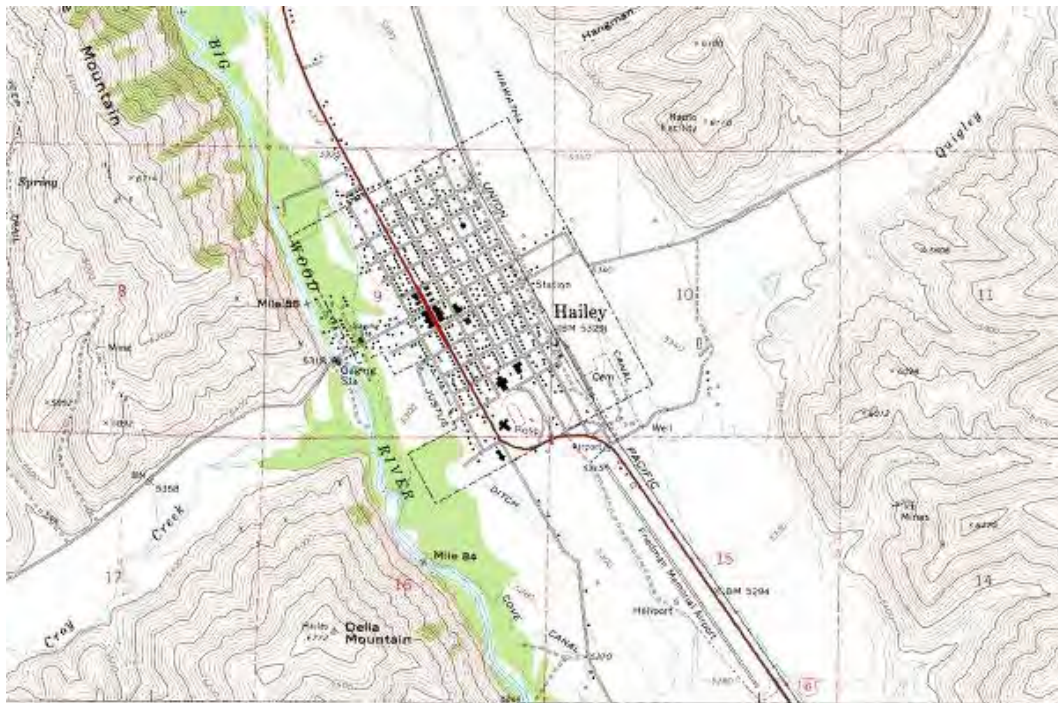


# Annexation Fees

## Hailey, Idaho

November 21, 2001



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## EXECUTIVE SUMMARY

Annexation fees are one-time payments that will be used to fund system improvements needed to accommodate new development. The fees are proportionate to the capital facility demands of new development. Specific infrastructure costs have been identified using local data, with all amounts shown in current dollars. After discussions with City staff, Tischler & Associates, Inc. (TA) has determined demand indicators for each type of public facility and calculated residential and nonresidential proportionate share factors. These factors are used to allocate costs by type of development. The formulas used to calculate each type of annexation fee are diagrammed in flow charts. Also contained in this report are summary tables indicating the specific factors used to derive each component of the annexation fees. These factors are referred to as Level-Of-Service (LOS) standards.

There are three basic *methods* used to calculate annexation fees. The first method is the **incremental expansion cost method**. This method documents the current LOS for each type of public facility in both quantitative and qualitative measures. Hailey will use annexation fee revenue to expand or provide additional facilities, as needed to accommodate new development. The second basic approach used to calculate annexation fees is a **plan-based method**. This method is best suited for public facilities that have adopted plans or commonly accepted service delivery standards to guide capital improvements. A third annexation fee approach is the **cost recovery method**. To the extent that new growth and development will be served by previously constructed improvements, the City may recover its costs for oversized public facilities. The rationale for the cost recovery approach is that new development is paying for its share of the useful life or remaining capacity of existing facilities.

The annexation fees documented in this report may be used for all future annexations. Therefore, the fee schedule contains both residential and nonresidential development categories that should cover most types of development. Nonresidential development categories are consistent with the terminology and definitions contained in the reference book, Trip Generation, published by the Institute of Transportation Engineers (ITE). These definitions can be found in the Implementation and Administration section at the back of this report.

HAILEY ANNEXATION FEES

The following table summarizes the method(s) used to derive the annexation fee for each type of public facility. Also shown is a rank-ordered list of capital items according to their relative contribution to each type of fee.

Type of Public Facility	Incremental Expansion (current LOS)	Plan Based	Cost Recovery
Transportation	1) Vehicles/Equipment	2) CIP Projects	Not applicable
Police	2) Vehicles	1) New Headquarters	Not applicable
Fire / EMS	1) Apparatus 2) Stations	Not applicable	Not applicable
Municipal Facilities	2) Vehicles and Equipment	Not applicable	1) City Hall
Citywide Parks & Recreation	1) Citywide Park Improvements	2) Future Improvements	Not applicable
Library	1) Building 2) Collection Materials	Not applicable	Not Applicable
Water	Not applicable	1) Growth-Related CIP 2) Projects Benefiting All Water Customers	Not applicable
Sewer	Not applicable	1) Wastewater Treatment Plant Expansion	Not applicable

Figure 1 provides a schedule of annexation fees for Hailey, with non-utility fees shown at the top of the table and utility fees shown at the bottom. For residential development, non-utility fees will be imposed per housing unit. For nonresidential development, fees will be determined per 1,000 square feet of floor area, or per hotel room. All types of development will also pay annexation fees for water and sewer utilities, based on water meter size.

Also shown in Figure 1 are potential annexation fees for Airport West, based on a broad description of the current development plans. Actual annexation fees will be derived from the fee schedule shown in Figure 1 and a phased development plan to be provided by Airport West. The intent of annexation fees is to pay for new development's proportionate share of capital costs for system improvements. In addition to annexation fees, Airport West is being asked to donate a six-acre site that will be used primarily for a new City Shop. The land donation is a development exaction in addition to annexation fees. To provide adequate vehicular access, which is considered to be a project-level improvement, Airport West will pay a portion of the cost to modify the Airport Way intersection with State Highway 75. Individual buildings that are constructed within the Airport West development will also pay the City's water and sewer connection fees.

HAILEY ANNEXATION FEES

Figure 1 - Annexation Fee Schedule

	<i>Transportation</i>	<i>Police</i>	<i>Fire &amp; EMS</i>	<i>Municipal Facilities</i>	<i>Parks &amp; Recreation</i>	<i>Library</i>	<i>TOTAL</i>
<b>Residential</b>							
<b>Per Housing Unit</b>							
Single Family Detached	\$468	\$107	\$481	\$321	\$695	\$783	\$2,855
All Other Residential	\$322	\$189	\$367	\$244	\$529	\$597	\$2,248
<b>Nonresidential</b>							
<b>Per 1,000 Square Feet of Floor Area</b>							
Com/Shop Ctr 25,000 SF or less	\$2,410	\$221	\$1,128	\$386	\$333	\$392	\$4,870
Com/Shop Ctr 25,001-50,000 SF	\$2,224	\$204	\$969	\$331	\$286	\$337	\$4,351
Com/Shop Ctr 50,001-100,000 SF	\$1,937	\$177	\$847	\$290	\$250	\$295	\$3,796
Com/Shop Ctr over 100,000 SF	\$1,668	\$153	\$752	\$257	\$222	\$261	\$3,313
Office 10,000 SF or less	\$1,109	\$101	\$1,488	\$509	\$439	\$518	\$4,164
Office 10,001-25,000 SF	\$897	\$82	\$1,369	\$468	\$404	\$476	\$3,696
Office 25,001-50,000 SF	\$763	\$70	\$1,284	\$439	\$379	\$447	\$3,382
Office over 50,000 SF	\$650	\$59	\$1,210	\$414	\$357	\$421	\$3,111
Business Park	\$625	\$57	\$1,071	\$366	\$316	\$372	\$2,807
Light Industrial	\$341	\$31	\$783	\$267	\$231	\$272	\$1,925
Warehousing	\$243	\$22	\$433	\$148	\$128	\$151	\$1,125
Institutional	\$619	\$56	\$267	\$91	\$79	\$93	\$1,205
<b>Per Room</b>							
Hotel	\$403	\$37	\$193	\$66	\$57	\$67	\$823

**Potential Annexation Fee to be Paid by Airport West - Excluding Utilities (shown below)**

500,000	= Estimated total floor area (square feet)	
26%	= Commercial (25-50 KSF bldgs)	\$565,630
14%	= Office (10-25 KSF bldgs)	\$258,720
57%	= Light Industrial	\$548,625
3%	= Hotel (approx 40 rooms)	\$32,920
100%		Subtotal <b>\$1,405,895</b>

