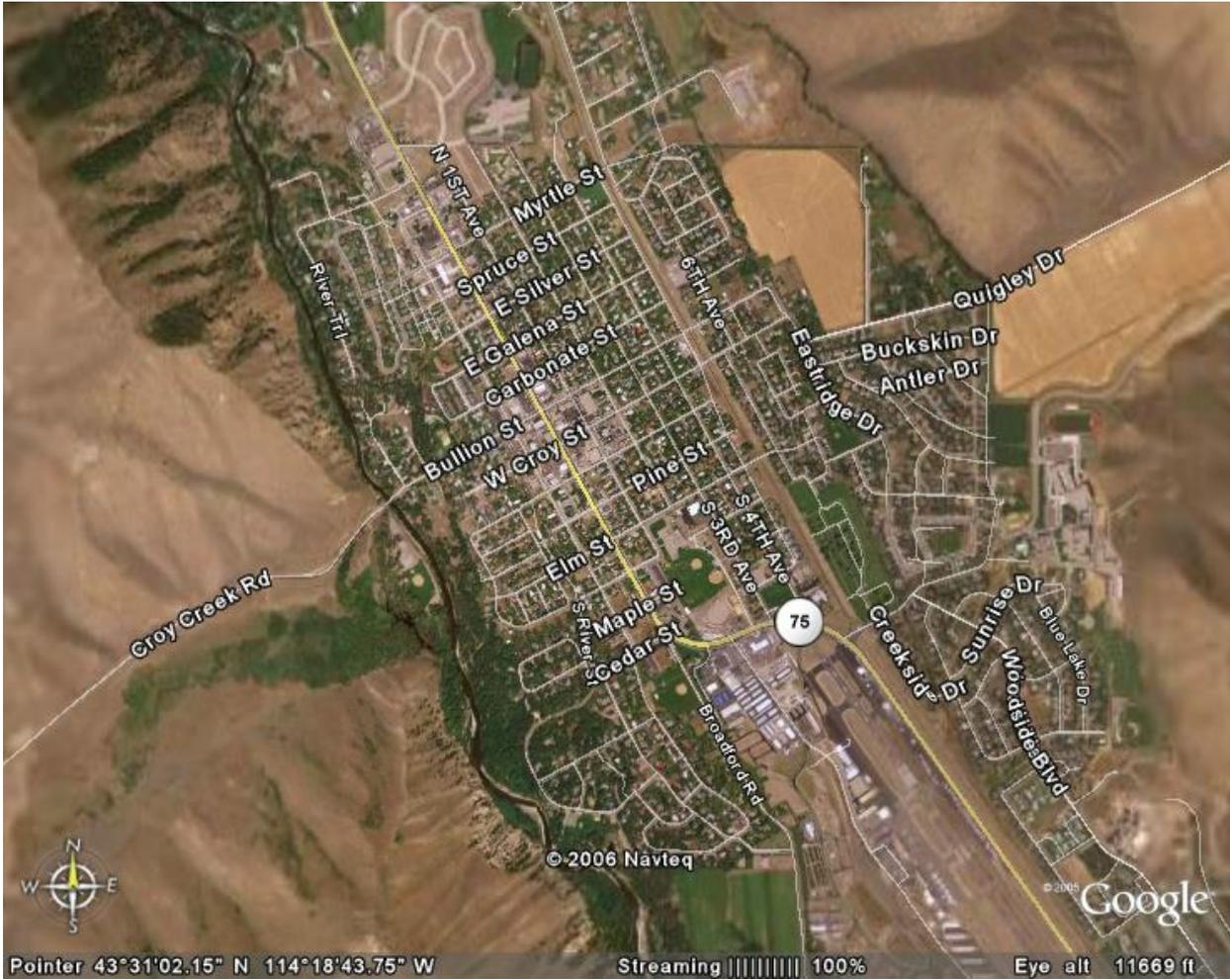


**Growth-Related
Capital Improvements Plan
&
Development Impact Fees**

*City of Hailey, Idaho
March 23, 2007*



Prepared by



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INFRASTRUCTURE FUNDING POLICY FRAMEWORK

TischlerBise is preparing an impact fee study for the City of Hailey. Prior to considering the specifics of the impact fee study, this policy framework seeks to clarify the legislatively imposed constraints on impact fees in Idaho and how this new revenue will dovetail with annexation fees and water/sewer connection fees that are also imposed by the City. A brief explanation of each revenue source is provided below.

Impact Fees

Impact fees are one-time payments by new development for growth-related infrastructure. In contrast to project improvements, impact fees are intended to fund system improvements that benefit the entire service area by increasing infrastructure capacity. In general terms, impact fees must evaluate whether credits are necessary to avoid potential double payment for growth-related infrastructure. The Idaho Impact Fee Act specifically requires a proportionate share determination to consider the extent to which new development contributes to the cost of system improvements through taxation, assessment or developer/landowner contributions. Unfortunately, the Act does not include general government buildings and libraries in the list of eligible public facilities for impact fee funding.

Annexation Fees

During the annexation process, the City negotiates with landowners for land, improvements and/or a fee payment. Annexation fees are more open-ended than impact fees and may be used for enhancing current infrastructure standards, replacing assets or even operational costs. To limit impact fee credits, Hailey should establish infrastructure funding policies that prohibit the use of annexation fees for impact fee system improvements. For example, if annexation fees were used solely to relocate City Hall to another building and expand the library upstairs, there would be no annexation fee credit in the impact fee determination.

Utility Connection Fees

Within the current water and sewer service areas, new connections pay a one-time cost recovery fee for utility capacity already provided by the City. Although water and sewer facilities are eligible for impact fee funding, the existing utility connection fees adequately address the cost of infrastructure within the existing service area. Because annexation of additional land expands the service area and may require additional infrastructure capacity, annexation fees may also be necessary for water and sewer infrastructure.

Recommendations

Based on the above discussion of infrastructure funding sources, TischlerBise recommends impact fee funding for the following types of infrastructure:

1. Citywide Park Improvements and Trails – The capital cost of these facilities will be allocated solely to residential development.

2. Police Headquarters – In Idaho, capital improvements must have a useful life of at least ten years to be eligible for impact fee funding. Therefore, the police impact fee will be based on the cost of building space and exclude police cars. Within the next five years, Hailey will relocate police headquarters to a new location. Both residential and nonresidential development will pay police impact fees.
3. Fire/Emergency Medical/Rescue – Hailey has land for a new south-side fire station. Within the next five years the City will construct the south-side station. The north station will be a cooperative venture with the rural fire district. Fire impact fees will be imposed on residential and nonresidential development for fire station buildings and major apparatus with a useful life of at least ten years.
4. Transportation – Impact fees will be used to improve intersections by providing additional vehicle capacity and facilities for pedestrians and cyclists. Hailey will recover new development’s proportionate share of the new City Shop and expand the vehicle/equipment fleet to maintain current infrastructure standards.

Hailey’s policy framework for infrastructure funding is summarized in the table below.

	<i>Utility Connection Fees</i>	<i>Annexation Fees</i>	<i>Impact Fees</i>
<i>Geographic Extent</i>	Existing service area	Areas to be annexed	Citywide (existing & annexations)
<i>Water</i>	Cost recovery	System expansion or enhancement	
<i>Sewer</i>	Cost recovery	System expansion or enhancement	
<i>Library</i>		Building and collection	
<i>General Government</i>		Buildings & vehicles	
<i>Parks & Recreation</i>		Open space and neighborhood-scale parks	Citywide park improvements and trails not within ROW
<i>Police</i>		Vehicles	Headquarters
<i>Fire</i>		Land for north fire station	Fire Stations (buildings and apparatus)
<i>Transportation</i>		Additional lane-miles and vehicle capacity at intersections	Intersection improvements; road system support facilities and rolling stock

OVERVIEW OF UNIQUE IMPACT FEE REQUIREMENTS IN IDAHO

All requirements of the Idaho Development Impact Fee Act have been met in the supporting documentation prepared by TischlerBise and in the City of Hailey impact fee ordinance. There are four requirements of the Idaho Act that are not common in the impact fee enabling legislation of other states. This overview offers further clarification of these unique requirements.

First, as specified in 67-8204(2) of the Idaho Act, “development impact fees shall be calculated on the basis of levels of service for public facilities . . . applicable to existing development as well as new growth and development.” Second, Idaho requires a Capital Improvements Plan (CIP) [see 67-8208]. The CIP requirements are summarized in the next section of this report, with more detailed documentation provided in the discussion of each type of infrastructure.

Third, the Idaho Act also requires documentation of any existing deficiencies in the types of infrastructure to be funded by impact fees [see 67-8208(1)(a)]. The intent of this requirement is to prevent new development from paying the costs of curing existing deficiencies. In the context of impact fees for the City of Hailey, the term “deficiencies” means a shortage or inadequacy of current system improvements when measured against the levels of service to be applied to new development. It does not mean a shortage or inadequacy when measured against some “hoped for” level of service. TischlerBise used the current infrastructure cost per service unit (i.e., existing standards), multiplied by the projected increase in service units over the five-year planning timeframe, to yield the cost of growth-related system improvements. The relationship between these three variables can be reduced to a simple math formula, expressed as $A \times B = C$. In section 67-8204(16), the Idaho Act simply reorganizes this formula, stating the cost per service unit (i.e., impact fee) may not exceed the cost of growth-related system improvements divided by the number of projected service units attributable to new development (i.e., $A = C \div B$). By using existing infrastructure standards to determine the need for growth-related capital improvements, the City of Hailey ensures the same level-of-service standards are applicable to existing and new development. Using existing infrastructure standards also means there are no existing deficiencies in the current system that must be corrected from non-impact fee funding.

Fourth, Idaho requires a proportionate share determination [see 67-8207]. Basically local government must consider various types of applicable credits that may reduce the capital costs attributable to new development. The impact fee methodologies and the cash flow analysis for each type of infrastructure have addressed the need for revenue credits to avoid potential double payment for growth-related infrastructure.

CAPITAL IMPROVEMENTS PLAN

The Idaho Development Impact Fee Act requires a Capital Improvements Plan (CIP) that identifies infrastructure demands by new development activity and proposes public facilities to meet those demands. The growth-related capital improvements discussed below are based on the infrastructure standards and cost factors documented in the impact fee section of this report. As part of its annual budget process, the City of Hailey will provide more detailed data on specific projects consistent with this planning-level CIP, which is required by Idaho Code 67-8208.

Demand for Infrastructure

TischlerBise calculated the demand for facilities using existing infrastructure standards or obtained capital improvement projects from City of Hailey staff. Because infrastructure standards were derived using existing infrastructure inventories and current service units in Hailey, there are no existing deficiencies and no surplus capacity in system improvements.

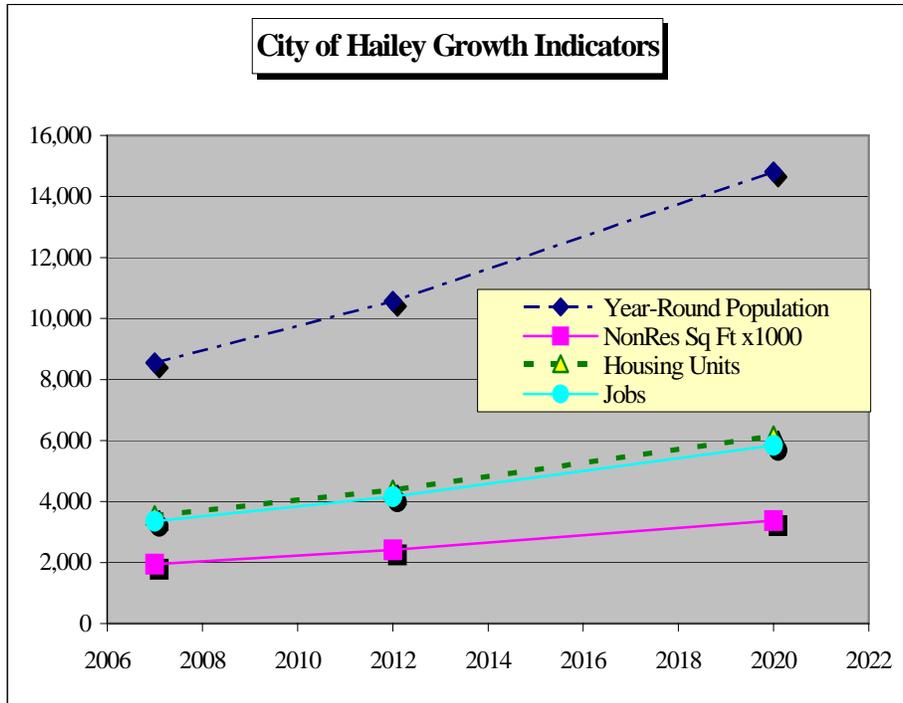
Growth indicators for the impact fee study are summarized in Figure 1. Over the next five years, the projected increase in jobs (159 per year) is slightly lower than the projected increase in housing units, at 168 units per year. Converting jobs to nonresidential floor area indicates a projected average increase of 94,000 square feet per year. These projections were used to calculate the need for capital improvements and to estimate the likely revenue generated by impact fees. For a detailed discussion of demographic data and land use assumptions, please see Appendix A at the back of this report.

