

**PLANNING COMMISSION WORKSHOP  
MINUTES  
MAY 17, 2023  
LOWER LEVEL – LIBRARY COMMUNITY ROOM  
702 E. FRONT AVENUE**

**COMMISSIONERS PRESENT:**

Tom Messina, Chairman  
Jon Ingalls, Vice-Chair  
Lynn Fleming  
Phil Ward  
Peter Luttrupp  
Sarah McCracken

**STAFF MEMBERS PRESENT:**

Hilary Patterson, Community Planning Director  
Sean Holm, Senior Planner  
Shana Stuhmiller, Public Hearing Assistant

**COMMISSIONERS ABSENT:**

Brinnon Mandel

**CALL TO ORDER:**

The meeting was called to order by Chairman Messina at 12:00 p.m.

Sean Holm, Senior Planner introduced Melissa Cleveland, Welch Comer, who will be doing the presentation.

**WORKSHOP:**

Melissa Cleveland, Welch Comer provided the following statements.

- Today's meeting will be a discussion on the development impact fee study for; Fire, Police, Parks, Transportation, and a briefing on annexation fees.
- The consultant team will review the following;
  - Introductions and Overview
  - Procedures
  - Analysis alternatives
  - Draft impact fee CIPs (Capital Improvement Plans)
  - Growth assumptions
- She introduced her team and provided a PowerPoint (click [here](#) to view the PowerPoint).

## **DISCUSSION:**

Commissioner Ward inquired if defensible fees mean defense in court if someone challenges the fees. Todd Chase, FCS Group, explained it's a maximum defensible fee if it were to be challenged.

Commissioner Ward inquired in the past if the county has been challenged. Mr. Tymeson answered that yes, we were challenged when we were the first to introduce impact fees more than 20+ years ago.

Ms. Cleveland continued her presentation.

- Impact Fees are intended to pay for growth's share of eligible infrastructure (police, fire, streets, and parks)
- Level of service based, when possible
- Proportionate-share\_of costs that will be incurred
- General Methodology of fee calculations and eligible expenses/projects
- She stated that they look at the existing system and investment and the added capacity needed to support growth.

Mr. Chase explained that there are two types of impact fees -- reimbursement and improvement share - that are allowed.

Ms. Cleveland continued her presentation.

- The City's development impact fees were established in 2004 and have not been adjusted since
- The City has citywide impact fees for parks, police, and fire, but uses quadrants for transportation
- There are three land-use classifications for the fees: single family, multifamily, and commercial/industrial
- She asked for input from the Planning Commission and staff if the City wants to continue to have the 4 quadrants for transportation. She clarified that staff would prefer that the fees for transportation be citywide and not quadrant based. She explained when you have different quadrants the speed is collected for development within that quadrant that needs to be spent within that quadrant that results in "pots" of money you can't do anything with. She added that there is a timeframe when those money's need to be spent or give a refund, and that can be a challenge.

Commissioner Ingalls questioned why haven't we indexed in the past. He stated that the City has modest impact fees and the fees go up substantially, it may be tough for the development community to accept..

Mr. Tymesen explained that the City has looked at these fees off/on since 2004. Commissioner Ingalls suggested requiring a regular review for these fees and frequent updates. Commissioner McCracken questioned if you can get rid of the quadrants what happens to the money not used in those quadrants. Mr. Chase said would need to get some legal advice and report back to the group. Mr. Tymesen explained it shouldn't matter if we shift the use of the fees from quadrant to citywide if Council adopts the new fees and methodology since we would be following what is in the adopted CIP (Capital Improvement Plan) and he feels we could legally move those moneys if they are used for the same fee category (e.g., transportation). He added that the best plan the city has is the Impact Fee Plan and it's hard to tell how each quadrant is going to be developed. Mr. Holm, in answering a previous question regarding justifying the cost of raising Impact Fees, said that the cities surrounding us have already raised their fees so hopefully that makes it easier for the development community to accept.. Commissioner Ward questioned about the 4 quadrants and understands the money needed for Parks is something that could be quadrant based, but he questions how that is feasible for Fire/ Police when they are answering a call for an emergency won't be stopping at each quadrant line based on their jurisdiction.

Ms. Cleveland continued with her presentation and said that the City has their impact fees broken up in categories; single family, multifamily and commercial/industrial and that the consultant team suggests breaking those categories down further to make it fairer. But, she added that we don't want to make it complicated for staff to use.

