

AGENDA ITEM SUMMARY

DATE: 09/17/2012 DEPARTMENT: Admin DEPT. HEAD SIGNATURE: Heather Dawson

SUBJECT:

Development Impact Fee Ordinance

10/15 - 2<sup>nd</sup> Reading  
10/29 - 3<sup>rd</sup> Reading

AUTHORITY:  ID Code \_\_\_\_\_  IAR \_\_\_\_\_  City Ordinance/Code 2.32, 3.08  
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The 2012 Update of Hailey's Capital Improvement Plan for Development Impact Fees was added to the Hailey Comprehensive Plan in an August meeting. The City is now ready to adopt the Development Impact Fee Ordinance itself. The exhibit to the Ordinance will be the schedule of fees from the 2012 Update.

Day Care Businesses have been listed in the ordinance as an exception, based on the recommendation of the DIF Advisory Committee and the Hailey Planning and Zoning Commission.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	___
___ Safety Committee	___ P & Z Commission	___ Police	___
___ Streets	___ Public Works, Parks	___ Mayor	___

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

ADMINISTRATIVE COMMENTS/APPROVAL:

Adopt Ordinance as drafted or with amendments. Statute does not allow waiver of three readings for DIF Ordinances, and also requires a 30 day waiting period before the ordinance becomes effective.

ACTION OF THE CITY COUNCIL:

9/17/2012 - Continued to Oct 1, 2012, following public hearing.  
Atty wants to condense the ordinance

Other items require motion of the city council to approve, deny, approve with changes.

Date 10/1/2012 - First reading of ord was held - Ord # 1110  
City Clerk \_\_\_\_\_

FOLLOW-UP:

Set 2<sup>nd</sup> reading for Oct 15

\*Ord./Res./Agmt./Order Originals:  
Copies (all info.):

\*Additional/Exceptional Originals to: \_\_\_\_\_  
Copies

HAILEY ORDINANCE NO. 1110

AN ORDINANCE OF THE CITY OF HAILEY, IDAHO, AMENDING CHAPTER 15.16 OF THE HAILEY MUNICIPAL CODE, AMENDING SECTION 15.16.020 TO REVISE THE DEFINITION OF DEVELOPMENT IMPACT FEE ADMINISTRATOR AND TO ADD A DEFINITION FOR CHILD CARE FACILITY; AMENDING SECTION 15.16.030.03 TO ADD CHILD CARE FACILITY AS AN EXEMPTION; AMENDING 15.16.060.02 TO EXTEND THE TIME TO COMMENCE SYSTEM IMPROVEMENTS; REPLACING EXHIBIT "A" TO UPDATE THE DEVELOPMENT IMPACT FEE SCHEDULE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; AND PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE.

WHEREAS, Idaho Code § 67-8201 *et seq.* allows Idaho municipal corporations to enact ordinances allowing cities to collect development impact fees;

WHEREAS, in 2007, Hailey adopted a development impact fee ordinance which is codified as Chapter 15.16 of the Hailey Municipal Code;

WHEREAS, as a basis for Hailey's development impact fee ordinance, the City engaged a consultant to develop a Development Impact Fee Study;

WHEREAS, Hailey retained Richard Caplan & Associates to prepare a five year update to the capital improvements plan, which is contained in an update to the Development Impact Fee Study ("Updated Study");

WHEREAS, the Hailey Advisory Impact Fee Advisory Committee has reviewed the Updated Study and submitted written comments to the Hailey City Council;

WHEREAS, Hailey now desires to amend the Hailey development impact fee ordinance to revise definitions, to add an exemption, to extend the time to commence system improvements and to update the development impact fee schedule; and

WHEREAS, Hailey has adopted this amendment to the development impact fee ordinance in accordance with the procedural requirements of Idaho Code § 67-8206.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HAILEY, IDAHO, AS FOLLOWS:

**Section 1.** Section 15.16.020 of the Hailey Municipal Code is amended to add the definition of "Day Care Business", and is amended to revise the definition of "Development Impact Fee Administrator" by the addition of the underlined language and by the deletion of the stricken language, as follows:

"Child Care Facility" shall mean any business, home or establishment which provides child care.

“Development Impact Fee Administrator” shall mean the ~~City Clerk/Treasurer~~ Community Development Director of the City of Hailey, Idaho, or his or her designee.

**Section 2.** Section 15.16.030.03 of the Hailey Municipal Code is amended by the addition of the underlined language, as follows:

15.16.030.03 Exemptions. The provisions of this Chapter 15.12 shall not apply to the following:

A. Rebuilding the same amount of floor space of a structure which is destroyed by fire or other catastrophe, provided the structure is rebuilt and ready for occupancy within two (2) years of its destruction;

B. Remodeling or repairing a structure which does not increase the number of Service Units;

C. Replacing a residential unit, including a Manufactured/Mobile Home, with another residential unit on the same lot; provided that, the number of Service Units does not increase;

D. Placing a temporary construction trailer or office on a lot;

E. Constructing an addition on a residential structure which does not increase the number of Service Units;

F. Adding uses that are typically accessory to residential uses, such as tennis court or a clubhouse, unless it can be clearly demonstrated that the use creates a significant impact on the capacity of System Improvements; or

G. The installation of a Modular Building, Manufactured/Mobile Home or Recreational Vehicle if the Fee Payer can demonstrate by documentation such as utility bills and tax records that either (a) a Modular Building, Manufactured/Mobile Home or Recreational Vehicle was legally in place on the lot or space prior to the effective date of this Ordinance or (b) a Development Impact Fee has been paid previously for the Modular Building, Manufactured/Mobile Home or Recreational Vehicle on that same lot or space.