		<i>Water System</i>	<i>Sewer System</i>	<i>TOTAL</i>
	<i>Meter Size (inches)</i>	<i>Type of Meter</i>	<b>Based on Water Meter Size</b>	
	0.75	Displcmnt	\$2,400	\$1,126
	1.00	Displcmnt	\$4,080	\$1,915
	1.50	Compound	\$12,720	\$5,972
	2.00	Compound	\$16,080	\$7,549
	3.00	Compound	\$36,000	\$16,902
	4.00	Compound	\$60,000	\$28,170

**Potential Utility Annexation Fees To Be Paid By Airport West**

<i>Meter Size</i>	<i># in AW</i>	<i>Use</i>	<i>Water</i>	<i>Sewer</i>	<i>TOTAL</i>
0.75	4	wrhse/auto	\$9,600	\$4,504	\$14,104
1.00	23	ind/sales	\$93,840	\$44,045	\$137,885
1.50	1	auto/sales	\$12,720	\$5,972	\$18,692
2.00	7	office	\$112,560	\$52,843	\$165,403
4.00	1	hotel	\$60,000	\$28,170	\$88,170
	36			Subtotal	<b>\$424,254</b>

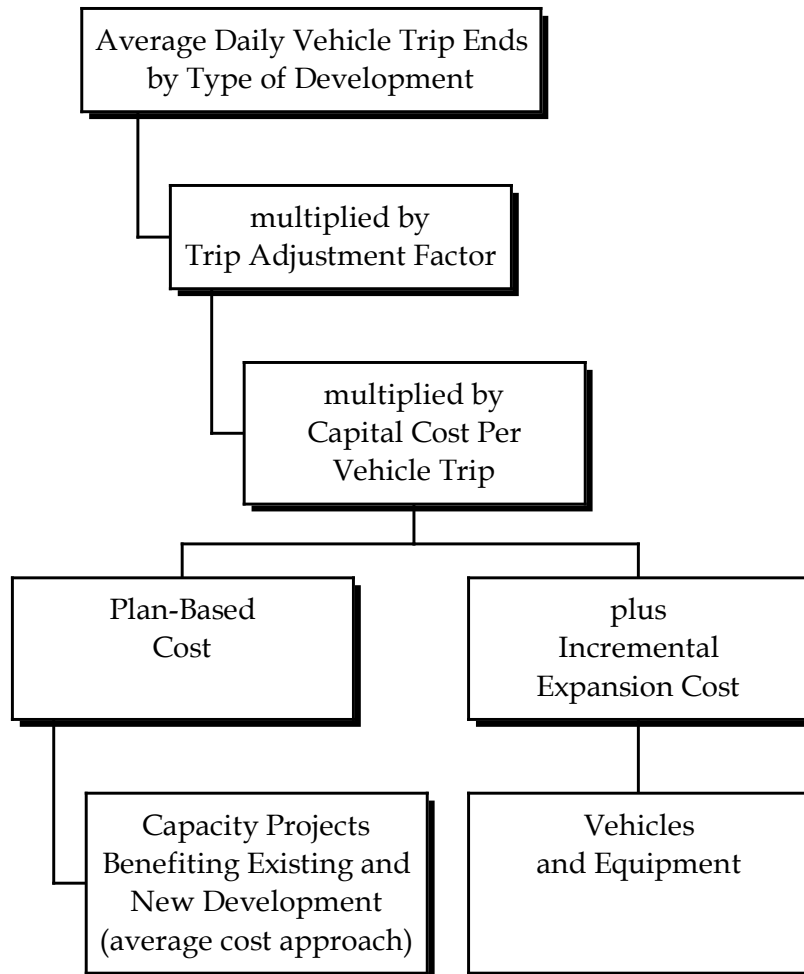
GRAND TOTAL **\$1,830,149**



## TRANSPORTATION

Hailey’s annexation fees for transportation are determined by a combination of two methodologies. As shown in Figure 2, trip generation rates by type of development are multiplied by the total capital cost per unit of trip capacity to yield the annexation fees. The plan-based component addresses the need for capital improvements over the next five years. Future capital projects included in the fee calculations reflect only the local share of costs (i.e., to be paid by Hailey). TA used a conservative average cost approach for projects that will benefit existing and future development. Transportation annexation fees include an incremental expansion cost component for vehicles and equipment.

**Figure 2 - Transportation Fee Methodology Chart**



### *Transportation Improvements Plan*

Hailey’s transportation CIP identifies the cost of capacity projects that will benefit both existing and new development (see Figure 3). The term “capacity” includes any improvement that increases the carrying capacity of the transportation system. Capacity projects include road widening, intersection improvements (i.e., turning lanes, signalization or traffic circles) and increasing the structural depth of roads to adequately handle truck traffic. Over the next five years, Hailey will spend an average of approximately \$110,000 per year on capacity projects. To derive the average cost of \$19 per trip, TA divided the cost of capacity projects by the total number of vehicle trips on city roads in 2006, which is the final year of the CIP. Total vehicle trips is a function of the demographic data, explained further in Appendix 1, and the trip factors used to derive the annexation fees, as discussed below.

**Figure 3 – Capacity Projects Benefiting Existing and New Development**

	<i>Project Name</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>TOTAL</i>
1	Bike Paths		\$25,000	\$25,000	\$25,000	\$25,000	\$100,000
2	Fox Acres Road			\$15,000	\$195,000		\$210,000
3	SH75 & Fox Acres Rd	\$120,000					\$120,000
4	Sidewalks	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$120,000
5							\$0
	<b>TOTAL</b>	<b>\$144,000</b>	<b>\$49,000</b>	<b>\$64,000</b>	<b>\$244,000</b>	<b>\$49,000</b>	<b>\$550,000</b>
					<b>Average Cost Per Year</b>		<b>\$110,000</b>
					<b>Total Weekday Vehicle Trips on City Roads in 2006</b>		<b>28,515</b>
					<b>Average Cost Per Unit of Trip Capacity</b>		<b>\$19</b>

### *Support Buildings and Rolling Stock*

Annexation fees include support buildings and rolling stock used by the Streets Department. As shown in Figure 4, Hailey will construct a new City Shop within the next five years. This facility will be sized to accommodate new development through 2010. City staff provided the current replacement cost of vehicles and equipment. TA excluded from the inventory of rolling stock all cars and pickups more than ten years old and all major equipment more that twenty years old. Although the City may still use older vehicles and equipment, generally accepted accounting principles regard these as being beyond their useful life.



HAILEY ANNEXATION FEES

**Figure 4 - Transportation Support Buildings and Rolling Stock**

**Buildings**

*Total Cost of Building and Contents*

New City Shop		\$500,000
	Proportionate Share	2010 Demand Units
Residential	47%	16,381 Residential Vehicle Trips
Nonresidential	53%	18,515 Nonres Vehicle Trips
		Cost per Demand Unit
		\$14

**Vehicles and Equipment**

<i>Type</i>	<i>Dept.</i>	<i>Year</i>	<i>Make/Model</i>	<i>Replacement Cost</i>
backhoe	street	1987	Hitachi Excavator	\$235,000
bucket truck	street	1982	Ford bucket truck	\$75,000
dump truck	street	1993	Intl DT40 Plow Tk	\$90,000
dump truck	street	1998	Intl tk dump	\$90,000
dump truck	street	1998	Intl tk dump	\$90,000
grader	street	1987	Champion 740 Grader	\$176,000
loader	street	1982	Cat 950 Loader	\$126,000
loader	street		Bob Cat Loader M2400	\$75,000
pickup	street	1993	Intl cb tk 4wd	\$20,000
pickup	street	1997	Ford pk tk	\$20,000
road mill	street		Calenco Porta Pug Mill	\$185,000
streetsweeper	street	1996	ElginSweeper	\$130,000
tractor/mower	parks	1984	Kabota Tractor/Mower	\$15,000
tractor/mower	parks	1997	Kabota Tractor/Mower	\$15,000
tractor/mower	street		Case 870 Tractor/Mower	\$26,000
trailer	street	1994	Dorsey end dump tl	\$36,000
trailer	street	1997	Pup trlr-Williamsen	\$36,000
TOTAL				\$1,440,000

	Proportionate Share	2001 Demand Units	Cost per Demand Unit
Residential	49%	10,800 Residential Vehicle Trips	\$65
Nonresidential	51%	11,211 Nonres Vehicle Trips	\$65

## *Transportation Fee Calculation*

Average weekday vehicle trip ends are from the Institute of Transportation Engineers (see Trip Generation, 1997). 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 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 22-32% 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. 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-size shopping center of 50,000 square feet of floor area, the ITE manual indicates that on average 48% of the vehicles that enter are passing by on their way to some other primary destination. The remaining 52% of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 52% multiplied by 50%, or approximately 26% of the trip ends. The data contained in Trip Generation (see Table VII-1 of the 5th edition, 1991) indicates there is an inverse relationship between shopping center size and pass-by trips. Therefore, appropriate trip adjustment factors have been calculated for each category of shopping center size used in the annexation fee calculations.