Figure 1 – Summary of Growth Indicators

Hailey, Idaho

	<u>2007</u>	<u>2012</u>	<u>2020</u>
Year-Round Population	8,553	10,561	14,812
Housing Units	3,542	4,382	6,160
Jobs	3,359	4,156	5,843
NonRes Sq Ft x1000	1,940	2,410	3,380

2007 to 2012 Average Annual	
Increase	Growth Rate
402	4.70%
168	4.75%
159	4.75%
94	4.85%



For each type of public facility addresses in Hailey’s impact fee study, TischlerBise identified an appropriate demand indicator or “service unit”, as defined by the Idaho Development Impact Fee Act. Projected service units over the next five years are listed in Figure 2.

Figure 2 – Projected Demand or Service Units

Hailey, Idaho		Year =>	1	2	3	4	5
		2007	2008	2009	2010	2011	2012
DEMAND PROJECTIONS (cumulative)							
P	POPULATION	8,553	8,921	9,306	9,707	10,125	10,561
H	HOUSEHOLDS	3,309	3,453	3,603	3,760	3,923	4,094
J	JOBS	3,359	3,505	3,658	3,817	3,983	4,156
PJ	POPULATION & JOBS	11,912	12,427	12,964	13,524	14,108	14,718
TVT	Total Avg Day Veh Trips	40,341	42,321	43,975	46,049	47,848	50,065
RT	Residential Units:	3,542	3,696	3,856	4,024	4,199	4,381
R1	Single Family Detached	2,409	2,514	2,623	2,737	2,856	2,980
R2	All Other Types	1,133	1,182	1,233	1,287	1,343	1,401
RVT	Res Avg Day Veh Trips	17,518	18,280	19,072	19,903	20,768	21,669
NRT	NRes Floor Area:	1,940	2,030	2,110	2,210	2,300	2,410
NR1	Goods Producing	790	820	860	900	940	980
NR2	Service Producing	530	560	580	610	630	660
NR3	Public Sector	620	650	670	700	730	770
NRVT	NR Avg Day Veh Trips	22,823	24,041	24,903	26,146	27,080	28,396

Proposed Means to Meet the Demand for Public Facilities

The demand for public facilities is a function of the projected demand or service units shown above and the infrastructure standards summarized in Figure 3. For each type of public facility addressed in this report, a relationship is established between infrastructure units and demand/service units.

As required by Idaho Code 67-8204(2), levels of service are applicable to existing development as well as new growth and development. The use of existing standards means there are neither existing infrastructure deficiencies nor surplus capacity in infrastructure. New development is only paying its proportionate share for growth-related infrastructure.

Figure 3 – Summary of Infrastructure Standards

Type of Public Facility	Amount	Infrastructure Units	Per Demand Indicator	Cost Factor
Parks	4.6	acres of citywide parks	1,000 persons	\$71,000 (improvements)
Parks	1.9	linear feet of trails	person	\$24
Transportation	2.41	improved intersections	avg weekday vehicle trip	\$314,286
Transportation		City Shop	avg weekday vehicle trip	\$16
Transportation		Rolling Stock	avg weekday vehicle trip	\$71
Police	0.59	square feet of buildings	person	\$246
Police	0.04	square feet of buildings	vehicle trip to nonres dev	\$246
Fire/EMS	0.22	major equipment	1,000 persons	\$287,500
Fire/EMS	0.63	major equipment	1,000 jobs	\$287,500
Fire/EMS	0.29	sq ft of fire station	person	\$269
Fire/EMS	0.82	sq ft of fire station	job	\$269

Figure 4 provides a summary of system improvements over the next five years. The City’s actual expenditure pattern will likely be more “lumpy” than the annual increments shown below. To accommodate new development over the next five years, Hailey plans to spend approximately \$3.08 million on growth-related capital improvements.

Figure 4 – Summary of System Improvements

Hailey, Idaho			Year =>	1	2	3	4	5	
			2007	2008	2009	2010	2011	2012	
Cumulative Facilities Needed									
C2	Trails	LF	15,972	16,660	17,377	18,126	18,907	19,723	
C3	Citywide Park Improvements	acres	40	41	43	45	47	49	
C4	Police Bldg - Res	sq ft	5,040	5,257	5,483	5,720	5,966	6,224	
C5	Polic Bldg - Nonres	sq ft	960	1,011	1,047	1,100	1,139	1,194	
C6	Fire/EMS Equip - Res	count	2	2	2	2	2	2	
C7	Fire/EMS Equip - Nonres	count	2	2	2	2	3	3	
C8	Fire/EMS Stations - Res	sq ft	2,444	2,549	2,659	2,774	2,893	3,018	
C9	Fire/EMS Stations - Nonres	sq ft	2,756	2,876	3,001	3,132	3,268	3,410	
C14	Intersection Improvements	count	10	10	11	11	12	12	
C15	Street Dept. Rolling Stock	count	20	21	22	23	24	25	
Additional Facilities Needed									
C2	Trails	LF		688	717	749	781	816	Cumulative 3,751
C3	Citywide Park Improvements	acres		2	2	2	2	2	10
C4	Police Bldg - Res	sq ft		217	226	237	246	258	1,184
C5	Polic Bldg - Nonres	sq ft		51	36	53	39	55	234
C6	Fire/EMS Equip - Res	count		0	0	0	0	0	0
C7	Fire/EMS Equip - Nonres	count		0	0	0	1	0	1
C8	Fire/EMS Stations - Res	sq ft		105	110	115	119	125	574
C9	Fire/EMS Stations - Nonres	sq ft		120	125	131	136	142	654
C14	Intersection Improvements	count		0	1	0	1	0	2
C15	Street Dept. Rolling Stock	count		1	1	1	1	1	5
Pay-Go Expenditures									
			1000 's of dollars					Cumulative	
C2	Trails		\$17	\$17	\$18	\$19	\$20	\$90	
C3	Citywide Park Improvements		\$107	\$142	\$142	\$142	\$142	\$675	
C4	Police Bldg - Res		\$53	\$56	\$58	\$61	\$63	\$291	
C5	Polic Bldg - Nonres		\$13	\$9	\$13	\$10	\$14	\$58	
C6	Fire/EMS Equip - Res		\$0	\$0	\$0	\$0	\$0	\$0	
C7	Fire/EMS Equip - Nonres		\$0	\$0	\$0	\$288	\$0	\$288	
C8	Fire/EMS Stations - Res		\$28	\$30	\$31	\$32	\$34	\$154	
C9	Fire/EMS Stations - Nonres		\$32	\$34	\$35	\$37	\$38	\$176	
C14	Intersection Improvements		\$0	\$314	\$0	\$314	\$0	\$629	
C15	Street Dept. Rolling Stock		\$144	\$144	\$144	\$144	\$144	\$722	
Total Pay-As-You-Go:			\$394	\$745	\$442	\$1,046	\$455	\$3,081	

Funding Sources for Capital Improvements

In determining the proportionate share of capital costs attributable to new development, the Idaho Development Impact Fee Act states that local governments must consider historical, available and alternative sources of revenue for funding system improvements. Because General Fund capital expenditures have not kept pace with development activity, infrastructure standards have been declining over time. Impact fee funding will provide a dedicated source of revenue that will enable the City to maintain its current infrastructure standards.

Potential Funding from Development Impact Fees

Potential impact fee revenues are summarized in Figure 5, assuming implementation of the fees at the maximum supportable level. Because each type of impact fee must be accounted for separately, TischlerBise provided cash flow summaries in the impact fee analysis for each type of infrastructure. Over the next five years, impact fees are expected to generate approximately \$3 million for funding growth-related system improvements. Average annual impact fee revenue is projected to be approximately \$601,000 per year.

Figure 5 – Projected Impact Fee Revenue

Hailey, Idaho (Current \$ in thousands)	1 2008	2 2009	3 2010	4 2011	5 2012	Cumulative Total	Average Annual	Pct Fee Funding
REVENUES								
<i>Subtotal Park Fee Revenue</i>	\$136	\$142	\$149	\$155	\$161	\$743	\$149	97%
<i>Subtotal Transportation Fee</i>	\$282	\$241	\$297	\$253	\$308	\$1,380	\$276	100%
<i>Subtotal Police Fee</i>	\$63	\$62	\$68	\$68	\$73	\$334	\$67	96%
<i>Subtotal Fire Fee</i>	\$106	\$100	\$116	\$105	\$121	\$548	\$110	89%
TOTAL FEE REVENUE	\$588	\$545	\$630	\$580	\$663	\$3,005	\$601	98%

IMPACT FEE SUMMARY

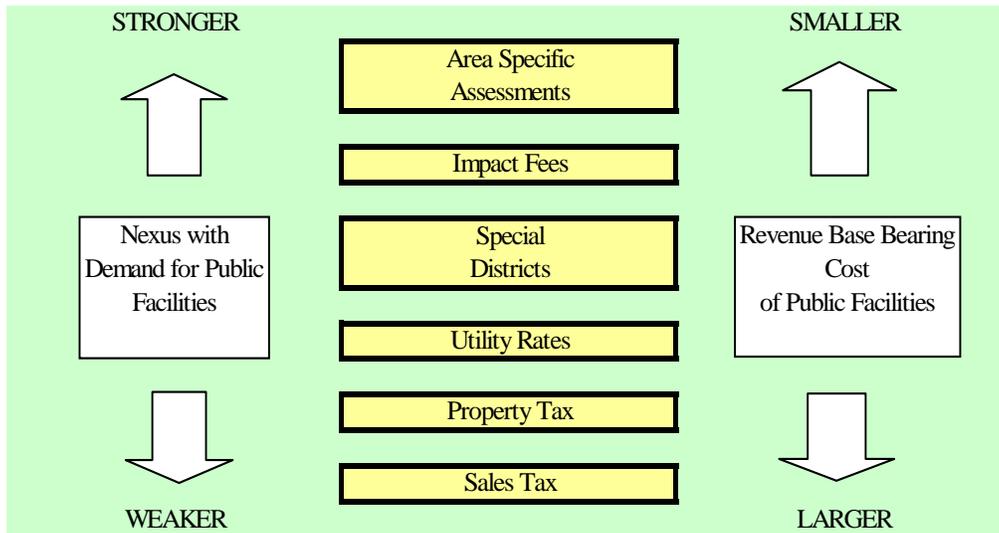
In contrast to development exactions, which are typically referred to as project-level improvements, impact fees fund growth-related infrastructure that will benefit multiple development projects, or even the entire jurisdiction. Impact fees are one-time payments that must be used solely to fund system improvements needed to accommodate new development. As documented in this report, the City of Hailey has complied with all requirements of the Idaho Development Impact Fees Act. Impact fees are proportionate and reasonably related to the capital facility service demands of new development. Specific costs have been identified using local data and current dollars. With input from City staff, TischlerBise determined demand indicators for each type of public facility and calculated proportionate share factors to allocate costs by type of development. The formulas used to calculate the impact fees are diagramed in a flow chart for each type of public facility. This report documents the specific factors used to derive the impact fees. Impact fee methodologies also identify the extent to which newly developed properties are entitled to various types of credits to avoid potential double payment of capital costs.

Why Impact Fees?

In the City of Hailey, elected officials are considering a policy decision to change the funding source for certain types of infrastructure. If the City implements impact fees, it represents a policy decision to shift infrastructure funding from broad-based revenues (i.e., property and sales taxes) to revenues that have a stronger nexus between the fee payers and the demand for public facilities. As a dedicated revenue source, impact fees could provide significant funding for growth-related system improvements in Hailey.

Infrastructure funding alternatives force decision-makers to wrestle with a dynamic tension between two competing desires. As shown on the left side of Figure 6, various funding options have a strong-to-weak connection between the source of funds and the demand for public facilities. It is unfortunate that the funding options with the closest nexus to the demand for public facilities also have the smallest revenue base to bear the cost of the public facilities (see the right side of the diagram).

Figure 6 – Infrastructure Funding Alternatives



Source: Paul Tischler, Dwayne Guthrie and Nadejda Mishkovsky. 1999. Introduction to Infrastructure Financing. IQ Service Report, Vol. 31, No. 3. Washington, DC: International City/City Management Association.

City of Hailey Impact Fee Schedule

Figure 7 provides a schedule of the maximum supportable impact fees for the City of Hailey. If elected officials adopt lower fees, it may be necessary to revise the corresponding capital plans or provide additional non-impact fee funding. For residential development, impact fees will be imposed per housing unit. For transportation and public safety infrastructure, impact fees for nonresidential development are based on the square feet of floor area or unique demand indicators, such as the number of rooms in a hotel. The fee schedule for nonresidential development is designed to provide a reasonable impact fee determination for common types of development. For unique development types, the City may allow or require an independent impact fee assessment, consistent with the Idaho Development Impact Fee Act.