H. Child Care Facility.

**Section 3.** Section 15.16.060.02 of the Hailey Municipal Code is amended by the addition of the underlined language and by the deletion of the stricken language, as follows:

15.16.060.02 Failure to Commence Construction or Encumber Trust Funds. Any Development Impact Fees paid shall be refunded if the City has failed to commence

construction of System Improvements in accordance with this Ordinance, or to appropriate funds for such construction, within ~~five (5)~~ eight (8) years after the date on which such fee was paid. Any refund due shall be paid to the owner of record of the parcel for which the Development Impact Fees were paid. The City may hold Development Impact Fees for longer than ~~five (5)~~ eight (8) years if it identifies in writing: (a) a reasonable cause why the fees should be held longer than ~~five (5)~~ eight (8) years; and (b) an anticipated date by which the fees will be expended, but in no event greater than ~~eight (8)~~ eleven (11) years from the date they were collected. If the City complies with the previous sentence, then any Development Impact Fees identified in such writing shall be refunded to the Fee Payer if the City has failed to commence construction of System Improvements in accordance with this Ordinance, or to appropriate funds for such construction on or before the date identified in such writing.

**Section 4.** As authorized by Section 15.16.040.02 of the Hailey Municipal Code, Exhibit "A" to Chapter 15.16 of the Hailey Municipal Code is substituted and replaced by a new Exhibit "A" entitled Development Impact Fee Schedule, which is attached hereto and incorporated herein by reference.

**Section 5. SEVERABILITY CLAUSE.** If any section, paragraph, sentence or provision hereof or the application thereof to any particular circumstances shall ever be held invalid or unenforceable, such holding shall not affect the remainder hereof, which shall continue in full force and effect and applicable to all circumstances to which it may validly apply.

**Section 6. REPEALER CLAUSE.** All Ordinances or parts thereof in conflict herewith are hereby repealed and rescinded.

**Section 7. EFFECTIVE DATE.** This Ordinance shall be in full force and effect after its passage, approval and publication according to law.

**PASSED AND ADOPTED BY THE HAILEY CITY COUNCIL** and approved by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Fritz X. Haemmerle, Mayor

ATTEST:

\_\_\_\_\_  
Mary Cone, City Clerk

Publish: Idaho Mountain Express \_\_\_\_\_, 2012

# EXHIBIT "A"

**Table C**  
**Recommended Development Impact Fee Schedule**

	2007 Ord. 985	2012 Parks	Trans- portation	2012 Police	Fire & EMS	C.I.P. Cost	Proposed 2012
<b>Residential:</b>		Per housing unit:					
Single Family Detached	\$2,629	\$120	\$1,063	\$248	\$310	\$69	\$1,810
All Other Housing Types (per unit)	\$2,010	\$129	\$651	\$267	\$334	\$69	\$1,450
<b>Non-residential:</b>		Per square foot of floor area					
Commercial (up to 25,000 SF)	\$6.64	n/a	\$5.52	\$0.20	\$0.89	\$0.05	\$6.66
Commercial (25,001-100,000 SF)	\$4.87		\$4.01	\$0.16	\$0.77	\$0.05	\$4.99
Commercial (100,001+ SF)	\$3.62		\$2.90	\$0.14	\$0.65	\$0.05	\$3.74
Office (up to 25,000 SF)	\$3.27		\$1.64	\$0.06	\$1.11	\$0.05	\$2.86
Office (25,001+ SF)	\$2.35		\$1.40	\$0.05	\$1.05	\$0.05	\$2.55
Medical-Dental Office	\$4.75		\$3.23	\$0.12	\$1.09	\$0.05	\$4.49
Hospital	\$2.90		\$1.57	\$0.04	\$0.91	\$0.05	\$2.57
Business Park	\$2.40		\$1.14	\$0.04	\$0.85	\$0.05	\$2.08
Light Industrial	\$1.55		\$0.62	\$0.02	\$0.81	\$0.05	\$1.50
Warehousing	\$0.98		\$0.44	\$0.02	\$0.34	\$0.05	\$0.85
Mini-Warehouse	\$0.28		\$0.23	\$0.01	\$0.01	\$0.05	\$0.30
<b>Other Non-residential:</b>		Per square foot of floor area					
Lodging (per room)	\$6.55	n/a	\$529	\$17	\$118	*	\$654
Day Care (per student)	\$4.75		\$420	\$14	\$43	*	\$477
Nursing Home (per bed)	\$3.25		\$222	\$7	\$96	*	\$325

\*Other non-residential will also pay the cost of C.I.P. preparation.

### Impact Fee Requirements in Idaho

Idaho requires impact fee expenditures to be tied to cities' Capital Improvement Plans. Idaho Statute 67-8202 authorized municipalities to enact development impact fees to:

- Ensure that adequate public facilities are available to serve new growth and development;
- Promote orderly growth and development by establishing uniform standards by which local governments require that those who benefit from new growth and development pay a proportionate share of the cost of new public facilities needed to serve new growth; and
- Ensure that those who benefit from new growth and development are required to pay no more than their proportionate share of the cost of public facilities needed to serve new growth and to prevent duplicate and ad hoc development requirements.