LOS standards used to derive the transportation annexation fees are shown in the boxed area at the top of Figure 5. As diagramed above, the trip rate by type of development is multiplied by the trip adjustment factor and the total cost per trip to yield the annexation fee. Fees for nonresidential development are shown per 1,000 square feet of floor area, or per hotel room. For example, the annexation fee for a hotel is equal to 8.23 trip ends multiplied by 50%, multiplied by \$98 per trip, or \$403 per room.

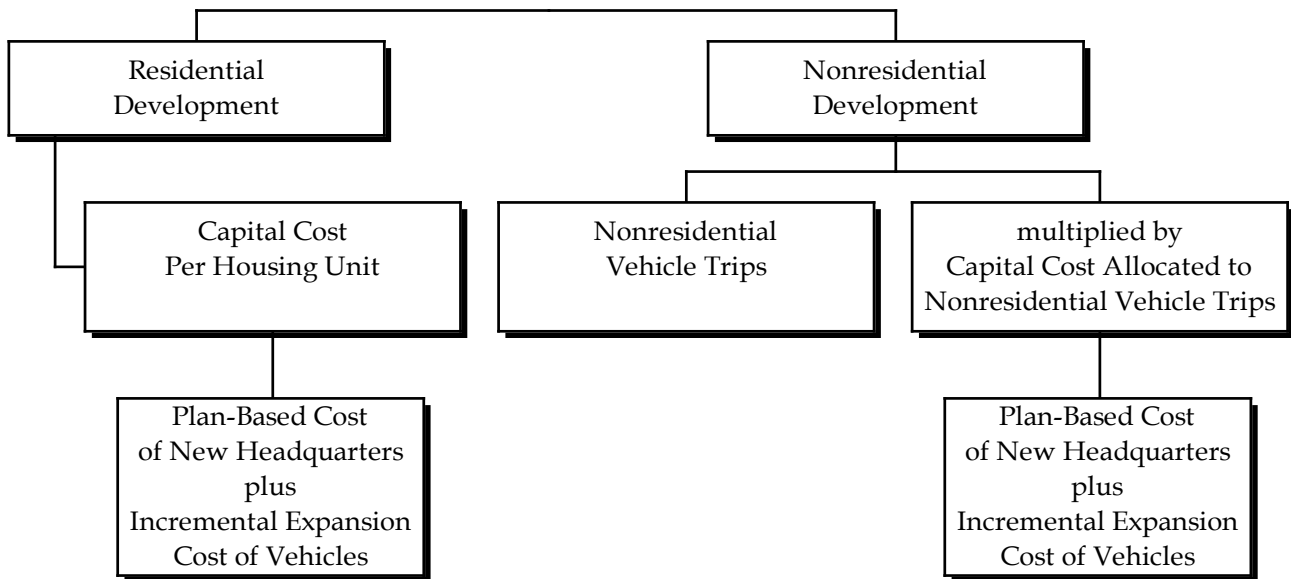
**Figure 5 - Transportation Annexation Fee**

	Residential	Commercial/ Shopping Centers	Other Nonresidential
<i>Average Weekday Vehicle Trip Ends</i>			
<u>Residential (per Housing Unit)</u>			
Single Family Detached	9.57		
All Other Residential	6.59		
<u>Nonresidential (per 1,000 Sq Ft)</u>			
Com / Shop Ctr 25,000 SF or less		111.82	
Com / Shop Ctr 25,001-50,000 SF		87.31	
Com / Shop Ctr 50,001-100,000 SF		68.17	
Com / Shop Ctr over 100,000 SF		53.22	
Office / Inst 10,000 SF or less			22.64
Office / Inst 10,001-25,000 SF			18.31
Office / Inst 25,001-50,000 SF			15.59
Office / Inst over 50,000 SF			13.27
Business Park			12.76
Light Industrial			6.97
Warehousing			4.96
Institutional			12.65
<u>Nonresidential (per room)</u>			
Hotel			8.23
<i>Trip Adjustment Factors</i>			
<u>Residential</u>			
Com / Shop Ctr 25,000 SF or less	50%	22%	
Com / Shop Ctr 25,001-50,000 SF		26%	
Com / Shop Ctr 50,001-100,000 SF		29%	
Com / Shop Ctr over 100,000 SF		32%	
All Other Nonresidential			50%
<i>Level Of Service</i>			
CIP Capacity Projects Cost per Trip	\$19	\$19	\$19
New City Shop Cost per Trip	\$14	\$14	\$14
Vehicles/Equipment Cost per Trip	\$65	\$65	\$65
Total Capital Cost per Trip	\$98	\$98	\$98
<i>Annexation Fee</i>			
<u>Residential</u>			
<u>Per Housing Unit</u>			
Single Family Detached	\$468		
All Other Residential	\$322		
<u>Nonresidential</u>			
<u>Per 1,000 Square Feet of Floor Area</u>			
Com / Shop Ctr 25,000 SF or less		\$2,410	
Com / Shop Ctr 25,001-50,000 SF		\$2,224	
Com / Shop Ctr 50,001-100,000 SF		\$1,937	
Com / Shop Ctr over 100,000 SF		\$1,668	
Office / Inst 10,000 SF or less			\$1,109
Office / Inst 10,001-25,000 SF			\$897
Office / Inst 25,001-50,000 SF			\$763
Office / Inst over 50,000 SF			\$650
Business Park			\$625
Light Industrial			\$341
Warehousing			\$243
Institutional			\$619
<u>Per Room</u>			
Hotel			\$403

## POLICE

The law enforcement annexation fee is derived from plan-based component for a new headquarters plus an incremental expansion cost component for vehicles. As shown in Figure 6, the law enforcement annexation fee uses different demand indicators for residential and nonresidential development. Residential fees are calculated on a per housing unit basis. To calculate nonresidential development fees, TA recommends using nonresidential vehicle trips as the best demand indicator for law enforcement facilities and vehicles. Trip generation rates are highest for commercial developments, such as shopping centers, and lowest for industrial/warehouse development. Office/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 law enforcement. If employees per thousand square feet were used as the demand indicator, police annexation fees would be too high for office/institutional development. If floor area were used as the demand indicator, police annexation fees would be too high for industrial development. Also, police officers respond to traffic accidents, which are directly proportionate to trip generation rates.

**Figure 6 - Police Fee Methodology Chart**



## *Cost Allocation by Type of Development*

Based on the Police Department’s Year 2000 report, the proportionate share factor for single family detached housing is 41%, with all other housing types accounting for 34% of the demand for service. Based on calls for service, nonresidential development accounts for 25% of the demand for law enforcement facilities and vehicles.

### *Police Facilities*

As shown in Figure 7, LOS standards for law enforcement are derived separately for buildings and vehicles. Under the plan-based method, Hailey anticipates the construction of a new police headquarters at an estimated cost of \$650,000. This facility should be adequate through the year 2020. The cost of the building was multiplied by the proportionate share factors then divided by the appropriate demand indicator (i.e., population or nonresidential vehicle trips). For vehicles and equipment, the LOS standards are derived using the estimated demand units in 2001.

**Figure 7 – Police Level-Of-Service Standards**

#### *Plan-Based Cost of Buildings*

		<i>Building</i>	<i>Contents</i>	<i>Total</i>
New Police Headquarters (4,000 SF)		\$550,000	\$100,000	\$650,000
	Proportionate Share	2020 Demand Units		Cost per Demand Unit
Single Family Detached	41%	4,412 housing units		\$60
All Other Residential	34%	2,076 housing units		\$106
Nonresidential	25%	32,155 nonres veh trips		\$5

#### *Vehicles and Equipment Incremental Expansion Cost*

<i>Type of Vehicle</i>	<i>Units in Service</i>	<i>Unit Price*</i>	<i>Replacement Cost</i>
Marked Patrol Cars	5	\$35,000	\$175,000
4WD SUV	1	\$35,000	\$35,000
Total	6	\$35,000	\$210,000

	Proportionate Share	2001 Demand Units	Cost per Demand Unit
Single Family Detached	41%	1,825 housing units	\$47
All Other Residential	34%	859 housing units	\$83
Nonresidential	25%	11,211 nonres veh trips	\$4

\* Price includes necessary add-ons for police functions, such as radios, lights, security items and miscellaneous equipment.

### *Fee Calculation for Police*

Figure 8 provides a summary of the LOS standards used to calculate police annexation fees (see the boxed area at the top of the table). The LOS standards for nonresidential development include Average Weekday Vehicle Trip Ends from the reference book, Trip Generation, published by the Institute of Transportation Engineers (ITE, 1997). 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 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 22-32% 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. 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-size shopping center of 50,000 square feet of floor area, the ITE manual indicates that on average 48% of the vehicles that enter are passing by on their way to some other primary destination. The remaining 52% of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 52% multiplied by 50%, or approximately 26% of the trip ends. The data contained in Trip Generation (see Table VII-1 of the 5th edition, 1991) indicates there is an inverse relationship between shopping center size and pass-by trips. Therefore, appropriate trip adjustment factors have been calculated for each category of shopping center size used in the police annexation fee calculations.