Adding the cost of preparing the Capital Improvements Plan (CIP) is specifically authorized in the Idaho Code (see 67-8208). As shown in the implementation section of this report, the cost of preparing the CIP, including consultants and 20% of a staff position over three years, was allocated to the increase in development units from 2007 to 2010.

Figure 7 – Maximum Supportable Impact Fees

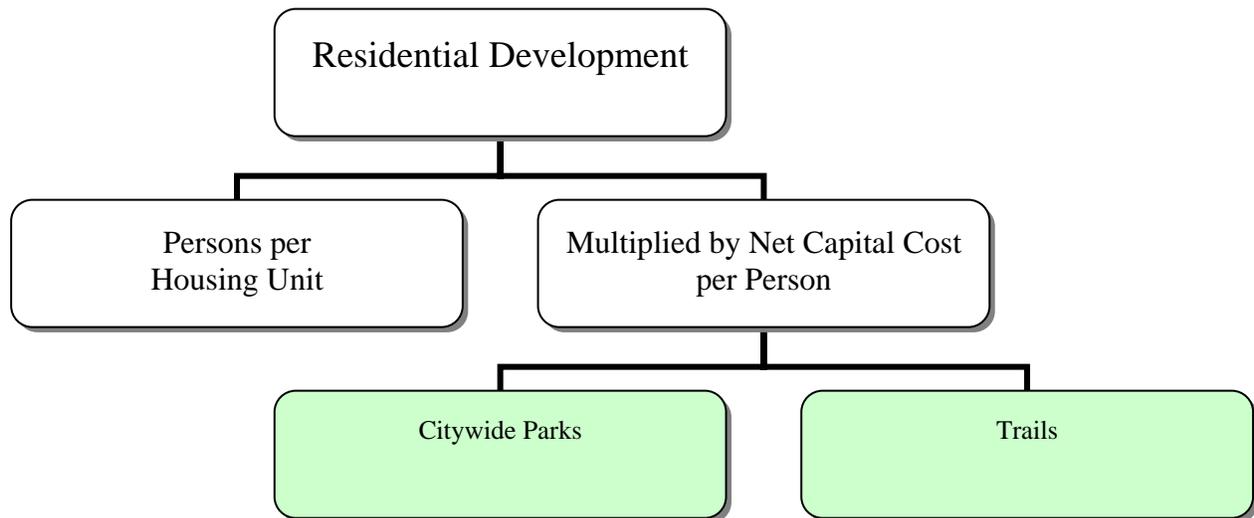
<i>ITE Code</i>	<i>Parks</i>	<i>Trans- portation</i>	<i>Police</i>	<i>Fire & EMS</i>	<i>CIP Cost</i>	<i>TOTAL</i>
Residential						
Per Housing Unit						
210 Single Family Detached	\$934	\$903	\$365	\$350	\$77	\$2,629
230 All Other Housing Types	\$782	\$553	\$305	\$293	\$77	\$2,010
Nonresidential						
Per Square Foot of Floor Area						
820 Commercial / Shop Ctr 25,000 SF or less	\$4.94	\$0.31	\$1.33	\$0.06		\$6.64
820 Commercial / Shop Ctr 25,001-100,000 SF	\$3.58	\$0.23	\$1.00	\$0.06		\$4.87
820 Commercial / Shop Ctr 100,001 SF or more	\$2.60	\$0.16	\$0.80	\$0.06		\$3.62
710 General Office 25,000 SF or less	\$1.46	\$0.09	\$1.66	\$0.06		\$3.27
710 General Office 25,001 SF or more	\$1.25	\$0.08	\$1.56	\$0.06		\$2.95
720 Medical-Dental Office	\$2.89	\$0.18	\$1.62	\$0.06		\$4.75
610 Hospital	\$1.40	\$0.09	\$1.35	\$0.06		\$2.90
770 Business Park	\$1.02	\$0.06	\$1.26	\$0.06		\$2.40
110 Light Industrial	\$0.55	\$0.03	\$0.92	\$0.06		\$1.56
150 Warehousing	\$0.39	\$0.02	\$0.51	\$0.06		\$0.98
151 Mini-Warehouse	\$0.20	\$0.01	\$0.01	\$0.06		\$0.28
Other Nonresidential						
320 Lodging (per room)	\$450	\$29	\$176	*		\$655
520 Elementary School (per student)	\$103	\$6	\$32	*		\$141
530 Secondary School (per student)	\$136	\$8	\$36	*		\$180
565 Day Care (per student)	\$358	\$23	\$64	*		\$445
620 Nursing Home (per bed)	\$189	\$12	\$144	*		\$345

* Other nonresidential will also pay the cost of CIP preparation at the rate of \$0.06 per square foot of floor area.

PARKS AND RECREATION

The park impact fee is based on the cost per service unit method specified in Idaho Code 67-8204(16). For the park impact fee, a service unit is a person. As indicated in the park impact fee methodology (see Figure 8), cost components were allocated 100% to residential development. The diagram is intended to read like an outline, with lower levels providing a more detailed breakdown of the impact fee components. The park impact fee is derived from the average number of persons per housing unit multiplied by the capital cost per person. The boxes in the next level down, with light-green shading, indicate cost components for improvements to citywide parks and for trails not located in the right of way of a road. In contrast to smaller, neighborhood-scale parks, impact fees will be used for larger parks with improvements that have a citywide service area. Small playgrounds, lacking unique features that draw patrons from throughout the city, and all private recreation facilities are not eligible for impact fee funding or credits.

Figure 8 – Park Impact Fee Methodology Chart



Park Standards

Park impact fees are based on an inventory of existing citywide parks and actual expenditures on park improvements by the City of Hailey. As required by Idaho Code 67-8204(2), levels of service are applicable to existing development as well as new growth and development. The use of existing standards means there are neither existing infrastructure deficiencies nor surplus capacity in infrastructure. New development is only paying its proportionate share for growth-related infrastructure.

Figure 9 identifies the larger parks within Hailey that have improvements or unique features that drawn patrons from the entire city. For example, parks with athletic fields and courts used for league play (soccer, football, baseball, basketball, etc.) will be used by residents from all geographic areas within Hailey. Unique facilities, such as the skate park, may also qualify a park site for impact fee funding. System improvements with a citywide service area have a current cost of approximately \$2.79 million. Citywide park improvements cost an average of \$71,000 per acre, or \$326 per person. With 39.5 acres of land for citywide parks, the current standard is 4.6 acres per 1,000 residents. If the skate park site is excluded from the calculation, the average land area of a citywide park is approximately 6.5 acres.

Figure 9 - Cost of Citywide Park Improvements

Park	Acreage	Athletic Field	Tennis Ct/ Basketball	Picnic Shelter	Playground Equipment	Rest-rooms	Other Improvements*	TOTAL
Old Cutters	5.1				\$20,000	\$40,000	\$306,000	\$366,000
Heagle	8.0		\$40,000	\$35,000	\$20,000	\$40,000	\$270,000	\$405,000
Hop Porter	4.3			\$35,000	\$150,000	\$70,000	\$258,000	\$513,000
Lions (3.6 ac developed)	10.6	\$80,000		\$35,000	\$20,000		\$216,000	\$351,000
McKercher	2.5	\$80,000					\$150,000	\$230,000
Skatepark	0.4						\$325,000	\$325,000
Woodside Central	8.6	\$160,000	\$40,000	\$60,000	\$20,000	\$80,000	\$240,000	\$600,000
TOTAL	39.5	\$320,000	\$80,000	\$165,000	\$230,000	\$230,000	\$1,765,000	\$2,790,000

Existing Level of Service Standards

Total Improvements	\$2,790,000
Year-Round Population in 2007	8,553
Acres of Park Land per 1,000 Persons	4.6
Average Improvements Cost Per Acre	\$71,000
Improvements Cost Per Person	\$326

* These costs include unique facilities like the skatepark and miscellaneous items such as parking lots, lighting, landscaping and irrigation.

Trails

Figure 10 provides an inventory of trails and their estimated cost. For each resident in Hailey, there is approximately 1.9 linear feet of off-road trail. According to the existing standard, for each additional resident the City will need to spend \$45 on trail infrastructure. Capital costs for bike lanes and sidewalks within road right-of-way are excluded from the park impact fee, but typically included in the cost of transportation improvements.

Figure 10 – Cost of Trails

<i>Name</i>	<i>Description</i>	<i>Linear Feet</i>	<i>\$ per LF</i>	<i>Cost</i>
Fox Acres Rd Trail	asphalt 10 ft wide	3,300	\$80	\$264,000
Toe of the Hill Trail	dirt single track	12,672	\$10	\$126,700
TOTAL		15,972		\$390,700
Population in 2007				8,553
Linear Feet per Person				1.9
Weighted Average Cost per LF				\$24
Cost per Person				\$45

Park Fee Calculations

Infrastructure standards used to calculate park impact fees are shown in the boxed area of Figure 11. Credits are not applicable to the park impact fee because the City of Hailey has no debt obligations for parks and plans to fund growth-related park improvements from impact fees.

For park impact fees, a “service unit” is a person. As specified in 67-8208(e), persons per housing unit convert development units to service units. The park impact fee is equal to the average number of persons per housing unit multiplied by the capital cost per person. For example, the fee for detached housing is 2.52 x \$371, or \$934 per housing unit.

Figure 11 - Park Impact Fee Schedule

	<i>Standards:</i>
<i>Persons Per Housing Unit</i>	
Single Family Detached	2.52
All Other Housing Types	2.11
<i>Level Of Service</i>	
Citywide Park Improvements Cost per Person	\$326
Trails Cost per Person	\$45
Total Capital Cost Per Person	\$371
<i>Park Impact Fee per Housing Unit</i>	
Single Family Detached	\$934
All Other Housing Types	\$782

Cash Flow Analysis of Growth-Related Park Improvements

As shown in the upper portion of Figure 12, the City of Hailey should receive approximately \$743,000 in park impact fee revenue over the next five years, if the maximum supportable fee is imposed. A summary of capital costs for growth-related park improvements is shown in the lower portion of Figure 12. The need for citywide park improvements is derived from the impact fee infrastructure standards and the projected increase in population over the next five years. To accommodate new residential development in Hailey over the next five years, the City will spend approximately \$675,000 on citywide park improvements. To accommodate new development over the next five years, Hailey will also construct approximately 3,751 linear feet of trails at an estimated cost of \$90,000.

To the extent the rate of development either accelerates or slows down, there will be a corresponding change in the impact fee revenue and capital costs. See Appendix A for discussion of the development projections that drive the cash flow analysis.

Figure 12 – Projected Cash Flow for Parks

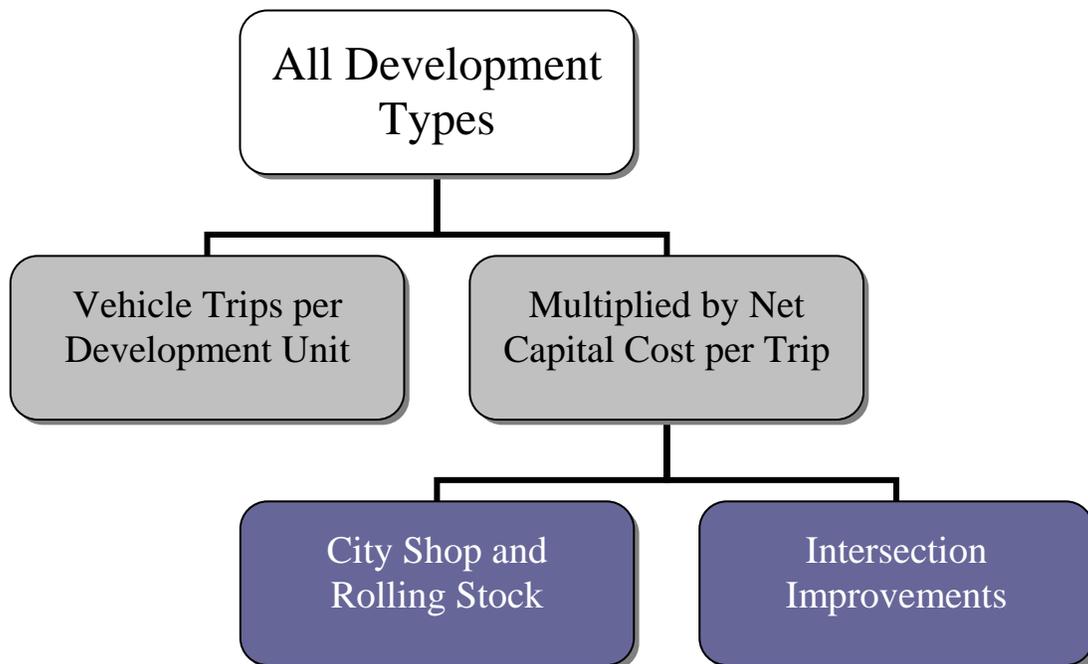
Hailey, Idaho (Current \$ in thousands)	1 2008	2 2009	3 2010	4 2011	5 2012	Cumulative Total	Average Annual
REVENUES							
1 Park Fee - Detached	\$98	\$102	\$106	\$111	\$116	\$533	\$107
2 Park Fee - Other HU	\$38	\$40	\$42	\$44	\$45	\$210	\$42
Subtotal Park Fee Revenue	\$136	\$142	\$149	\$155	\$161	\$743	\$149
CAPITAL COSTS							
Citywide Park Improvements	\$107	\$142	\$142	\$142	\$142	\$675	\$135
Trails	\$17	\$17	\$18	\$19	\$20	\$90	\$18
Parks Subtotal	\$123	\$159	\$160	\$161	\$162	\$765	\$153
NET INFRASTRUCTURE CASH FLOW - Parks						<i>Current \$ in thousands</i>	
Annual Surplus (or Deficit)	\$13	(\$18)	(\$11)	(\$6)	(\$0)	(\$22)	(\$4)
Cumulative Surplus (or Deficit)	\$13	(\$4)	(\$15)	(\$21)	(\$22)		

TRANSPORTATION

Hailey’s impact fee for transportation infrastructure addresses the need for intersection improvements plus the growth-related need for road support facilities and equipment. As shown in Figure 13, trip generation rates by type of development are multiplied by the capital cost per vehicle trip to yield the impact fee.