Commissioner Ingalls noted from looking at the chart that parks don't get a contribution from non-residential and that we don't have a hotel/motel tax etc. and asked if it would help to put some burden on

tourists that visit our city. He suggested putting a price on the square footage impact fee for future hotels, bars and restaurants etc. and feels if we tap that source maybe it could lessen the burden for single-family owners. Chairman Messina inquired how can we break these categories down to meet our needs. Ms. Cleveland suggested breaking the single family to different ranges of square footage etc. and said they can break down commercial/industrial into different categories. She explained that Hayden and Post Falls have already done that, so we can look at what they have done and if it makes sense for the City to follow their example.

Ms. Cleveland added for transportation/commercial/industrial that the fees are calculated by “trips” where someone has to calculate those trips. She added that the goal is to keep it simple for staff, and to keep it fair if someone is building a restaurant versus a mini storage. They shouldn’t have the same fee. Commissioner Luttrupp inquired if we are going to look at other jurisdictions in the State. Ms. Cleveland said in the second committee workshop we will bring forward a summary of other jurisdictions’ impact fees and what they are doing, recognizing the consultant teams knows there might be questions. Commissioner Luttrupp inquired where were the other jurisdictions. Ms. Cleveland answered that she recently asked Hayden and Post Falls since their studies were recent in the last couple years and that Mr. Chase will plan to do a comparison of other jurisdictions in Idaho.

Ms. Cleveland continued her presentation.

- She noted on PowerPoint slide showing the city’s current impact fees.
- Policy Parameters
  - Boundary
  - Parks, Fire, Police City-wide
  - Roads – quadrants or City-wide
  - Level of Service
  - Fire and Police based on existing system investment per 1,000 residents (see needs assessment)
  - Parks based on 5 acres per 1,000 residents
  - Transportation based on trips in KMPO model

Commissioner Ingalls stated traffic is a concern and he has questions about Level of Service regarding response times for fire and police. Ms. Cleveland explained that fire/police Level of Service for impact fees is different than for transportation. They evaluate what will it take to serve the population in the future. She added this information from fire and police will be helpful pinpointing when looking at where new facilities should go. She explained with transportation the industry standard for an acceptable Level of Service for roads is “D.”

Ms. Cleveland continued her presentation.

- Policy Parameters:
  - Growth
  - Based on 2020 Census and updated KMPO Growth forecasts
  - 2024 CDA population = 59,000 (82% of 2034)
  - 2034 CDA population = 72,000
  - 2024 – 2034 growth = 13,000 (18% of 2034)
  - Roughly 2% per year annual growth rate
  - Different from “build-out” and/or 2040 population estimates which other studies are using (85k – 87k)

Commissioner McCracken inquired how projected growth compares to the Comprehensive Plan. Ms. Cleveland explained it is different but similar based on the Comprehensive Plan was used in the last KMPO report and we are looking at something different than build out (10 years versus 20 years).

- Policy Parameters

- Eligible Capital Facilities
  - Parks – unit costs and capital projects from master plan
  - Police – expansion, portion of downtown station, and vehicles that last longer than 10 years.
  - Fire – expansion (new station on west side), apparatus, vehicles that last longer than 10 years
  - Transportation – growth's share of transportation improvements (widening, intersections), may expand to include ped-bike facilities

Mr. Tymesen explained that we received direction from the legislation that told us what we can/can't include in Impact Fees.

Ms. Cleveland continued her presentation.

- Administrative Assumptions
  - Add land use categories
    - Hotel, industrial/warehouse, office, medical, retail, restaurant, service, storage
    - Make the fees fair without making them overwhelming to implement/manage
  - Vary residential by dwelling size
    - SF ranges or scalable
    - Number of bedrooms might be hard to manage
  - Charge parks fees to residential and commercial (lodging, etc.)

Chairman Messina inquired about STRs (Short Term Rentals) and how would they be categorized. Ms. Patterson explained they would be considered residential. Ms. Cleveland explained that other jurisdictions such as Hayden and Post Falls had a category for smaller residences for a smaller fee.