The annexation fee for a particular type of nonresidential development is the product of the trip rate per 1,000 square feet, multiplied by the trip adjustment factors, multiplied by the total cost per trip. For example, a light industrial building will pay  $6.97 \times 0.50 \times \$9$ , or \$31 per 1,000 square feet of floor area.



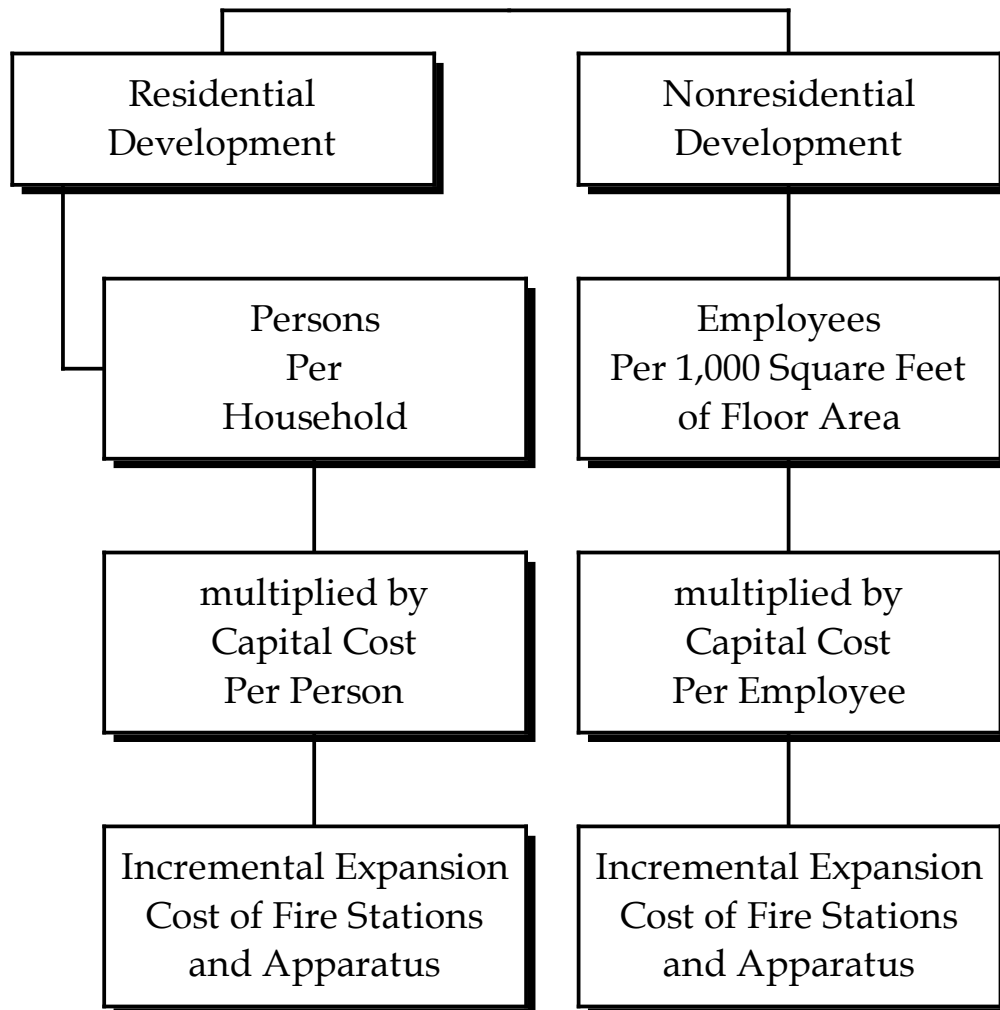
**Figure 8 – Police Annexation Fee**

		<i>Standards:</i>		
<i>Average Weekday Vehicle Trip Ends per 1,000 Sq Ft</i>				
Com / Shop Ctr 25,000 SF or less				111.82
Com / Shop Ctr 25,001-50,000 SF				87.31
Com / Shop Ctr 50,001-100,000 SF				68.17
Com / Shop Ctr over 100,000 SF				53.22
Office 10,000 SF or less				22.64
Office 10,001-25,000 SF				18.31
Office 25,001-50,000 SF				15.59
Office over 50,000 SF				13.27
Business Park				12.76
Light Industrial				6.97
Warehousing				4.96
Institutional				12.65
<i>Average Weekday Vehicle Trip Ends per Room</i>				
Hotel				8.23
<i>Trip Adjustment Factors</i>				
Com / Shop Ctr 50,000 SF or less				22%
Com / Shop Ctr 50,001-100,000 SF				26%
Com / Shop Ctr 100,001-200,000 SF				29%
Com / Shop Ctr over 200,000 SF				32%
All Other Nonresidential				50%
<i>Level of Service</i>		<u>SFD Unit</u>	<u>Other HU</u>	<u>Per Trip</u>
Law Enforcement Buildings Cost		\$60	\$106	\$5
Law Enforcement Vehicles Cost		\$47	\$83	\$4
<i>Annexation Fee</i>				
<u>Residential</u>		<u>Per Housing Unit</u>		
Single Family Detached		\$107		
All Other Residential		\$189		
<u>Nonresidential</u>		<u>Per 1,000 Square Feet</u>		
Com / Shop Ctr 25,000 SF or less		\$221		
Com / Shop Ctr 25,001-50,000 SF		\$204		
Com / Shop Ctr 50,001-100,000 SF		\$177		
Com / Shop Ctr over 100,000 SF		\$153		
Office 10,000 SF or less		\$101		
Office 10,001-25,000 SF		\$82		
Office 25,001-50,000 SF		\$70		
Office over 50,000 SF		\$59		
Business Park		\$57		
Light Industrial		\$31		
Warehousing		\$22		
Institutional		\$56		
		<u>Per Room</u>		
Hotel		\$37		

## FIRE STATIONS AND APPARATUS

The Hailey Fire Department provides fire protection and emergency medical services from the downtown station. To help fund the cost of fire stations and apparatus needed to accommodate new development, the City will impose fire annexation fees on both residential and nonresidential development. Because the significant demand for medical calls is directly related to the number of people that live and work within Hailey, the annexation fee methodology allocates costs as a function of population and jobs (see Figure 9).

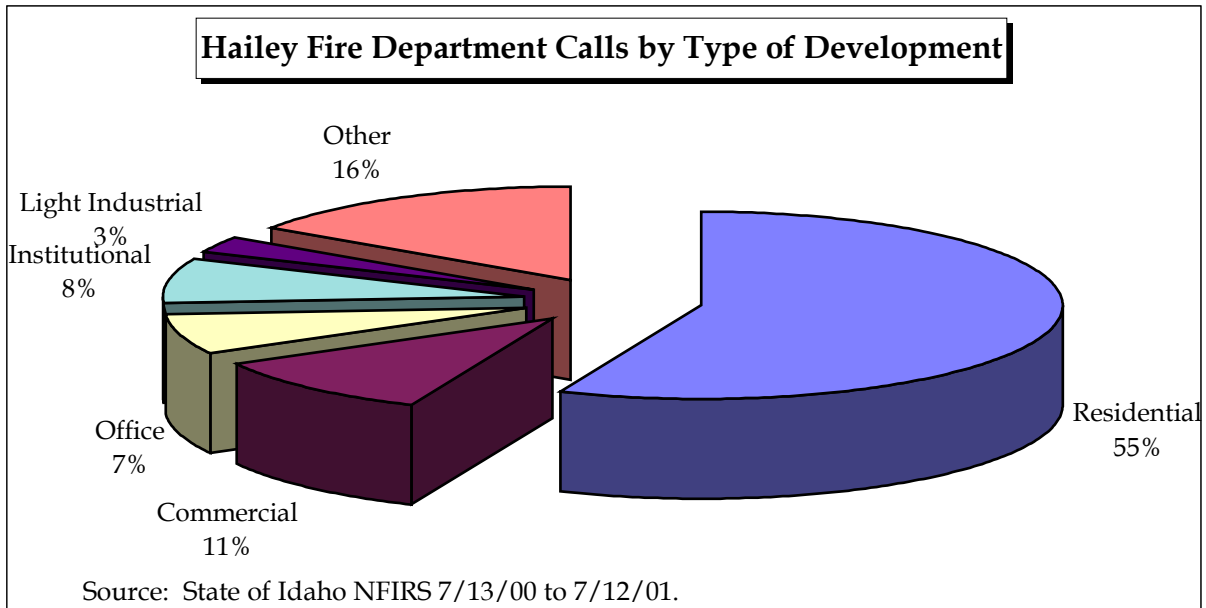
**Figure 9 - Fire Annexation Fee Methodology Chart**



### *Cost Allocation by Type of Development*

The State of Idaho tracks calls for service data by type of development. As shown in Figure 10, residential development accounted for 55% of the calls for service over a one-year period. In Hailey, the proportionate share factor for nonresidential development is 45% of the demand for fire and emergency medical service.