All local streets, as well as travel lanes on arterial and collector streets that are needed to accommodate a particular development project, are considered to be project-level improvements. Also, turning lanes and traffic signals necessary to provide access to an individual development project are project-level improvements (i.e., not eligible for impact fee funding or credits).

Figure 13 – Impact Fee Methodology for Transportation



Vehicle Trip Generation Rates

Trip generation rates used in the transportation impact fees are from the reference book Trip Generation (Institute of Transportation Engineers, 2003). A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate transportation impact fees, trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points. Therefore, the basic trip adjustment factor is 50%. As discussed further below, the impact fee methodology includes additional adjustments to make the fees proportionate the infrastructure demand for particular types of development.

Adjustment for Commuting Patterns

Residential development has a larger trip adjustment factor of 59% to account for commuters leaving Hailey for work. According to the 2001 National Household Travel Survey (see Table 29, Federal Highway Administration, published 12/04) home-based weekday work trips are typically 31% of production trips (i.e., all out-bound trips, which are 50% of all trip ends). Also, Census 2000 data from Table P27 in Summary File 3 indicates that 61% of workers living in Hailey travel outside the city for work. In combination, these factors ($0.31 \times 0.50 \times 0.61 = 0.09$) support the higher allocation of trips to residential development.

Commercial Pass-by Adjustment

Data contained in Trip Generation Handbook (ITE, 2004) indicate an inverse relationship between commercial building size and pass-by trips. Therefore, appropriate trip adjustment factors have been calculated according to commercial building size (see Figure 14). For commercial developments, the trip adjustment factor is less than 50% because retail development and some services (like banks) attract vehicles as they pass by on arterial and collector roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For a small commercial building of 10,000 square feet of floor area, the ITE data indicate that on average 52% of the vehicles that enter are passing by on their way to some other primary destination. The remaining 48% of attraction trips have the commercial building as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 48% multiplied by 50%, or approximately 24% of the trip ends.

Figure 14 – Commercial Trip Rates and Pass-By Adjustments

Floor Area in thousands (KSF)	<i>Shopping Centers</i> (ITE 820 Weekday*)		Commercial Pass-by Trips**	Commercial Trip Adj Factor***
	Trip Ends	Rate/KSF		
10	1,520	152.03	52%	24%
25	2,758	110.32	45%	28%
50	4,328	86.56	39%	31%
100	6,791	67.91	34%	33%
200	10,656	53.28	29%	36%
400	16,722	41.80	23%	39%
800	26,239	32.80	18%	41%

* Trip Generation, ITE, 2003.

** Based on data published by ITE in Trip Generation Handbook (2004), the best trendline correlation between pass-by trips and floor area is a logarithmic curve with the equation $((-7.6967 \cdot \text{LN}(\text{KSF}) + 69.448)$.

*** To convert trip ends to vehicle trips, the standard adjustment factor is 50%. Due to pass-by trips, commercial trip adjustment factors are lower, as derived from the following formula $(0.50 \cdot (1 - \text{passby pct}))$.

Infrastructure Standards for Intersection Improvements

The State of Idaho requires impact fees to be calculated using levels of service “applicable to existing development as well as new growth and development.” [See Idaho Statutes 67-8204(2)] The infrastructure standards for intersection improvements include both quantitative and qualitative measures. Figure 15 indicates the quantitative standards (i.e., ratio of infrastructure units to demand units) and the qualitative standards, or cost factors. The seven additional improved intersections needed to maintain the current infrastructure standard through the year 2020 have an estimated cost of \$2.2 million in current dollars (i.e. not inflated over time). The long-range Transportation Plan for the City of Hailey has identified 14 intersections that are eligible for impact fee funding. TischlerBise recommends that the City of Hailey, with input from the Development Impact Fee Advisory Committee, prioritize the top seven intersections anticipated to need improvements due to new development. The prioritized list would guide the scheduling of capital improvements and clearly identify the system improvements to be constructed with impact fees.

Figure 15 – Business District Intersection Improvements

	<i>Base Yr 2007</i>	<i>Additional</i>	<i>Yr 13 2020</i>	<i>Average Unit Cost</i>	<i>Cost of Planned Improvements</i>
Improved Intersections	10	7	17	\$314,286	\$2,200,000
Average Weekday Vehicle Trips	40,341	30,068	70,409		
Intersections per 1,000 Persons	2.48	2.33	2.41		
				Average Cost per Additional Vehicle Trip	\$73
				Average Annual Expenditure (rounded)	\$169,000

Infrastructure Standards for Road Support Facilities

Because city staff does not anticipate a need for additional expenditures on the new City Shop over the next five years, the infrastructure standard is derived using projected vehicle trips in 2012. Transportation impact fees will also provide funding to maintain the current infrastructure standard for rolling stock, as documented in Figure 16. All equipment items have a useful life of at least ten years as required by Idaho’s Impact Fee Act. Based on the inventory of rolling stock, the weighted average cost is approximately \$144,000 for a new equipment item.

Figure 16 – Cost of City Shop and Rolling Stock

City Shop

Capital Cost of New City Shop	\$850,000
Average Weekday Vehicle Trips in 2012	50,065
Cost per Average Weekday Vehicle Trip	\$16

Rolling Stock for Streets (excludes utilities)

	Type of Equipment	Units in Service	Avg Cost per Unit	Total Cost
1	Track Hoe	1	\$235,000	\$235,000
2	Bucket Truck	1	\$98,000	\$98,000
3	Grader	1	\$204,500	\$204,500
4	Loader	1	\$263,500	\$263,500
5	Mini Loader	1	\$94,400	\$94,400
6	Plow Truck	7	\$87,100	\$609,700
7	Snow Blower / Loader	1	\$550,000	\$550,000
8	Sweeper	1	\$170,000	\$170,000
9	Tracker Trailer	6	\$110,000	\$660,000
	Total	20	\$144,300	\$2,885,100
	Average Weekday Vehicle Trips in 2007			40,341
	Cost per Average Weekday Vehicle Trip			\$71

Credit Evaluation

A general requirement that is common to impact fee methodologies is the evaluation of credits. A revenue credit may be necessary to avoid potential double payment situations from one-time impact fees plus on-going payments of other revenues that may also fund growth-related capital improvements. The determination of credits is dependent upon the impact fee methodology used in the cost analysis. Because the growth-related cost of transportation improvements will be fully funded by the development impact fees, a credit for other revenues is not applicable.

Transportation Impact Fee Calculations

Factors used to derive the impact fees for transportation are shown in Figure 17. Impact fees for nonresidential development are typically based on floor area. However, the impact fees for several types of nonresidential development have unique demand units. For example, impact fees for lodging are based on the number of rooms and fees for day care facilities are based on the number of students. The fee categories listed below should cover common development types. For unique development types not represented by any of the categories listed, the City of Hailey may allow, or require, trip generation estimates to be provided by a licensed professional traffic engineer or certified city planner. For transportation infrastructure, a “service unit” is a weekday vehicle trip. As specified in 67-8208(e), the variables shown in the table below are used to convert development units to service units.

Figure 17 – Transportation Fee Input Variables

ITE Code	Residential	Commercial / Shopping Ctrs	Other Nonres
Weekday Vehicle Trip Ends			
<i>Residential (per Housing Unit)</i>			
210 Single Family Detached	9.57		
230 All Other Housing Types	5.86		
<i>Nonresidential (per 1,000 Square Feet of Floor Area)</i>			
820 Commercial / Shop Ctr 25,000 SF or less		110.32	
820 Commercial / Shop Ctr 25,001-100,000 SF		67.91	
820 Commercial / Shop Ctr 100,001 SF or more		41.80	
710 General Office 25,000 SF or less			18.35
710 General Office 25,001 SF or more			15.65
720 Medical-Dental Office			36.13
610 Hospital			17.57
770 Business Park			12.76
110 Light Industrial			6.97
150 Warehousing			4.96
151 Mini-Warehouse			2.50
<i>Other Nonresidential</i>			
320 Lodging (per room)			5.63
520 Elementary School (per student)			1.29
530 Secondary School (per student)			1.71
565 Day Care (per student)			4.48
620 Nursing Home (per bed)			2.37
Trip Adjustment Factors			
	59%		50%
Commercial / Shop Ctr 25,000 SF or less		28%	
Commercial / Shop Ctr 25,001-100,000 SF		33%	
Commercial / Shop Ctr 100,001 SF or more		39%	
Level Of Service			
Intersection Improvements Cost per Vehicle Trip	\$73	\$73	\$73
City Shop Cost Per Vehicle Trip	\$16	\$16	\$16
Rolling Stock Cost per Vehicle Trip	\$71	\$71	\$71
Net Capital Cost per Vehicle Trip	\$160	\$160	\$160

Transportation Impact Fees by Type of Development

The input variables discussed above were used to derive the maximum supportable impact fees shown in Figure 18. For example, the impact fee for a detached house is $9.57 \times 0.59 \times \160 , which equals approximately \$903 per housing unit.

Figure 18 – Transportation Impact Fee Schedule

<i>Maximum Supportable Transportation Impact Fee</i>	Residential	Commercial / Shopping Ctrs	Other Nonres
<u>Residential (per housing unit)</u>			
210 Single Family Detached	\$903		
230 All Other Housing Types	\$553		
<u>Nonresidential Per Square Foot of Floor Area</u>			
820 Commercial / Shop Ctr 25,000 SF or less		\$4.94	
820 Commercial / Shop Ctr 25,001-100,000 SF		\$3.58	
820 Commercial / Shop Ctr 100,001 SF or more		\$2.60	
710 General Office 25,000 SF or less			\$1.46
710 General Office 25,001 SF or more			\$1.25
720 Medical-Dental Office			\$2.89
610 Hospital			\$1.40
770 Business Park			\$1.02
110 Light Industrial			\$0.55
150 Warehousing			\$0.39
151 Mini-Warehouse			\$0.20
<u>Other Nonresidential</u>			
320 Lodging (per room)			\$450
520 Elementary School (per student)			\$103
530 Secondary School (per student)			\$136
565 Day Care (per student)			\$358
620 Nursing Home (per bed)			\$189

Projected Cash Flow for Transportation

The cash flow summary provides an indication of the impact fee revenue and expenditures needed to meet the demand for growth-related transportation improvements. To the extent the rate of development either accelerates or slows down, there will be a corresponding change in the fee revenue and capital costs. See Appendix A for discussion of the development projections that drive the cash flow analysis.

The annual impact fee revenue is derived by multiplying the annual increase in development from Appendix A by the maximum supportable impact fees. Over the next five years, new development will contribute approximately \$1.38 million for growth-related transportation improvements. As shown in Figure 19, Hailey will improve two intersections plus expand the Street Department fleet by five vehicles over the next five years.

