair shake," he said.

Collection complications also hurt the impact fee process, Commissioner Todd Tondee said earlier.

Neither Tondee nor Scott Clark, the county's community development director, could be reached for comment on Wednesday.

Thomas said he believes growth should pay for itself, but he believes he's doing his fair share with property taxes.

"When they go from \$300 per year (when it was vacant land) to \$6,000 and I have to build my own roads, put in sewer and plow my roads, I believe that's a fair share," he said. "And it's only going to go up (as the project expands)."

Thomas is now dealing with Hauser when it comes to building approvals since his project is in Hauser's Area of City Impact.

"I just show them the paperwork on how much the building will cost and get a permit based on the cost of the building, not the square footage," he said. "I'm building like mad."

Thomas said he has also learned a lot about the loan process during the project. He said he was denied by multiple banks to get a loan, but that wasn't the case with Community 1st Bank.

"Without them, I'd have nothing," he said.

Resuming his project feels good after the delay and fee fight, Thomas said.

But he hopes another set of challenges - finding qualified workers - doesn't crop up.

"A lot of my buddies (in the construction trade) have gone to North Dakota (to work in the oil fields)," he said. "Hopefully, they'll come home. About 60 percent who've rented from me have left Kootenai County."