**Figure 10 - Proportionate Share Factors for Fire Protection**



### *Inventory of Fire Stations and Apparatus*

An inventory of fire station and apparatus cost is shown in Figure 11. Annexation fees should be used to purchase apparatus that provides additional capacity needed to accommodate new development. The downtown station and inventory of fire apparatus have a combined replacement cost of over \$2 million. The capital cost is allocated by type of development and divided by the respective demand units (i.e., population and jobs) currently in the City of Hailey.

**Figure 11 - Capital Cost of Fire Stations and Apparatus**

*Fire Station and Communications System*

	<i>Building</i>	<i>Contents</i>	<i>Replacement Cost</i>
Downtown Station			\$820,000
Miscellaneous Equipment			\$125,000
TOTAL			\$945,000

	Proportionate Share	2001 Demand Units	Cost per Demand Unit
Residential	55%	6,505 Population	\$79
Nonresidential	45%	2,753 Jobs	\$154

*Fire & EMS Apparatus*

<i>Item</i>	<i>Unit Count</i>	<i>Unit Cost</i>	<i>Replacement Cost</i>
Engine 1	1	\$240,000	\$240,000
Engine 2 (brush truck)	1	\$140,000	\$140,000
Engine 3	1	\$325,000	\$325,000
Engine 4	1	\$325,000	\$325,000
Tactical Support Vehicle	1	\$50,000	\$50,000
SUV	1	\$28,000	\$28,000
4WD Pickup	1	\$25,000	\$25,000
TOTAL			\$1,133,000

	Proportionate Share	2001 Demand Units	Cost per Demand Unit
Residential	55%	6,505 Population	\$95
Nonresidential	45%	2,753 Jobs	\$185

### *Calculation of Fire Annexation Fees*

The boxed area of Figure 12 summarizes the standards used to calculate the fire annexation fees. For residential development, the number of persons per household is multiplied by the cost per person to yield the fire annexation fee. For example, the fee for a single family detached house is 2.77 multiplied by \$174, or \$481 per housing unit. For nonresidential development, the fire annexation fee is equal to the number of employees per 1,000 square feet of floor area multiplied by the cost per employee.

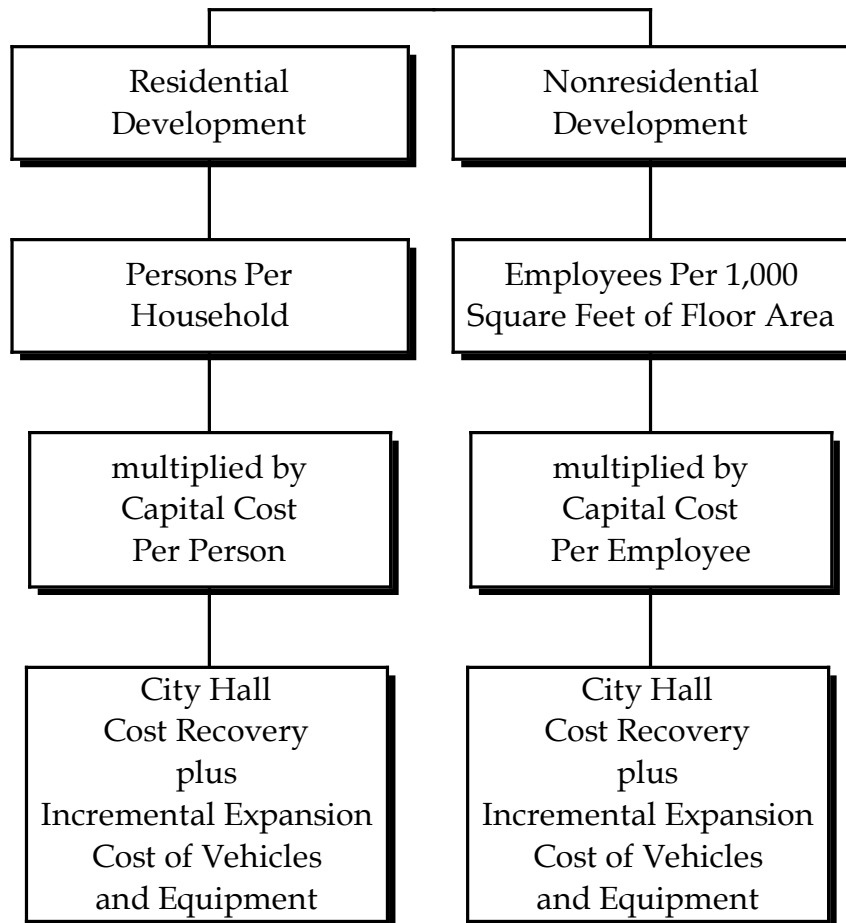
**Figure 12 - Fire Annexation Fee**

		<i>Standards:</i>	
<b><i>Persons Per Household</i></b>			
	Single Family Detached	2.77	
	All Other Residential	2.11	
<b><i>Employees Per 1,000 Square Feet</i></b>			
	Com / Shop Ctr 25,000 SF or less		3.33
	Com / Shop Ctr 25,001-50,000 SF		2.86
	Com / Shop Ctr 50,001-100,000 SF		2.50
	Com / Shop Ctr over 100,000 SF		2.22
	Office 10,000 SF or less		4.39
	Office 10,001-25,000 SF		4.04
	Office 25,001-50,000 SF		3.79
	Office over 50,000 SF		3.57
	Business Park		3.16
	Light Industrial		2.31
	Warehousing		1.28
	Institutional		0.79
<b><i>Employees Per Room</i></b>			
	Hotel		0.57
<b><i>Level Of Service</i></b>			
	Buildings & Communications	<u>Per Person</u>	<u>Per Employee</u>
	Apparatus	\$79	\$154
	Net Capital Cost per Demand Unit	\$95	\$185
		\$174	\$339
<b><i>Annexation Fee</i></b>			
<u>Residential</u>		<u>Per Housing Unit</u>	
	Single Family Detached	\$481	
	All Other Residential	\$367	
<u>Nonresidential</u>		<u>Per 1,000 Square Feet</u>	
	Com / Shop Ctr 25,000 SF or less		\$1,128
	Com / Shop Ctr 25,001-50,000 SF		\$969
	Com / Shop Ctr 50,001-100,000 SF		\$847
	Com / Shop Ctr over 100,000 SF		\$752
	Office 10,000 SF or less		\$1,488
	Office 10,001-25,000 SF		\$1,369
	Office 25,001-50,000 SF		\$1,284
	Office over 50,000 SF		\$1,210
	Business Park		\$1,071
	Light Industrial		\$783
	Warehousing		\$433
	Institutional		\$267
			<u>Per Room</u>
	Hotel		\$193

## MUNICIPAL FACILITIES

Annexation fees for municipal facilities are necessary to offset the demand for general government buildings, vehicles and equipment. A cost recovery method is applicable for the existing City Hall. An incremental expansion cost method has been used to address the need for vehicles and equipment. As shown in Figure 13, the Municipal Facilities annexation fee is calculated on a per capita basis for residential development. For nonresidential development, the fee methodology allocates capital costs on a per employee basis.

**Figure 13 - Municipal Facilities Fee Methodology Chart**





### City Hall Cost Recovery

Based on projected population and jobs in 2010, the proportionate share factors are 68% for residential development and 32% for nonresidential development. Figure 14 summarizes the LOS standards used in the municipal facilities annexation fee. The cost of City Hall space is based on the current insurance replacement cost for the second floor of existing building in downtown Hailey, plus 15% for furniture and equipment. Within the next few years, the Community College will vacate the space across from the City offices. Also, a new police headquarters will be constructed, allowing general government functions on the entire second floor of City Hall. In anticipation of these changes, LOS standards are set using projected population and jobs in 2010.

### General Government Vehicles

As shown in Figure 14, vehicles and equipment used for general government functions have a current replacement cost of \$81,000. The City defines capital items as having a useful life of at least three years and a purchase price of at least \$10,000. City staff provided the current replacement cost of general government vehicles. TA excluded from the inventory all cars and pickups more than ten years old. Although the City may still use older vehicles and equipment, generally accepted accounting principles regard these as being beyond their useful life.