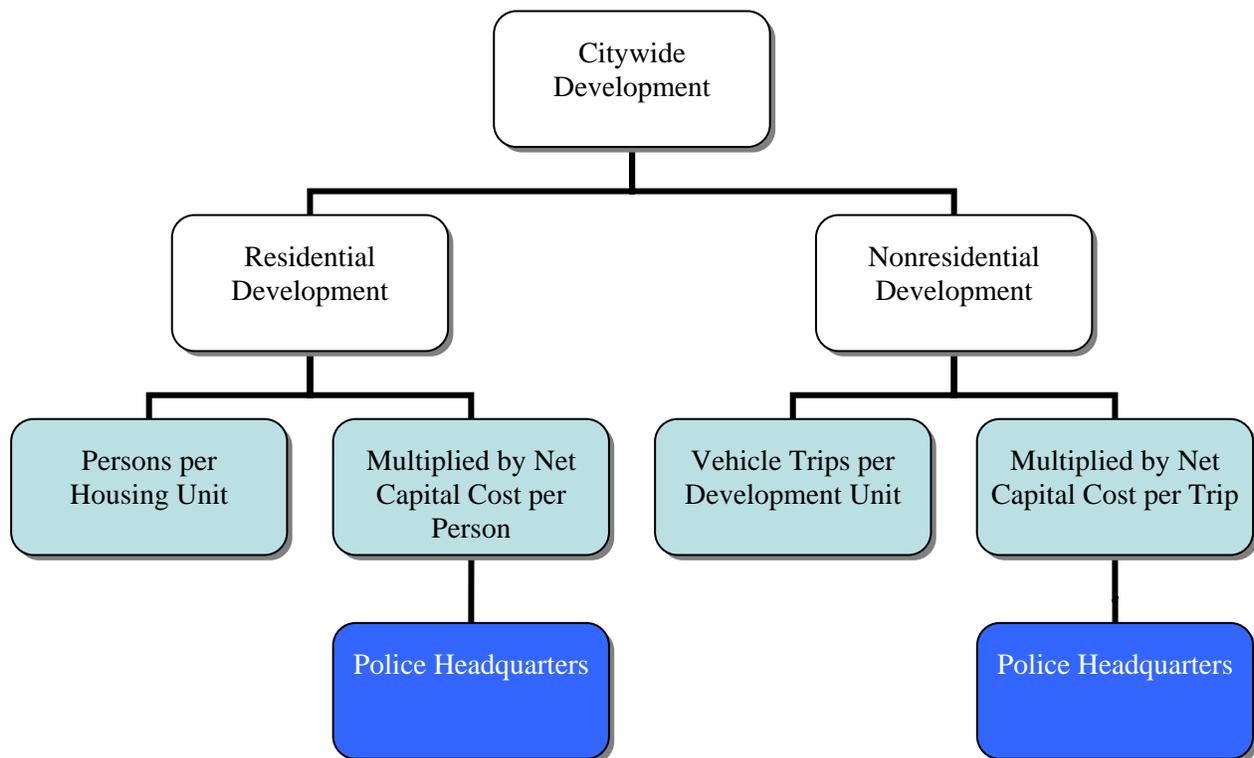
Figure 19 – Cash Flow Summary for Transportation

Hailey, Idaho (Current \$ in thousands)	1 2008	2 2009	3 2010	4 2011	5 2012	Cumulative Total	Average Annual
REVENUES							
3 Transp Fee - Detached	\$95	\$98	\$103	\$107	\$112	\$516	\$103
4 Transp Fee - Other HU	\$27	\$28	\$30	\$31	\$32	\$148	\$30
5 Transp Fee - Goods	\$12	\$16	\$16	\$16	\$16	\$74	\$15
6 Transp Fee - Services	\$148	\$99	\$148	\$99	\$148	\$642	\$128
Subtotal Transportation Fee	\$282	\$241	\$297	\$253	\$308	\$1,380	\$276
CAPITAL COSTS							
Intersection Improvements	\$0	\$314	\$0	\$314	\$0	\$629	\$126
Street Dept. Rolling Stock	\$144	\$144	\$144	\$144	\$144	\$722	\$144
Transportation Subtotal	\$144	\$459	\$144	\$459	\$144	\$1,350	\$270
NET CAPITAL FACILITIES CASH FLOW - Transportation						<i>Current \$ in thousands</i>	
Annual Surplus (or Deficit)	\$138	(\$218)	\$152	(\$206)	\$164	\$30	\$6
Cumulative Surplus (or Deficit)	\$138	(\$80)	\$72	(\$134)	\$30		

POLICE FACILITIES

The police impact fee addresses the need for facilities that provide citywide service. As shown in Figure 20, police impact fees use different demand indicators for residential and nonresidential development. Residential impact fees are calculated on a per capita basis and then converted to an appropriate amount by type of housing based on the average number of persons in a typical unit. To calculate nonresidential impact fees, TischlerBise recommends using vehicle trips as the best demand indicator for police facilities. Trip generation rates are highest for commercial developments, such as shopping centers, and lowest for industrial/warehouse development. Office and institutional trip rates fall between the other two categories. This ranking of trip rates is consistent with the relative demand for law enforcement from nonresidential development. Other possible nonresidential demand indicators, such as employment or floor area, do not accurately reflect the demand for service. If employees per thousand square feet were used as the demand indicator, police impact fees would be too high for office and institutional development. If floor area were used as the demand indicator, police impact fees would be too high for industrial development. Also, police officers respond to traffic accidents, which are directly proportionate to trip generation rates.

Figure 20 – Police Impact Fee Methodology Chart



Cost Allocation for Police Facilities

Functional population (see Figure 21) was used to allocate capital costs to residential and nonresidential development. For residential development, the proportionate share factor is based on estimated person hours of non-working residents, plus the non-working hours of resident workers. Based on year 2000 census data, approximately 56% of Hailey’s population worked in 2000 and 44% did not work. For resident workers, two-thirds of a day (i.e., 16 hours) was allocated to residential demand. Time spent at work (i.e., 8 hours) was allocated to nonresidential development. In 2000, the U.S. Census Bureau estimated that 1,338 city residents also worked in Hailey. Total jobs located in Hailey are from the Census Transportation Planning Package (year 2000 place of work data). Based on estimated person hours, the cost allocation for residential development is 84% while nonresidential development accounts for 16% of the demand for infrastructure.

Figure 21 – Police Proportionate Share Factors

	<u>Demand Units in 2000</u>	<u>Demand Hours/Day</u>	<u>Person Hours</u>
Residential			
Year-round Population	6,200		
Residents Not Working	2,749	24	65,976
Workers Living in City*	3,451		
Residents Working in City*	1,338	16	21,408
Residents Working Outside City*	2,113	16	33,808
	Residential Subtotal		121,192
			84%
Nonresidential			
Jobs Located in City**	2,878		
Residents Working in City*	1,338	8	10,704
Non-Resident Workers in 2000	1,540	8	12,320
	Nonresidential Subtotal		23,024
			16%
		TOTAL	144,216

* Table P27 from SF3, Census 2000.

** 2000 Census Transportation Planning Package, Part 2 (Place of Work).

Law Enforcement Standards and Cost Factors

As required by Idaho Code 67-8204(2), levels of service are applicable to existing development as well as new growth and development. Figure 22 provides data on the buildings used for law enforcement services within the City of Hailey. A weighted average construction cost of \$246 per square foot is based on the City’s estimated cost for relocated the existing police headquarters to another location within the next five years. The total cost of police buildings was allocated to residential and nonresidential development using the proportionate share factors discussed above, then divided by current demand units in the City of Hailey. TischlerBise

derived average weekday vehicle trips associated with nonresidential development within the City of Hailey using estimated floor area, trip generation rates and trip adjustment factors. Documentation of the demographic data used in the impact fee study may be found in Appendix A.

Figure 22 – Police Infrastructure Standards

Site	Square Feet	\$/SF	Total Cost
1 Police Headquarters	4,200	\$287	\$1,205,400
2 Police Maintenance	1,800	\$150	\$270,000
Total	6,000	\$246	\$1,475,400

	Proportionate Share	2007 Demand Units	Cost per Demand Unit
Residential	84%	8,553 persons	\$144.90
Nonresidential	16%	22,823 nonres veh trips	\$10.34

0.59 sq ft per person
0.04 sq ft per nonres veh trip

Credit Evaluation

A general requirement that is common to impact fee methodologies is the evaluation of credits. A revenue credit may be necessary to avoid potential double payment situations from one-time impact fees plus on-going payments of other revenues that may also fund growth-related capital improvements. The determination of credits is dependent upon the impact fee methodology used in the cost analysis. If Hailey bond finances a new police headquarters, a revenue credit for future principal payments may be necessary, which will reduce the police impact fee.

Maximum Supportable Police Impact Fee

For police infrastructure, a “service unit” for residential development is a person. For nonresidential development, a “service unit” is a weekday vehicle trip. As specified in 67-8208(e), the variables shown in the table below are used to convert development units to service units. LOS standards used to derive the police impact fees are shown in the boxed area at the top of Figure 23. A “trip end” represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). Trip generation rates are from the reference book Trip Generation, published by the Institute of Transportation Engineers (ITE, 7th edition, 2003). Trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points. For all types of nonresidential development except commercial, the trip adjustment factor is 50%. For commercial / shopping center development, the trip adjustment factor ranges from 28-39% depending on the floor area of the development. The trip adjustment factor is less than 50% because retail uses attract vehicles as they pass by on arterial and collector roads.

Figure 23 – Police Fee Input Variables

	<i>Standards:</i>	
<i>Persons Per Housing Unit</i>		
Single Family Detached		2.52
All Other Housing Types		2.11
<i>Weekday Vehicle Trip Ends</i>		
<u><i>Nonresidential (per 1,000 Square Feet of Floor Area)</i></u>		
820 Commercial / Shop Ctr 25,000 SF or less		110.32
820 Commercial / Shop Ctr 25,001-100,000 SF		67.91
820 Commercial / Shop Ctr 100,001 SF or more		41.80
710 General Office 25,000 SF or less		18.35
710 General Office 25,001 SF or more		15.65
720 Medical-Dental Office		36.13
610 Hospital		17.57
770 Business Park		12.76
110 Light Industrial		6.97
150 Warehousing		4.96
151 Mini-Warehouse		2.50
<u><i>Other Nonresidential</i></u>		
320 Lodging (per room)		5.63
520 Elementary School (per student)		1.29
530 Secondary School (per student)		1.71
565 Day Care (per student)		4.48
620 Nursing Home (per bed)		2.37
<i>Trip Adjustment Factors</i>		
820 Commercial / Shop Ctr 25,000 SF or less		28%
820 Commercial / Shop Ctr 25,001-100,000 SF		33%
820 Commercial / Shop Ctr 100,001 SF or more		39%
All Other Nonresidential		50%
<i>Level of Service</i>		
Law Enforcement Buildings Cost	<u>Per Person</u>	<u>Per Trip</u>
	\$144.90	\$10.34

Police Impact Fees by Type of Development

Figure 24 indicates the maximum supportable fees for police headquarters. Fees for the majority of nonresidential development categories are given per square foot of floor area. The impact fee is the product of the trip generation rate multiplied by the trip adjustment factor and the cost per trip for police buildings. For example, the impact fee for a small commercial building, like a restaurant, is 110.32 divided by 1,000 multiplied by 0.28 multiplied by \$10.34, which yields a fee of \$0.31 per square foot of floor area. If the restaurant contained 3,000 square feet of gross leasable floor area, the total police impact fee would be \$930.

Figure 24 – Police Impact Fee Schedule

<i>Maximum Supportable Police Impact Fee</i>	
<u>Residential (per housing unit)</u>	
Single Family Detached	Per Housing Unit \$365
All Other Housing Types	\$305
<u>Nonresidential Per Square Foot of Floor Area</u>	
820 Commercial / Shop Ctr 25,000 SF or less	Per Sq Ft \$0.31
820 Commercial / Shop Ctr 25,001-100,000 SF	\$0.23
820 Commercial / Shop Ctr 100,001 SF or more	\$0.16
710 General Office 25,000 SF or less	\$0.09
710 General Office 25,001 SF or more	\$0.08
720 Medical-Dental Office	\$0.18
610 Hospital	\$0.09
770 Business Park	\$0.06
110 Light Industrial	\$0.03
150 Warehousing	\$0.02
151 Mini-Warehouse	\$0.01
<u>Other Nonresidential</u>	
320 Lodging (per room)	\$29
520 Elementary School (per student)	\$6
530 Secondary School (per student)	\$8
565 Day Care (per student)	\$23
620 Nursing Home (per bed)	\$12

Projected Cash Flow for Police Facilities

As shown in Figure 25, new development over the next five years is expected to provide \$334,000 for expansion of the police headquarters. If the police impact fee is imposed at the maximum supportable level, the expected revenue approximates the growth-related cost of police improvements.

The cash flow summary provides an indication of the impact fee revenue and expenditures necessary to meet the demand for police facilities. To the extent the rate of development either accelerates or slows down, there will be a corresponding change in the impact fee revenue and capital costs. See Appendix A for discussion of the development projections that drive the cash flow analysis.