Commissioner Luttrupp stated that he has nothing against Post Falls and Hayden but would like to hear what other cities such as Boise or other bigger urban centers are doing. Ms. Patterson explained that is tricky since other cities such as Bozeman that might be more comparable than Post Falls and Hayden are in other states that have different rules for impact fees. Ms. Cleveland explained that she isn't suggesting to do things similar to Post Falls or Hayden but looking at options that are recent like these communities who recently did an update to their fees and it is worth considering square footage based fees to incentivize smaller dwellings. This is something that should be discussed.

Commissioner McCracken concurred that it's important to know what our neighboring cities are doing and if we will be similar in the range of impact fees. Discussion ensued with Ms. Cleveland commented that fees will be addressed at the second workshop when we have more data.

Ms. Cleveland suggested charging park fees to non-residential customers. Mr. Chase explained we can calculate park fees in two categories residential/and hotel motel lodging with two different fees or add another category to include the other non-residential uses to include commercial and industrial. He added most cities don't charge office/retail uses impact fees for parks but some do. Bill Greenwood, Parks Director concurs impact fees on lodging makes sense. Commissioner Fleming inquired if we should include the medical district since they use parks for taking breaks etc. Mr. Chase said we will leave that option on the table and might change your mind after seeing the fee and it might not be worth it to pursue. Commissioner Luttrupp inquired if there are other hospital districts in Idaho. Ms. Cleveland inquired if there could be a fee in the medical district that might be different from the other land uses similar kind in the city. Mr. Chase explained that we would need more focus on the use. Ms. Patterson explained that some of the users in the health corridor may be people coming here for treatment, so that is different than employees.

Ms. Cleveland continued her presentation.

- Indexing fees- We want to put something in the study that allows the City to have an annual

process for indexing fees such as to use Engineering News Record (ENR), Construction Cost Index (CCI) based on Seattle as the closest market to set up a method for the City to schedule and update to impact fees which will avoid “sticker shock” of not doing it for a few years. Ms. Patterson inquired if Post Falls or Hayden does that. She said Post Falls used to use the ENR but wasn't sure if they were still doing that. Ms. Cleveland said she will have to find out.

Ms. Cleveland said she worked with the police to come up with a draft CIP/Fee. The Police Department are currently working on an expansion to the Police Station and because ARPA funds were used for the expansion, we will set that aside and not include the current expansion proposal in the CIP for Police. She explained looking forward what are we going to need to serve our population in 2034 with more expansion predicted. She added that the Police do have a substation downtown that is an existing need and continued naming a list of items for consideration such as 16 vehicles for personnel that doesn't include patrol or traffic since those vehicles don't last 10 years, ATV and an armored car.

Commissioner Ingalls inquired about CIPs and if other funds are available to buy down some of these items. He also asked if there will be any flexibility in the CIPs to switch it up and as an example and/or a requirement that Parks gets a grant that help pays for one of the items and would the CIP be recalculated. Mr. Chase explained the city can update their CIP list every year without updating the impact fees because impact fees are calculated every 5 years with the CIP updated every year to determine what is eligible for impact fee expenditures. Mr. Tymesen explained the city looks forward on expenses with the presumption that the money will come in and sometimes that money doesn't come in. Melissa said growth has to happen.

Commissioner McCracken suggested to make this chart simpler for people to understand. The discussion ensued on how to calculate impact fees.

Ms. Cleveland continued and explained the Fire CIP worksheet and that they need a 5<sup>th</sup> fire station on the westside and the fees are based on a new station. The discussion ensued about Fire fees and how station 3 was financed.

Ms. Cleveland noted that Northern Lakes Fire District has an Impact Fee based on \$102.00 per dwelling unit and Kootenai County Fire and Rescue is \$1207.00 per dwelling unit. Ms. Cleveland explained what was included with Fire Impact Fees was a few vehicles and a cargo trailer that might need to be removed including equipment that lasts more than 10 years. She added these are smaller items that won't affect the fee and without scrutiny to include them or not. Commissioner McCracken concurs that the trailer and ATV,s that are under \$25,000 are not worth opening it up for scrutiny if more than 10 years left.