**Figure 14 - LOS Standards for Municipal Facilities**

**Buildings**

*Total Cost of Building and Contents*

City Hall (8,000 SF on 2nd floor)			\$1,553,000
	Proportionate Share	2010 Demand Units	Cost per Demand Unit
Residential	68%	9,628 Population	\$109
Nonresidential	32%	4,542 Jobs	\$109

**Vehicles and Equipment**

Type	Dept.	Year	Make/Model	Replacement Cost
car	admin	1993	Chev 4d Caprice	\$20,000
suv	bldg	2001	Ford 4dr Explorer	\$25,000
pickup	anml cntl	1994	Ford pk tk	\$20,000

**TOTAL**      \$65,000

	Proportionate Share	2001 Demand Units	Cost per Demand Unit
Residential	70%	6,505 Population	\$7
Nonresidential	30%	2,753 Jobs	\$7

### *Fee Calculation for Municipal Facilities*

Factors used to derive the community services annexation fee are summarized in the boxed area of Figure 15. Fees by type of nonresidential development vary according to the number of employees per 1,000 square feet of floor area. These multipliers are derived from nationwide averages published by the Institute of Transportation Engineers and the Urban Land Institute (see Appendix 1 for further documentation). For residential development, the annexation fee is determined by multiplying the number of persons per household by the total capital cost per person. For example, the fee for an apartment unit is equal to 2.11 multiplied by \$116, or \$244 per housing unit.

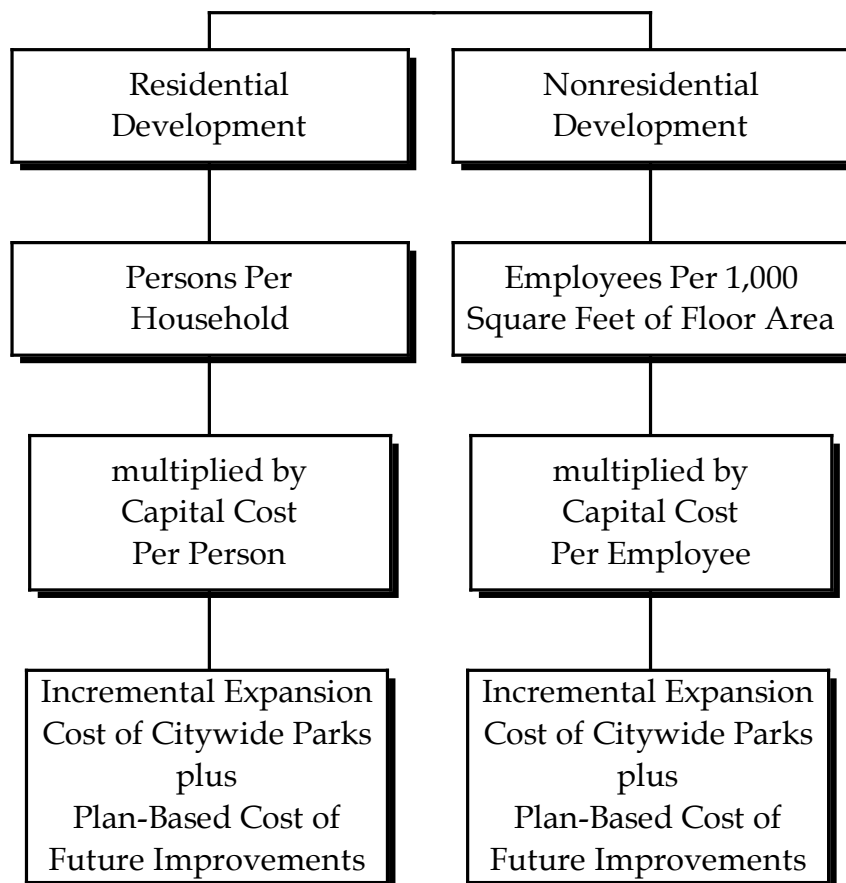
**Figure 15 - Municipal Facilities Annexation Fee**

		<i>Standards:</i>	
<i>Persons Per Household</i>			
	Single Family Detached	2.77	
	All Other Residential	2.11	
<i>Employees Per 1,000 Square Feet</i>			
	Com / Shop Ctr 25,000 SF or less		3.33
	Com / Shop Ctr 25,001-50,000 SF		2.86
	Com / Shop Ctr 50,001-100,000 SF		2.50
	Com / Shop Ctr over 100,000 SF		2.22
	Office 10,000 SF or less		4.39
	Office 10,001-25,000 SF		4.04
	Office 25,001-50,000 SF		3.79
	Office over 50,000 SF		3.57
	Business Park		3.16
	Light Industrial		2.31
	Warehousing		1.28
	Institutional		0.79
<i>Employees Per Room</i>			
	Hotel		0.57
<i>Level Of Service</i>			
	City Hall Cost Recovery	<u>Per Person</u>	<u>Per Employee</u>
	Incremental Expansion Cost of Vehicles	\$109	\$109
	Total Capital Cost per Demand Unit	\$7	\$7
		\$116	\$116
<i>Annexation Fee</i>			
<u>Residential</u>		<u>Per Housing Unit</u>	
	Single Family Detached	\$321	
	All Other Residential	\$244	
<u>Nonresidential</u>		<u>Per 1,000 Square Feet</u>	
	Com / Shop Ctr 25,000 SF or less	\$386	
	Com / Shop Ctr 25,001-50,000 SF	\$331	
	Com / Shop Ctr 50,001-100,000 SF	\$290	
	Com / Shop Ctr over 100,000 SF	\$257	
	Office 10,000 SF or less	\$509	
	Office 10,001-25,000 SF	\$468	
	Office 25,001-50,000 SF	\$439	
	Office over 50,000 SF	\$414	
	Business Park	\$366	
	Light Industrial	\$267	
	Warehousing	\$148	
	Institutional	\$91	
	Hotel	<u>Per Room</u>	
		\$66	

## CITYWIDE PARKS & RECREATION

Hailey’s annexation fees for citywide parks and green space are derived from both incremental-expansion and plan-based methodologies (see Figure 16). Cost components were allocated 85% to residential development and 15% to nonresidential development. For residential development, household size and per capita standards determine the fee by type of housing unit. Annexation fees by type of nonresidential development are based on the number of employees per 1,000 square feet of floor area.

**Figure 16 - Parks & Green Space Fee Methodology Chart**



## Proportionate Share Factors for Parks & Recreation

To allocate capital costs between residential and nonresidential development, TA recommends that Hailey use the current ratio of population to non-resident workers. The recommended allocation is a variation of the population and jobs cost allocation method, with an adjustment to avoid double counting the estimated number of Hailey residents that also work within Hailey. According to 1990 census data, 900 Hailey residents worked within the City, or approximately 24% of the population. Applying this percentage to the 2001 population yields an estimated 1,561 people that both live and work in Hailey. Deducting resident workers from the total number of jobs in 2001 leaves 1,192 non-resident workers. This approach allocates 85% of the cost to residential development and 15% to nonresidential development.

### Citywide Parks

According to the data shown in Figure 17, Hailey has 36.3 acres of parkland with a citywide service area. Based on recent expenditures and cost estimates provided by City staff, Hailey spends approximately \$54,000 per acre for improvements to citywide parks. The current LOS standard is 5.6 acres of citywide parkland per 1,000 residents. This standard excludes recreation areas on land owned by schools and other government entities. Miscellaneous costs per acre are discussed further below.

**Figure 17 - Inventory of Citywide Park Facilities**

	Heagle	Curtis	Deer- field	Fox- moor	Lions	Mc- Kercher	Porter	Wood- side	Total Units	Unit Price	Total Cost
Acreage	4.8	0.9	2.6	1.4	10.0	2.8	5.2	8.6	36.3		
Athletic Courts*	1								1	\$60,000	\$60,000
Softball/Baseball					1				1	\$80,000	\$80,000
Picnic Shelter	1						1		2	\$25,000	\$50,000
Pavilion										\$100,000	
Playground			1	1			1		3	\$45,000	\$135,000
Rest Rooms	1						1		2	\$75,000	\$150,000
Soccer/Football										\$60,000	
Miscellaneous**	3.5	0.9	2.6	1.4	2.7	2.8	5.2		19.1	\$55,000	\$1,050,500
										Total Improvements	\$1,525,500
										Population in 2001	6,505
										Average Size Park	4.5
										Acres Per 1,000 Residents	5.6
										Improvements Cost Per Acre	\$42,000

\* Basketball and/or tennis courts.

\*\* Miscellaneous improvements include items such as parking lots, lighting, landscaping, utilities and irrigation.

Proportionate Share	2001 Demand Units	Cost per Demand Unit
85%	6,505 Population	\$199
15%	2,753 Jobs	\$83

HAILEY ANNEXATION FEES

The unit price of \$55,000 per acre for miscellaneous park improvements is based on the cost breakdown shown in Figure 18. Cost factors are consistent with recent construction prices in Hailey. Where applicable, unit costs per acre are provided.