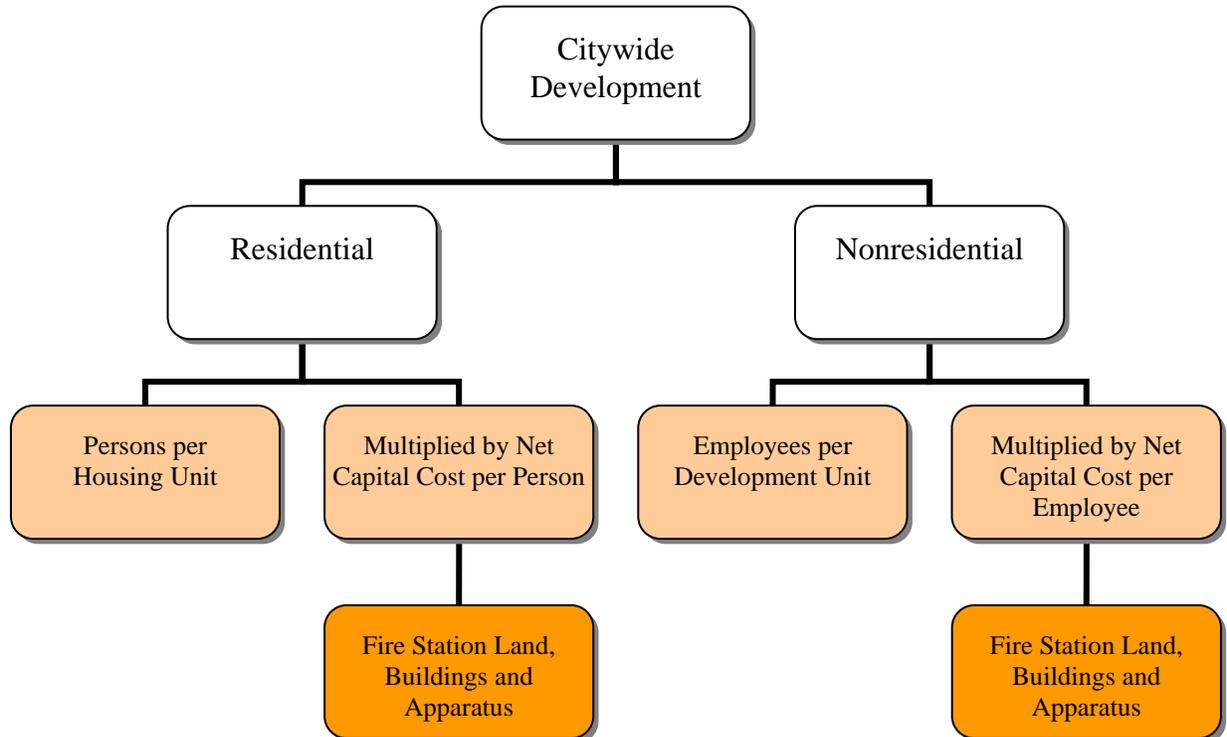
Figure 25 – Cash Flow Summary for Police Facilities

Hailey, Idaho (Current \$ in thousands)	1 2008	2 2009	3 2010	4 2011	5 2012	Cumulative Total	Average Annual
REVENUES							
7 Police Fee - Detached	\$38	\$40	\$42	\$43	\$45	\$208	\$42
8 Police Fee - Attached	\$15	\$16	\$16	\$17	\$18	\$82	\$16
9 Police Fee - Goods	\$1	\$1	\$1	\$1	\$1	\$4	\$1
10 Police Fee - Services	\$9	\$6	\$9	\$6	\$9	\$40	\$8
Subtotal Police Fee	\$63	\$62	\$68	\$68	\$73	\$334	\$67
CAPITAL COSTS							
Police Headquarters	\$66	\$64	\$71	\$70	\$77	\$349	\$70
NET INFRASTRUCTURE CASH FLOW - Police						<i>Current \$ in thousands</i>	
Annual Surplus (or Deficit)	(\$3)	(\$2)	(\$3)	(\$3)	(\$4)	(\$15)	(\$3)
Cumulative Surplus (or Deficit)	(\$3)	(\$5)	(\$8)	(\$11)	(\$15)		

FIRE AND EMERGENCY MEDICAL FACILITIES

Since emergency medical calls are more frequent than fire calls, the best demand indicator for the fire and emergency medical service (EMS) impact fee is the number of residents and jobs located in the service area. As shown in Figure 26, residential impact fees are calculated on a per capita basis. Fees for nonresidential development are determined using capital cost factors per employee.

Figure 26 – Fire/EMS Impact Fee Methodology Chart



Cost Allocation for Fire/EMS Infrastructure

Proportionate share factors (see Figure 27) were used to allocate capital costs to residential and nonresidential development. Proportionate share factors are based on incidents by property use category for 2003 through 2005. For residential development, the proportionate share is 47% and for nonresidential development the proportionate share is 53%.

Figure 27 – Proportionate Share Factors for Fire/EMS

<i>Incidents by Property Use in 2003-2005</i>		
Residential	638	
Residential Streets	25	
<i>Residential Subtotal</i>	<u>663</u>	47%
Nonresidential	670	
Commercial Areas (e.g. Hwy 75)	76	
<i>Nonresidential Subtotal</i>	<u>746</u>	53%
	<u><u>TOTAL</u></u>	<u><u>1,409</u></u>

Source: Hailey Fire Department.

Fire/EMS Infrastructure Standards and Cost Factors

As required by Idaho Code 67-8204(2), levels of service are applicable to existing development as well as new growth and development. Figure 28 lists the capital cost of infrastructure currently servicing existing development within the city limits. Hailey Fire Department provided the apparatus inventory and current unit costs for each type of equipment with a useful life of at least ten years, as required by the Idaho Development Impact Fee Act. These costs include all necessary add-ons to make the apparatus ready for service, such as lights, radios and safety equipment. The cost per square foot of fire station was derived from the planned construction of the new south-side fire station. Plans for the new station anticipate 10,400 square feet of building at a estimated cost of \$2.8 million.

Figure 28 – Infrastructure Standards for Fire/EMS

Major Equipment

Type	Count	Unit Cost	Total Cost
Fire Engine	2	\$400,000	\$800,000
Brush Truck	1	\$300,000	\$300,000
Tactical Support Vehicle	1	\$50,000	\$50,000
TOTAL	4	\$287,500	\$1,150,000

	Proportionate Share	2007 Demand Units	Cost per Demand Unit
Residential	47%	8,553 persons	\$63
Nonresidential	53%	3,359 jobs	\$181

0.22 equipment per 1,000 persons

0.63 equipment per 1,000 jobs

Current Fire Station Infrastructure Standard

Site	Square Feet	\$/SF	City Cost
Downtown Station	5,200	\$269	\$1,398,800
TOTAL	5,200	\$269	\$1,398,800

	Proportionate Share	2007 Demand Units	Cost per Demand Unit
Residential	47%	8,553 persons	\$76
Nonresidential	53%	3,359 jobs	\$220

0.29 sq ft per person

0.82 sq ft per job

Credit Evaluation for Fire/EMS Infrastructure

A general requirement that is common to impact fee methodologies is the evaluation of credits. A revenue credit may be necessary to avoid potential double payment situations from one-time impact fees plus on-going payments of other revenues that may also fund growth-related capital improvements. The determination of credits is dependent upon the impact fee methodology used in the cost analysis. If Hailey bond finances future fire stations or major equipment purchases, a revenue credit for future principal payments may be necessary, which will reduce the fire impact fee.

Fire/EMS Impact Fee Calculations

For fire/EMS infrastructure, a “service unit” for residential development is a person. For nonresidential development, a “service unit” is an employee. As specified in 67-8208(e), the variables shown in the table below are used to convert development units to service units. Standards used to derive the fire/EMS impact fees are shown in Figure 29. Documentation on the number of employees per nonresidential development unit may be found in Appendix A.

Figure 29 – Fire/EMS Fee Input Variables

<i>ITE</i>	<i>Standards:</i>	
<i>Code</i>		
<i>Persons Per Housing Unit</i>		
Single Family Detached	2.52	
All Other Housing Types	2.11	
<i>Employees per 1,000 Sq Ft</i>		
820 Commercial / Shop Ctr 25,000 SF or less		3.33
820 Commercial / Shop Ctr 25,001-100,000 SF		2.50
820 Commercial / Shop Ctr 100,001 SF or more		2.00
710 General Office 25,000 SF or less		4.15
710 General Office 25,001 SF or more		3.91
720 Medical-Dental Office		4.05
610 Hospital		3.38
770 Business Park		3.16
110 Light Industrial		2.31
150 Warehousing		1.28
151 Mini-Warehouse		0.04
<i>Employees per Demand Unit</i>		
320 Lodging (per room)		0.44
520 Elementary School (per student)		0.08
530 Secondary School (per student)		0.09
565 Day Care (per student)		0.16
620 Nursing Home (per bed)		0.36
<i>Level of Service</i>		
	<u>Per Person</u>	<u>Per Employee</u>
Major Equipment	\$63.00	\$181.00
Fire Stations	\$76.00	\$220.00
Revenue Credit		
Net Capital Cost Per Demand Unit	\$139.00	\$401.00

Fire/EMS Impact Fees by Type of Development

Figure 30 provides the schedule of maximum supportable impact fees for fire and EMS infrastructure. The fee for a single family detached house is derived by multiplying the number of persons per housing unit by the net capital cost per person. For most types of nonresidential development, the impact fee schedule is based on the floor area of the proposed development. For example, the fire impact fee for a commercial building of 3,000 square feet is \$1.33 per square foot of floor area, or a total amount of \$3,990.

Figure 30 – Fire/EMS Impact Fee Schedule

<i>Maximum Supportable Fire/EMS Impact Fee</i>	
<u>Residential (per housing unit)</u>	
Single Family Detached	\$350
Multifamily	\$293
<u>Nonresidential Per Square Foot of Floor Area</u>	
820 Commercial / Shop Ctr 25,000 SF or less	\$1.33
820 Commercial / Shop Ctr 25,001-100,000 SF	\$1.00
820 Commercial / Shop Ctr 100,001 SF or more	\$0.80
710 General Office 25,000 SF or less	\$1.66
710 General Office 25,001 SF or more	\$1.56
720 Medical-Dental Office	\$1.62
610 Hospital	\$1.35
770 Business Park	\$1.26
110 Light Industrial	\$0.92
150 Warehousing	\$0.51
151 Mini-Warehouse	\$0.01
<u>Other Nonresidential</u>	
320 Lodging (per room)	\$176
520 Elementary School (per student)	\$32
530 Secondary School (per student)	\$36
565 Day Care (per student)	\$64
620 Nursing Home (bed)	\$144

Fire/EMS Cash Flow Analysis

Figure 31 indicates the Fire Department will need one additional equipment item over the next five years to accommodate new development. Unfortunately, the existing fire station does not have adequate space for another vehicle. To maintain the current infrastructure standard for fire station floor area, Hailey will need approximately 1,200 square feet of additional space over the next five years.

The cash flow summary provides an indication of the impact fee revenue and expenditures necessary to meet the demand for fire protection and emergency medical facilities. To the extent the rate of development either accelerates or slows down, there will be a corresponding change in the impact fee revenue and capital costs. See Appendix A for discussion of the development projections that drive the cash flow analysis.

Figure 31 – Cash Flow Summary for Fire/EMS Infrastructure

Hailey, Idaho (Current \$ in thousands)	1 2008	2 2009	3 2010	4 2011	5 2012	Cumulative Total	Average Annual
REVENUES							
11 Fire Fee - Detached	\$37	\$38	\$40	\$42	\$43	\$200	\$40
12 Fire Fee - Attached	\$14	\$15	\$16	\$16	\$17	\$79	\$16
13 Fire Fee - Goods	\$15	\$20	\$20	\$20	\$20	\$97	\$19
14 Fire - Services	\$40	\$27	\$40	\$27	\$40	\$173	\$35
Subtotal Fire Fee	\$106	\$100	\$116	\$105	\$121	\$548	\$110
CAPITAL COSTS							
Fire/EMS Equipment	\$0	\$0	\$0	\$288	\$0	\$288	\$58
Fire/EMS Stations	\$61	\$63	\$66	\$69	\$72	\$330	\$66
Fire/EMS Subtotal	\$61	\$63	\$66	\$356	\$72	\$618	\$124
NET INFRASTRUCTURE CASH FLOW - Fire/EMS						<i>Current \$ in thousands</i>	
Annual Surplus (or Deficit)	\$46	\$37	\$50	(\$251)	\$49	(\$70)	(\$14)
Cumulative Surplus (or Deficit)	\$46	\$83	\$133	(\$119)	(\$70)		

IMPLEMENTATION AND ADMINISTRATION

According to the Idaho Development Impact Fee Act, fee revenue must be deposited in a separate interest bearing account. Fees should be spent within five years of when they are collected, with the expenditures limited to growth-related system improvements.