Ms. Cleveland noted that previously Fire said that they make many trips to assisted living facilities and if that is something this group should look at a possible category for assisted living. Ms. Patterson inquired if there was a benefit to add an additional breakdown of other commercial uses for police. Ms. Cleveland explained that Fire said this is a different type of response requirement for assisted living facilities compared to other commercial. The discussion ensued on a special category for Assisted Living. Commissioner Fleming inquired if we are going to penalize those who are also calling police/fire frequently. Mr. Grief said calls are based on usage. Mr. Holm explained that we have to use the data that we have which is the call history. Commissioner Ward stated that equity is an issue and the question that needs to be asked would the fee be considered fair, proportionate and equitable and we know what the CIP needs are from Police, Fire etc. He suggested to divide it and set a rate. Commissioner McCracken feels that we should look closer at this since she worked in the hospice care business and some weeks there was a huge ambulance bill. Ms. Cleveland commented that she can run the numbers and comeback with those results at the next workshop.

Ms. Cleveland explained the quadrant map for transportation and after talking to Engineering/Streets they are interested in doing away with this map and wanted to know if the commission feels the same way. Commissioner Ingalls explained looking at the map and one quadrant has a lot of activity such as Coeur Terre and because things are happening in one quadrant that needs some upkeep there isn't a budget for

the work which is why he concurs with eliminating the quadrant map. The group concurred to get rid of the quadrant map.

Ms. Cleveland explained that they just received the updated KMPO model last week so we don't have an update but will have an update at the next workshop. She stated that we might consider varying the fee by dwelling size and by using data we got from the City for the last few years the average square footage was 2400 sq.ft., the medium was 2300 sq. ft., the smallest was 700 sq.ft. and the largest was 4800 sq.ft. We aren't looking for an answer today, but would appreciate any suggestions on what reports we can run for the next meeting. Commissioner Ward commented that somewhere in the report talked about using trip generation as peak am hours and questioned if that could be explained. Ms. Cleveland explained usually the pm model has more trips. Cameron McKeague with FCS Group explained that they see higher values in the pm and not ignoring am hours and pm hours are normally higher. The commission discussed on how to calculate the fee for residential. Mr. Holm suggested we don't calculate by occupancy. Mr. Chase explained that he has seen two approaches with one a flat dollar per sq.ft. and the other is using categories. He added that he has seen a "base" fee and every foot above the base amount get charged so much which seems the most accurate way to do it. Ms. Patterson commented the more streamlined we can make it will be easy for IT staff to design it with "one" click that would calculate those fees. Chairman Messina concurs to keep it simple and when going to council it might come back to us with more suggestions.

Ms. Cleveland explained that we haven't done a Parks CIP yet and have met with staff and will meet with them again to go over the numbers so that's still in process. She added that they do have some specific service criteria in place within the Parks Master Plan. Commissioner McCracken inquired if trails will be part of the process or its own line item. Ms. Cleveland explained that we were going to include trails in transportation and was considered both ways. Mr. Greenwood said about developing park land trails is a different fee. Commissioner Ingalls noted in the report talks about CIPs with assumptions for example Coeur Terre if the city will be getting a park and the negotiation is done through an Annexation Agreement. Ms. Cleveland explained that getting a park through annexation is a different situation which is a negotiation and it's a choice if the city decides to approve the annexation and if a developer builds something that is in the CIP, they should get a credit and should be specific on how that process works. Commissioner Ward concurs since the people staying at the resort use our parks and agrees there should be a payment but have to be careful since it might be setting us up for a challenge trying to impose fees on other than residential uses. Ms. Cleveland commented that we can get more data and bring it to the next workshop.

Annexation Fee – Mr. Chase explained that they looked at the way the City did their calculations in 1997 with an update that set a precedence for fee calculation. He added that they assessed the fee at \$750.00 per dwelling unit. He explained how they did their calculation and looked at the city budget for the General Fund items and the new annexation fee would be increasing to \$1,117 from \$750.00. He commented that the City has become more efficient. Mr. Tymesen explained that all annexation fees are collected and goes into the General Fund since annexation fees funds and doesn't have a separate category.

**Next steps:**

Ms. Cleveland discussed the next steps and if possible, would like to schedule the next workshop in July. She explained that staff will send out a Doodle Poll for some possible dates in July. Ms. Patterson indicated that the week of July 17<sup>th</sup> looks like a good week for her schedule.

Ms. Cleveland concluded her presentation

**ADJOURNMENT:**

Motion by McCracken, seconded by Fleming to adjourn the meeting. Motion approved.

The meeting was adjourned at 2:00 p.m.

Prepared by Shana Stuhlmiller, Public Hearing Assistant

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