**Figure 18 - Miscellaneous Park Improvements**

<i>Item</i>	<i>Cost Per Site</i>
Survey/Engineering (\$1,000/acre)	\$4,500
Clearing/Grubbing (\$1,500/acre)	\$6,750
Grading/Earthwork (\$5,000/acre)	\$22,500
Utilities	\$10,000
Topsoil (\$8,000/acre)	\$36,000
Hydro-Seeding (\$15,000/acre)	\$67,500
Irrigation (\$11,000/acre)	\$49,500
Trees/Landscaping (\$5,000/acre)	\$22,500
Parking (10 cars @\$1,000/space)	\$10,000
Trails/Sidewalks	\$15,000
Tables/Benches/Trash Receptacles	\$3,000
<b>TOTAL</b>	<b>\$247,250</b>
Average Size Community Park (acres)	4.5
Average Cost Per Acre (rounded)	\$55,000

***Plan-Based Component***

Figure 19 provides a list of park and recreation projects planned by the City of Hailey. Given the long-range horizon, the plan for future improvements will require average annual expenditures of approximately \$48,000 per year.

**Figure 19 - Future Improvements**

<i>Future Improvements</i>	<i>City Cost</i>
Green Space	
Recreation Center	\$500,000
Woodside Park	\$420,000
<b>TOTAL</b>	<b>\$920,000</b>
Proportionate Share	2020 Demand Units
85%	14,953 Population
15%	7,888 Jobs
	Cost per Demand Unit
	\$52
	\$17



### *Fee Calculation for Parks and Recreation*

LOS standards for the parks and recreation annexation fees are shown in the boxed area of Figure 20. Hailey anticipates parkland acquisition through development exactions. Therefore, the annexation fees exclude the cost of land for citywide parks.

To derive the annexation fee for a residential housing unit, multiply persons per household by the cost per capita of both citywide parks and future improvements. For example, the fee for a single family house is 2.77 multiplied by \$199 for citywide parks plus \$52 future improvements, or \$695 per housing unit.

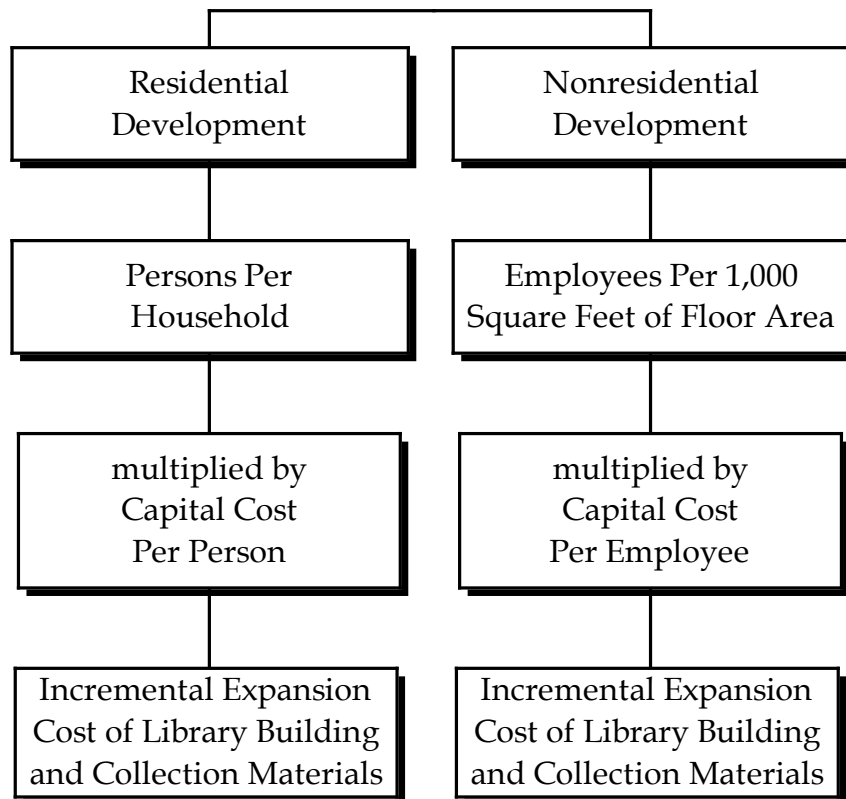
**Figure 20 - Parks and Green Space Annexation Fee**

		<i>Standards:</i>	
<i>Persons Per Household</i>			
	Single Family Detached	2.77	
	All Other Residential	2.11	
<i>Employees Per 1,000 Square Feet</i>			
	Com / Shop Ctr 25,000 SF or less		3.33
	Com / Shop Ctr 25,001-50,000 SF		2.86
	Com / Shop Ctr 50,001-100,000 SF		2.50
	Com / Shop Ctr over 100,000 SF		2.22
	Office 10,000 SF or less		4.39
	Office 10,001-25,000 SF		4.04
	Office 25,001-50,000 SF		3.79
	Office over 50,000 SF		3.57
	Business Park		3.16
	Light Industrial		2.31
	Warehousing		1.28
	Institutional		0.79
<i>Employees Per Room</i>			
	Hotel		0.57
<i>Level Of Service</i>			
	Incremental Expansion Cost of Parks	<u>Per Person</u>	<u>Per Employee</u>
	Plan-Based Cost of Future Improvements	\$199	\$83
	Total Capital Cost per Demand Unit	\$52	\$17
		<hr/> \$251	<hr/> \$100
<i>Annexation Fee</i>			
<u>Residential</u>		<u>Per Housing Unit</u>	
	Single Family Detached	\$695	
	All Other Residential	\$529	
<u>Nonresidential</u>		<u>Per 1,000 Square Feet</u>	
	Com / Shop Ctr 25,000 SF or less	\$333	
	Com / Shop Ctr 25,001-50,000 SF	\$286	
	Com / Shop Ctr 50,001-100,000 SF	\$250	
	Com / Shop Ctr over 100,000 SF	\$222	
	Office 10,000 SF or less	\$439	
	Office 10,001-25,000 SF	\$404	
	Office 25,001-50,000 SF	\$379	
	Office over 50,000 SF	\$357	
	Business Park	\$316	
	Light Industrial	\$231	
	Warehousing	\$128	
	Institutional	\$79	
		<u>Per Room</u>	
	Hotel	\$57	

## LIBRARIES

Annexation fees for libraries are derived from an incremental expansion cost method. Level-of-service standards are based on the current relationship between population and jobs in the community and two key measurements of library facilities (i.e., floor space of the downtown library building and collection materials). The methodology chart shown in Figure 21 indicates that capital costs are allocated to both residential and nonresidential development.

**Figure 21 - Library Fee Methodology Chart**



### *Library Proportionate Share Factors*

To allocate capital costs between residential and nonresidential development, TA recommends that Hailey use the current ratio of population to non-resident workers. The recommended allocation is a variation of the population and jobs cost allocation method, with an adjustment to avoid double counting the estimated number of Hailey residents that also work within Hailey. According to 1990 census data, 900 Hailey residents worked within the City, or approximately 24% of the population. Applying this percentage to the 2001 population yields an estimated 1,561 people that both live

and work in Hailey. Deducting resident workers from the total number of jobs in 2001 leaves 1,192 non-resident workers. This approach allocates 85% of the cost to residential development and 15% to nonresidential development.

### *Library Improvements and Materials*

Figure 22 documents level of service standards for the downtown library in Hailey. The cost of the library building is based on the City’s insurance replacement cost. With furniture and equipment, the average cost of the library building is \$203 per person and \$85 per job.

The cost of library materials is derived from an inventory of existing items and current replacement costs. The current collection materials standard is 4.1 items per person. Library staff provided the current cost of materials, which average \$23.16 per item. The entire library collection in Hailey has a cumulative cost of approximately \$618,000.

**Figure 22 - Library Level-Of-Service Standards**

<i>Building</i>	<i>Sq Ft</i>	<i>Local Cost*</i>
Downtown Library	8,000	\$1,350,000
Equipment		\$123,000
Furniture		\$87,000
TOTAL		\$1,560,000
Proportionate Share	2001 Demand Units	Cost per Demand Unit
85%	6,505 Population	\$203
15%	2,753 Jobs	\$85
Square Feet Per Capita	1.23	

<i>Collection Materials</i>	<i># of units</i>	<i>Unit Price</i>	<i>Current Cost</i>
Books	25,170	\$22.50	\$566,325
Reference	455	\$57.00	\$25,935
Periodicals	80	\$37.50	\$3,000
Videos	341	\$20.00	\$6,820
Cassettes	637	\$25.00	\$15,925
TOTAL		26,683	\$23.16
			\$618,005
Proportionate Share	2001 Demand Units	Cost per Demand Unit	
85%	6,505 Population	\$80	
15%	2,753 Jobs	\$33	
Materials Per Person	4.10		

\* Library's proportionate share of the insurance replacement cost for the entire two-story building, plus library staff's estimate of the current value of equipment and furniture.

### *Fee Calculation for Libraries*

The justifiable annexation fees for libraries are shown in Figure 23. LOS standards are listed in the box at the top of the table. For residential development, household size multiplied by the total capital cost per capita yields the recommended annexation fee. For example, the fee for a single family detached house is 2.77 multiplied by \$283, or \$783 per house. Annexation fees for nonresidential development are stated per thousand square feet of floor area or per hotel room.