Development impact fees should be periodically evaluated and updated to reflect recent data. One approach is to adjust for inflation using the Engineering News Record (ENR) Construction Cost Index published by The McGraw-Hill Companies. This index could be applied to the adopted impact fee schedule. If cost estimates or demand indicators change significantly, the City should redo the fee calculations.

As shown in Figure 32, the City of Hailey plans to update the impact fee study in three years. The cost of preparing the capital improvements plan (i.e. consultant study and 20% of a staff position over three years) was allocated to the increase in development units from 2007 to 2010. Adding the cost of preparing the CIP is specifically authorized in the Idaho Code (see 67-8208).

Figure 32 – CIP Cost Allocation per Development Unit

<i>CIP Cost Over Three Years</i>		
Consultant Study	\$18,300	
Staff Time (@ 20%)	\$36,000	
TOTAL	\$54,300	
	<i>Residential</i>	<i>Nonresidential</i>
<i>Proportionate Share by Type of Fee</i>		
Parks	100%	0%
Transportation	43%	57%
Police	84%	16%
Fire & EMS	47%	53%
AVERAGE	68.5%	31.5%
<i>CIP Cost Allocation</i>	\$37,196	\$17,105
Projected Development Units*	482	270,000
	<i>Per Hsg Unit</i>	<i>Per Sq Ft</i>
Cost Per Development Unit	\$77	\$0.06

* Net increase in housing units and nonresidential floor area from 2007 to 2010 (from Figure A7).

Credits and Reimbursements

A general requirement that is common to impact fee methodologies is the evaluation of credits. A revenue credit may be necessary to avoid potential double payment situations arising from one-time impact fees plus on-going payment of other revenues that may also fund growth-related capital improvements. The determination of credits is dependent upon the impact fee methodology used in the cost analysis. There are three basic approaches used to calculate impact fees and each is linked to different credit methodology.

The first major type of impact fee method is a cost recovery approach. This method is used for facilities that have adequate capacity to accommodate new development for at least a five-year time frame. The rationale for the cost recovery is that new development is paying for its share of the useful life or remaining capacity of the existing facility. When using a cost recovery method, it is important to determine whether new development has already contributed toward the cost of existing public facilities (i.e., a past revenue credit). Outstanding principal and interest payments are typically subtracted from the value of the asset that was oversized for new development.

A second basic approach used to calculate impact fees is the cost per service unit method. This method documents current factors and it is best suited for public facilities that will be expanded incrementally in the future. Because new development will provide front-end funding of infrastructure, there is a potential for double payment of capital costs due to future principal payments on existing debt for public facilities. A credit is not necessary for interest payments if interest costs were not included in the impact fees.

A third basic approach used to calculate impact fees is the plan-based method. This method is based on future capital improvements needed to accommodate new development. The plan-based method may be used for public facilities that have commonly accepted service delivery factors to determine the need for future projects, or the jurisdiction plans to significantly increase the current factors and it has a financially feasible strategy to cover the cost of existing deficiencies. If a plan-based approach is used to derive impact fees, the credit evaluations should focus on future bonds and revenues that will fund planned capital improvements.

Specific policies and procedures related to site-specific credits should be addressed in the ordinance that establishes the impact fees. Project-level improvements (required as part of the development approval process) are not eligible for credits against impact fees. If a developer constructs a system improvement included in the fee calculations, it will be necessary to either reimburse the developer or provide a credit against the fees in the area benefiting from the system improvement. The latter option is more difficult to administer because it creates unique fees for specific geographic areas. Based on TischlerBise's experience, it is better for the City to establish a reimbursement agreement with the developer that constructs a system improvement. The reimbursement agreement should be limited to a payback period of no more than ten years and the City should not pay interest on the outstanding balance. The developer must provide sufficient documentation of the actual cost incurred for the system improvement. The City should only agree to pay the lesser of the actual construction cost or the estimated cost used in the impact fee analysis. If the City pays more than the cost used in the fee analysis, there will be insufficient fee revenue. Reimbursement agreements should only obligate the City to reimburse developers annually according to actual fee collections from the benefiting area.

The supporting documentation for each type of impact fee illustrates the types of infrastructure considered to be system improvements. For example, the park impact fee provides standards for larger citywide parks, but does not address the need for smaller neighborhood-scale park improvements. Therefore, neighborhood-scale park improvements are not eligible for credits against impact fees.

Citywide Service Area

To ensure a substantial benefit to new development paying impact fees, the City of Hailey has evaluated collection and expenditure zones for public facilities that may have distinct benefit areas. In the City of Hailey, impact fees for citywide parks, transportation and public safety infrastructure (police and fire) will benefit new development throughout the entire City. Given the dispersed location of both residential and nonresidential development and the relatively small geographic area of Hailey, TischlerBise recommends citywide implementation of the development impact fees with no variation in the fees by geographic area.

Nonresidential Development Categories

The nonresidential development categories in the impact fee schedule will apply to a majority of the new construction anticipated within Hailey. Nonresidential development categories are based on land use classifications from the book Trip Generation (ITE, 2003).

Even though churches are a common type of development, they do not have a specific impact fee category due to a lack of sufficient data. The Institute of Transportation Engineers does not publish trip rates per church employee and the weekday trip generation rate per 1,000 square feet of floor area is not based on enough studies to be statistically valid. For churches and any other atypical development, staff must establish a consistent administrative process to reasonably treat similar developments in a similar way. When presented with a development type that does not match one of the development categories in the published fee schedule, staff should first look in the ITE manual to see if there is land use category with valid trip rates that match the proposed development. The second option is to determine the published category that is most like the proposed development. Churches without daycare or schools are basically an office area (used throughout the week) with a large auditorium and class space (used periodically during the week). Some jurisdictions make a policy decision to impose impact fees on churches based on the fee schedule for warehouses or mini-warehouses. The rationale for this policy is the finding that churches are large buildings that generate little weekday traffic and only have a few full time employees. A third option is to impose impact fees on churches by breaking down the building floor area into its primary use. For example, a church with 25,000 square feet of floor area may have 2,000 square feet of office space used by employees throughout the week. At a minimum, impact fees could be imposed on the office floor area, based on the published rate per square foot for a small office. An additional impact fee amount could be imposed for the remainder of the building based on the rate for a warehouse or mini-warehouse. The key consideration for these administrative decisions is to be reasonable and consistent. If an applicant thinks the administrative decision is not reasonable, it is appealed to the elected officials for their consideration.

APPENDIX A – LAND USE ASSUMPTIONS & DEMOGRAPHIC DATA

MEMORANDUM

TO: Kathy Grotto, City Planner
 City of Hailey, Idaho
 FROM: TischlerBise
 DATE: January 16, 2007
 SUBJECT: **Demographic Data and Development Projections**

In this memo, TischlerBise documents the demographic data and development projections that will be used in the impact fee study for the City of Hailey, Idaho. Although long-range projections are necessary for planning capital improvements, a shorter time frame of five to six years is critical for the impact fees analysis. Infrastructure standards will be calibrated using fiscal year 2006-2007 data and the first projection year for the cash flow model will be fiscal year 2007-2008. Hailey’s fiscal year begins October 1st.

Persons per Housing Unit

As shown in Figure A1, Hailey had 2,557 housing units in 2000 (100% data from Summary File 1) with approximately 6.6% of the housing stock being vacant or seasonal units. TischlerBise recommends using two residential categories in the impact fee calculations. Differentiating impact fees by type of housing helps make the fees proportionate to the demand for public facilities. Single family detached housing units average 2.52 persons per housing unit. All other housing types average 2.11 persons per housing unit.

Figure A1 – Average Number of Persons by Housing Type

Units in Structure	Renter & Owner			Housing Units	Persons per Hsg Unit	Vacancy Rate
	Persons	Hsehlts	PPH			
1-Detached	4,527	1,710	2.65	1,799	2.52	4.9%
1-Attached (Townhouse)	326	158	2.06	174	1.87	9.2%
Two (Duplex)	53	48	1.10	48	1.10	0.0%
3 or more	1,056	406	2.60	452	2.34	10.2%
Mobile Homes	31	20	1.55	20	1.55	0.0%
Other	0	0	0.00	0	0.00	0.0%
Total SF3 Sample Data	5,993	2,342	2.56	2,493	2.40	6.1%
100-Percent Data	6,111	2,389	2.56	2,557	2.39	6.6%

Persons per Housing Unit in 2000			Housing Units	Persons per Hsg Unit	Housing Mix
Persons	Hsehlts	PPH			
Single Family Detached	4,527	1,710	2.65	1,799	2.52 72%
All Other Residential	1,466	632	2.32	694	2.11 28%
Group Quarters	89				
Sample Difference	118	47			
TOTAL	6,200	2,389			

Source: 2000 US Census.

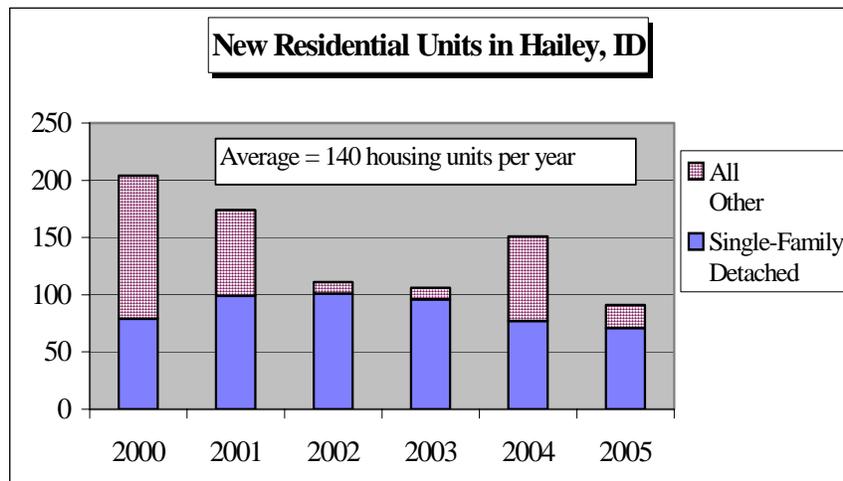
Recent Residential Construction

Figure A2 indicates calendar year 2000 through 2005 residential building permit data for the City of Hailey. Annual residential construction has averaged 140 housing units over the past six years. In 2006, the housing stock is estimated to be 68% single-family detached units and 32% other types of housing. The impact fee study assumes this ratio holds constant through 2020. Based on the housing units permitted since the 2000 census, Hailey's year-round population in 2006 is approximately 8,200 residents.

Figure A2 – Residential Building Permits

	<i>Single-Family Detached</i>	<i>All Other</i>	<i>Total</i>
Total Housing Units in 2000	1,799	758	2,557
2000	79	125	204
2001	99	75	174
2002	101	10	111
2003	96	10	106
2004	77	74	151
2005	71	20	91
<i>New Housing Units</i>	523	314	837
Total Units in 2006	2,322	1,072	3,394
	68%	32%	
Estimated Year-Round Population in 2006*			8,200

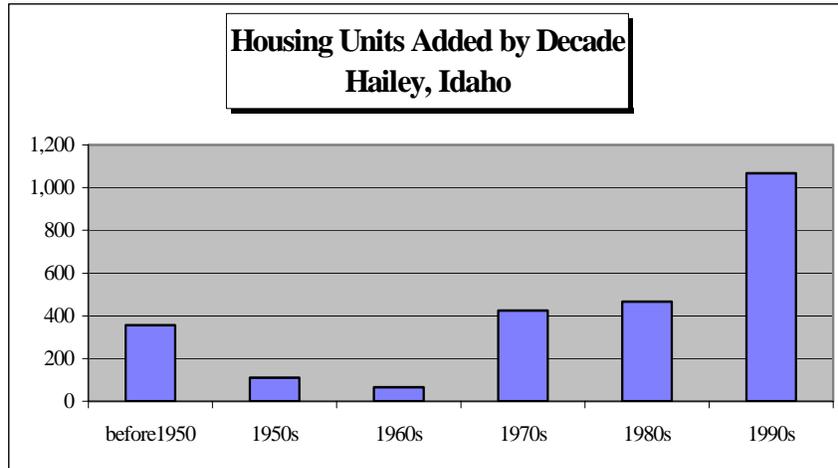
** Assumes 2.39 persons per new housing unit added to the year-round population in 2000.



Source: Hailey Building Department Year-End Reports.

Census data indicates additional housing units by decade of construction, as shown in Figure A3. If the construction rate from the previous six years continues through the end of this decade, Hailey will experience an increase of approximately 1,400 housing units during the current decade. In comparison, Hailey added 1,068 housing units during the 1990s.

Figure A3 – Housing Units Added by Decade



Source: Table H34, SF3 Census 2000, U.S. Census Bureau.

