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# Hailey votes on repeal of development-impact fees, business license fees

## Special election could cost city millions

by *TONY EVANS*

The city of Hailey will have to redraw its long-term economic plans if voters decide to repeal development-impact fees at the polls Tuesday night. A special election ballot initiative, if it passes, would drain city coffers of an estimated \$2.5 million from the city's five-year, \$30 million capital improvement plan.

"The development-impact fees were put into place two years ago at the request of Hailey residents who wanted to see development in the city pay for itself," said Hailey Mayor Rick Davis at a City Council meeting last month.

The fees, collected from developers building new projects within city limits, have brought in \$242,000 since they were implemented. That money will have to be returned to developers, with interest, if the fee ordinance is repealed.

City officials had expected \$580,000 in fees during the first year, but they amounted to less due to the slowdown in housing construction.

The fees are expected to pay for construction of a new police station, portions of construction costs for two new fire stations, increased trail systems and park acreage, and construction of roundabouts at street intersections to accommodate increased traffic.

Hailey metal worker Bob Wiederrick circulated successful petitions earlier this year to repeal development-impact fees and business license fees, forcing the city to hold a special election on the repeal of both fees on Tuesday. He claimed in March that the development-impact fees are a "disguised tax" that has increased his cost—from \$16,000 to \$24,000—for building a metalworking shop on land he owns in the South Woodside light-



Hailey metal worker Bob Wiederrick challenged the collection of development-impact fees and business license fees in Hailey *Photo by David N. Seelig*

industrial zone.

"The development-impact fee was a way for the city to fill its coffers without broad-based, voter approval," he said. "This issue is finally getting the sounding it needs."

Wiederrick also took issue with the development-impact fee's structure with regard to new residential developments, which are based on the number of buildings, rather than on buildings' square footage.

Under the impact fee ordinance, a single-family, detached dwelling is levied \$2,629 per dwelling, regardless of its size. All other housing types are charged \$2,010.

"For a million-dollar house, that is about the cost of the front door," Wiederrick said. "For an inexpensive home builder in Woodside, struggling to put tires on his car, it's a different story."

Wiederrick also succeeded in calling for a special election on the repeal of business license fees, collected by the city to pay for state-mandated, annual safety inspections.

Business license fees bring in about \$40,000 a year. The annual inspections associated with paying the fees also provide the city an opportunity to update contact information with Hailey businesses.

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