Housing Unit Forecast

TischlerBise prepared alternative housing unit projections, as shown in Figure A4. The Hailey Town Hall meeting on 8/11/05 indicated an average population projection of 14,801 for the year 2020. To yield a 2020 population projection of approximately 14,800 year-round residents will require the housing stock to increase by a compounded growth rate of 4.35% per year, or an average increase of 198 housing units per year (see the recommended “Exponential” alternative below). In comparison, the actual rate of construction over the past six years averaged 140 housing units per year. Using an exponential projection yields lower average annual housing increases in the short-run, which is more consistent with actual rate of construction over the past six years.

Figure A4 – Alternative Housing Unit Projections

Hailey, Idaho

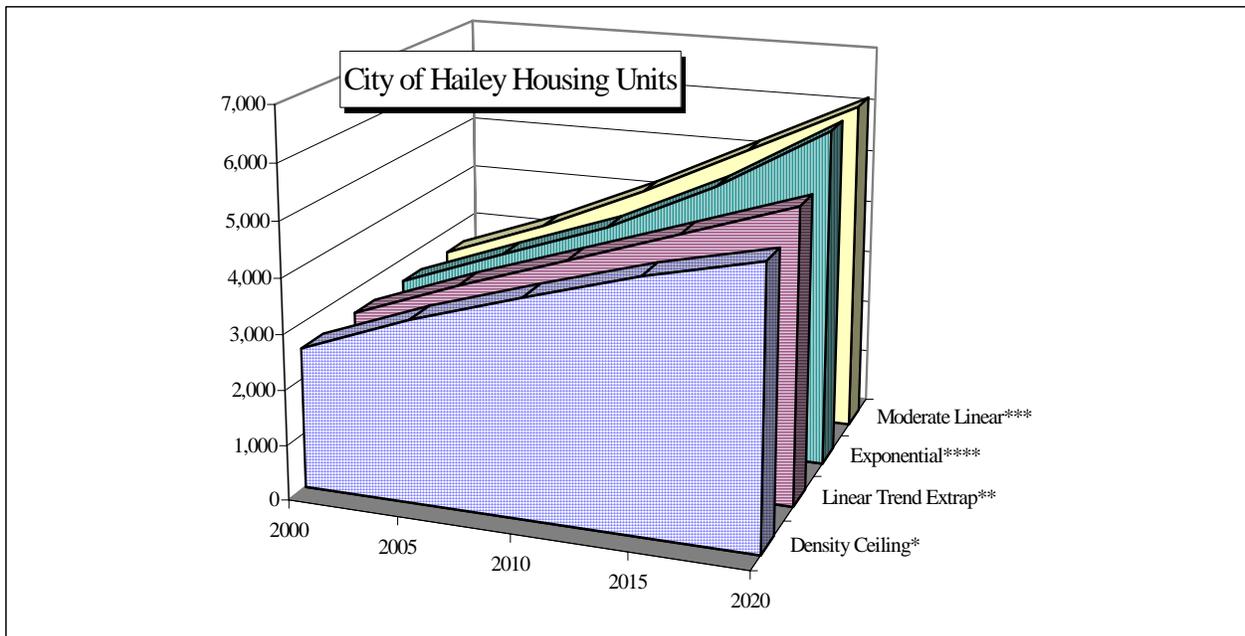
Method	2000	2005	2006	2007	2008	2009	2010	2011	2015	2020	Avg Anl Increase 2006-2020	
	estimates =>			projection years (x) =>								
	(x0)			1	2	3	4	5	9	14		
Density Ceiling*	2,557	3,303	3,394	3,531	3,666	3,798	3,927	4,052	4,509	4,971	113	
Linear Trend Extrapolation**	2,557	3,303	3,394	3,566	3,702	3,838	3,974	4,110	4,655	5,336	139	
Moderate Linear***	2,557	3,303	3,394	3,592	3,789	3,987	4,184	4,382	5,172	6,159	198	
Exponential****	2,557	3,303	3,394	3,542	3,696	3,856	4,024	4,199	4,979	6,160	198	
Annual Increase=>	204	91	148	154	161	168	175	183	217			

* Logistic curve based on actual increase from 2000 to 2006 and a housing capacity of 6,000 units.

** Linear trend based on annual data from 2000 through 2006.

*** A simple annual growth rate of 5.82% will yield a 2020 population projection of approximately 14,800.

**** Recommended compounded growth yielding a 2020 population projection of approximately 14,800.



Employees per Square Foot of Nonresidential Development

In addition to data on residential development, the calculation of impact fees requires data on nonresidential development in the City of Hailey. The impact fee study will convert projected jobs to nonresidential floor area using square feet per employee multipliers. TischlerBise uses the term “jobs” to refer to employment by place of work (i.e., located within Hailey). The square feet per employee multipliers shown below were derived from national data published by the Institute of Transportation Engineers (ITE) and the Urban Land Institute (ULI). Impact fee methodologies may also use the number of employees per thousand square feet (KSF) to differentiate fees by type of nonresidential development. In Figure A5, gray shading indicates three nonresidential development prototypes that will be used by TischlerBise to calculate

vehicle trips and estimate potential impact fee revenue as part of the impact fee cash flow analysis. The prototype development for goods-producing jobs is warehousing. The prototype for service jobs is a 25,000 square feet shopping center. The prototype for public sector jobs is an elementary school.

Figure A5 – Employee and Building Area Ratios

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit*	Wkdy Trip Ends Per Employee*	Emp Per Dmd Unit**	Sq Ft Per Emp
Commercial / Shopping Center						
820	25K gross leasable area	1,000 Sq Ft	110.32	na	3.33	300
820	50K gross leasable area	1,000 Sq Ft	86.56	na	2.86	350
820	100K gross leasable area	1,000 Sq Ft	67.91	na	2.50	400
820	200K gross leasable area	1,000 Sq Ft	53.28	na	2.22	450
820	400K gross leasable area	1,000 Sq Ft	41.80	na	2.00	500
General Office						
710	10K gross floor area	1,000 Sq Ft	22.66	5.06	4.48	223
710	25K gross floor area	1,000 Sq Ft	18.35	4.43	4.15	241
710	50K gross floor area	1,000 Sq Ft	15.65	4.00	3.91	256
710	100K gross floor area	1,000 Sq Ft	13.34	3.61	3.69	271
Industrial						
770	Business Park****	1,000 Sq Ft	12.76	4.04	3.16	317
151	Mini-Warehouse	1,000 Sq Ft	2.50	56.28	0.04	22,512
150	Warehousing	1,000 Sq Ft	4.96	3.89	1.28	784
140	Manufacturing	1,000 Sq Ft	3.82	2.13	1.79	558
110	Light Industrial	1,000 Sq Ft	6.97	3.02	2.31	433
Other Nonresidential						
720	Medical-Dental Office	1,000 Sq Ft	36.13	8.91	4.05	247
620	Nursing Home	bed	2.37	6.55	0.36	na
610	Hospital	1,000 Sq Ft	17.57	5.20	3.38	296
565	Day Care	student	4.48	28.13	0.16	na
550	University/College	student	2.38	9.13	0.26	na
530	High School	student	1.71	19.74	0.09	na
520	Elementary School	student	1.29	15.71	0.08	na
520	Elementary School	1,000 Sq Ft	14.49	15.71	0.92	1,084
320	Lodging	room	5.63	12.81	0.44	na

* Trip Generation, Institute of Transportation Engineers, 2003.

** Employees per demand unit calculated from trip rates, except for Shopping Center data, which are derived from Development Handbook and Dollars and Cents of Shopping Centers, published by the Urban Land Institute.

*** According to ITE, a Business Park is a group of flex-type buildings served by a common roadway system. The tenant space includes a variety of uses with an average mix of 20-30% office/commercial and 70-80% industrial/warehousing.

Jobs by Type of Nonresidential Development

Figure A6 indicates 2005 estimates of both private and public sector jobs located in the City of Hailey, as reported by ESRI. The total floor area of nonresidential development in 2005 is consistent with the estimate from Management Partners' Annexation Fee study for the City of Hailey.

Figure A6 – Jobs and Floor Area Estimates

	2005		Square Feet	2005 Estimated
Private Sector	Jobs*		Per Employee	Floor Area
<i>Goods Producing</i>				
Ag/Forestry/Mining	225			
Construction	357			
Manufacturing	118			
Transp/Com/Util	240			
Subtotal	940	30%	784	740,000
<i>Service Producing</i>				
Retail	746			
FIRE	137			
All Other Services	778			
Subtotal	1,661	53%	300	500,000
Public Sector				
Education	235			
Government	297			
Subtotal	532	17%	1,084	580,000
Total	<u>3,133</u>		581	<u>1,820,000</u>

* ESRI Business Summary for Hailey, ID.

Employment Projections

In 2005, Hailey had 0.95 jobs for each housing unit. The impact fee study assumes this jobs-to-housing ratio will remain constant through 2020.

Detailed Development Projections

The demographic data shown in Figure A7 will be used as key inputs to the impact fee study. Housing units were converted to households and population using the residential vacancy rate of and household size from the 2000 census. Nonresidential floor area is expected to increase from 1.94 million square feet in 2007 to 3.38 million square feet by 2020, or an average increase of approximately 111,000 square feet per year.

Figure A7 – Annual Demographic Data

Hailey, Idaho	2000	2006	2007	2008	2009	2010	2015	2020	2030
<i>Cumulative</i>			<i>Base Yr</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>8</i>	<i>13</i>	<i>23</i>
Population in Hseholds	6,111	8,111	8,464	8,832	9,217	9,618	11,899	14,723	20,327
Pop in Group Quarters*	89	89	89	89	89	89	89	89	89
Population	6,200	8,200	8,553	8,921	9,306	9,707	11,988	14,812	20,416
Jobs	2,878	3,219	3,359	3,505	3,658	3,817	4,723	5,843	8,067
Housing Units	2,557	3,394	3,542	3,696	3,856	4,024	4,979	6,160	8,505
Jobs to Housing Ratio	1.13	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
Residential Vacancy Rate	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
Households	2,389	3,171	3,309	3,453	3,603	3,760	4,652	5,756	7,946
Persons Per Household	2.56	2.56	2.56	2.56	2.56	2.56	2.56	2.56	2.56
<i>Nonres Sq Ft (x 1,000)</i>									
Goods Producing		760	790	820	860	900	1,110	1,370	1,900
Service Producing		510	530	560	580	610	750	930	1,280
Public Sector		590	620	650	670	700	870	1,080	1,490
Total		1,860	1,940	2,030	2,110	2,210	2,730	3,380	4,670
<i>2007-2020</i>									
<i>Annual Increase</i>		<i>05-06</i>	<i>06-07</i>	<i>07-08</i>	<i>08-09</i>	<i>09-10</i>	<i>14-15</i>	<i>Avg Anl</i>	
Population		217	353	368	384	401	496	481	
Jobs		86	140	146	152	159	197	191	
Housing Units		91	148	154	161	168	208	201	
Goods Producing KSF**		20	30	30	40	40	50	45	
Service Producing KSF**		10	20	30	20	30	30	31	
Public Sector KSF**		10	30	30	20	30	40	35	

* The 2000 group quarters population is assumed to remain constant through 2020.

** KSF = square feet of floor area in thousands.

Land Use Assumptions

In Hailey, all types of infrastructure to be funded with impact fees have a citywide service area. Projections of residential and nonresidential development within the service area are shown above in Figure A7. A vacant land inventory based on the current city limits is shown in Figure A8.

Figure A8 – Vacant Land Inventory

Vacant Land Inventory - Hailey, Idaho										
	GR Lots	GR Area	LR-1 Lots	LR-1 Area	LR-2 Lots	LR-2 Area	B Lots	B Area	SCI Lots	SCI Area
Northridge LR-2					40	866,472				
Northridge LR-1			71	1,103,311						
Northridge GR	24	155,340								
Dove Meadows/Mother Lode LR-1	20	341,531								
Hiawatha LR-1			12	218,624						
Deerfield/Foxmoor LR-1			31	348,972						
Northstar LR-1			12	130,508						
China Gardens GR	8	200,232								
Della View LR			26	388,943						
N Woodside LR			3	34,276						
C Woodside GR	51	965,983								
S Woodside GR	8	71,018								
Townsite Overlay - Resid	24	286,182								
Business							29	519,842		
SCI (Service-Commercial-Industrial)									64	1,140,256
<i>Subtotal</i>	135	2,020,286	155	2,224,634	40	866,472		519,842		1,140,256
Sweetwater Phases 2 - 4	315									
Old Cutters	112	1,437,480			37	1,176,480				
Dumke LR-1			200	2,370,041						
Total Sq Ft of Vacant Land	10,579,011									
Vacant Acres	243									
Vacant Residential Lots	994									
Notes:										
Business Lots can have 100% lot coverage										
SCI Lots have a maximum of 70% lot coverage										
Sweetwater and Old Cutters are new approved subdivisions										
Dumke is largest undeveloped property in Hailey - Estimate of 175 - 200 lots										