**Figure 23 - Library Annexation Fee**

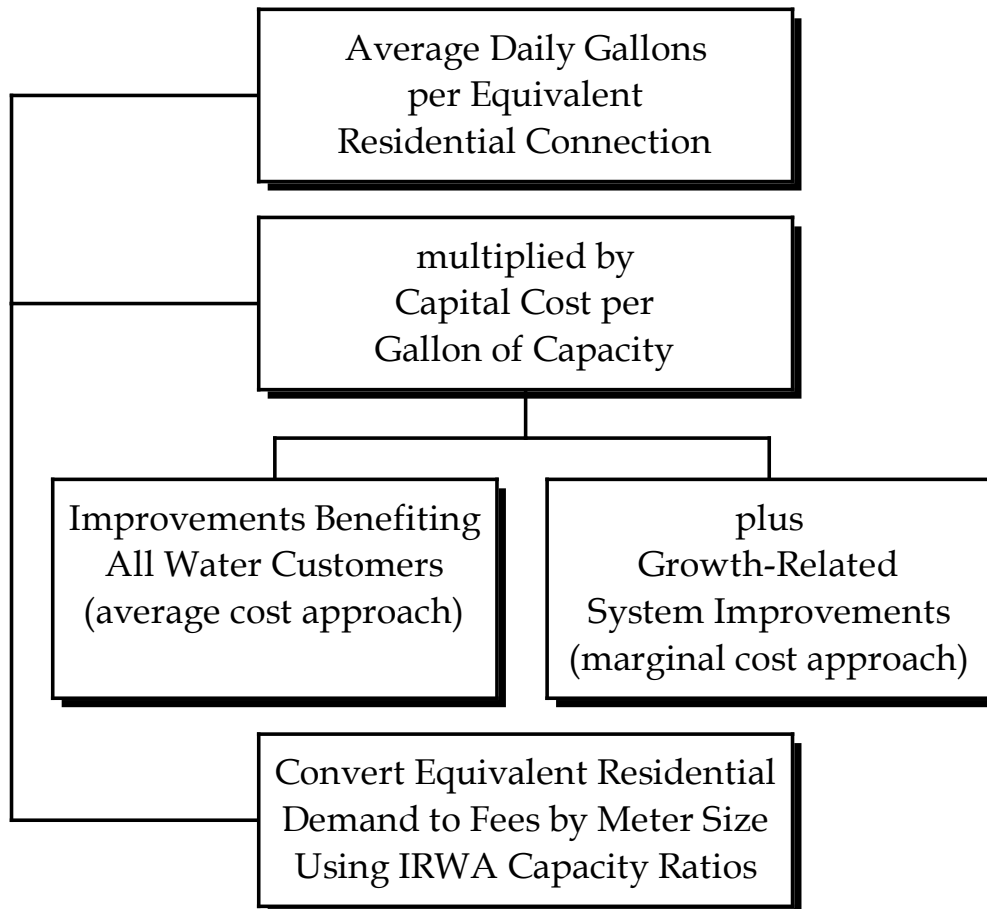
		<i>Standards:</i>	
<i>Persons Per Household</i>			
	Single Family Detached	2.77	
	All Other Residential	2.11	
<i>Employees Per 1,000 Square Feet</i>			
	Com / Shop Ctr 25,000 SF or less		3.33
	Com / Shop Ctr 25,001-50,000 SF		2.86
	Com / Shop Ctr 50,001-100,000 SF		2.50
	Com / Shop Ctr over 100,000 SF		2.22
	Office 10,000 SF or less		4.39
	Office 10,001-25,000 SF		4.04
	Office 25,001-50,000 SF		3.79
	Office over 50,000 SF		3.57
	Business Park		3.16
	Light Industrial		2.31
	Warehousing		1.28
	Institutional		0.79
<i>Employees Per Room</i>			
	Hotel		0.57
<i>Level Of Service</i>			
	Library Building Cost	<u>Per Person</u>	<u>Per Employee</u>
	Library Collection Cost	\$203	\$85
	Total Capital Cost per Demand Unit	\$80	\$33
		\$283	\$118
<i>Annexation Fee</i>			
<u>Residential</u>		<u>Per Housing Unit</u>	
	Single Family Detached	\$783	
	All Other Residential	\$597	
<u>Nonresidential</u>		<u>Per 1,000 Square Feet</u>	
	Com / Shop Ctr 25,000 SF or less		\$392
	Com / Shop Ctr 25,001-50,000 SF		\$337
	Com / Shop Ctr 50,001-100,000 SF		\$295
	Com / Shop Ctr over 100,000 SF		\$261
	Office 10,000 SF or less		\$518
	Office 10,001-25,000 SF		\$476
	Office 25,001-50,000 SF		\$447
	Office over 50,000 SF		\$421
	Business Park		\$372
	Light Industrial		\$272
	Warehousing		\$151
	Institutional		\$93
			<u>Per Room</u>
	Hotel		\$67



## WATER SYSTEM

Annexation fees for water are based on the cost of system improvements needed to expand Hailey’s water system. As shown in Figure 24, plan-based costs are allocated using two different methodologies. The cost of capital improvements that will benefit both existing and future water customers is allocated using a more conservative average cost method. The cost of capital projects needed solely to accommodate new development is allocated using a marginal cost method. Annexation fees for larger water meters are based on capacity ratios published by the Idaho Rural Water Association (IRWA).

**Figure 24 - Water Fee Methodology Chart**



### *Average Daily Water Demand and Projected Water Use*

Water system annexation fees for the City of Hailey are based on a Level-Of-Service (LOS) standard of 500 gallons per residential connection per average day. This demand factor, determined by Carollo Engineers as part of the Water System Master Plan Update, is based on historic water use over the past ten years.

### *Plan for Water Capacity Improvements*

Hailey's water system Capital Improvements Plan (CIP) is summarized in Figure 26. Capital projects have been placed in two categories. At the top of the CIP summary are capacity projects that will benefit all water customers (i.e., current and future). The cost of these capacity projects (approximately \$6.8 million) was allocated to the projected average daily system capacity in 2010, which is approximately 3.4 Million Gallons per Day (MGD). The average cost for these projects is \$2.00 per gallon of capacity.

At the bottom of the CIP summary are growth-related projects that are needed to expand the water system from 2010 to 2020. These long-range projects have a projected total cost of \$2.8 million and will expand the water system average day capacity by approximately 1.0 MGD. Based on these factors, the LOS standard is \$2.80 per gallon of system capacity for projects needed solely to accommodate new development.

HAILEY ANNEXATION FEES

**Figure 26 - Water System CIP Summary**

Fiscal Years =>	Yr 1 2001-02	Yr 2 2002-03	Yr 3 2003-04	Yr 4 2004-05	Yr 5 2005-06	Mid-Range (~2010)	TOTAL
<i>Capacity Projects That Benefit Current and Future Users</i>							
Trail Corridor Line to Myrtle	\$293,000						\$293,000
Myrtle to Elm Line	\$187,000						\$187,000
Parallel Line in Elm	\$10,000						\$10,000
Glenbrook-Woodside Line					\$194,000		\$194,000
Winterhaven Tank & Line	\$700,000	\$3,300,000					\$4,000,000
2nd Ave Main Upgrade					\$116,500		\$116,500
3rd Ave Building		\$330,000					\$330,000
Croy to Bullion Loop				\$25,000			\$25,000
River St Main Upgrade		\$130,000					\$130,000
SCADA System Replacement	\$130,000						\$130,000
Silver Street Upgrade					\$116,500		\$116,500
Water Meter Installation	\$140,000	\$140,000	\$140,000				\$420,000
Deerfield to Buckhorn Line				\$156,000			\$156,000
Northridge Well to Main Line						\$169,000	\$169,000
Downtown Grid						\$374,000	\$374,000
Airport Loop Line	\$174,000						\$174,000
Subtotal	\$1,634,000	\$3,900,000	\$140,000	\$181,000	\$427,000	\$543,000	\$6,825,000
						Average Daily Demand in 2010 (gallons)	3,400,000
						Capital Cost per Gallon	<b>\$2.00</b>
<i>Long-Range (~2020)</i>							
<i>Growth-Related Capacity Projects</i>							
Water Tank east of high school						\$1,500,000	\$1,500,000
Two New Wells						\$1,300,000	\$1,300,000
Subtotal	\$0	\$0	\$0	\$0	\$0	\$2,800,000	\$2,800,000
						Capacity Increase from 2010 to 2020 (gallons per average day)	1,000,000
						Capital Cost per Gallon of Capacity	<b>\$2.80</b>
TOTAL	\$1,634,000	\$3,900,000	\$140,000	\$181,000	\$427,000	\$3,343,000	\$9,625,000

## Water Annexation Fee Calculations

The LOS standards used to derive the water system annexation fees are shown in the boxed area of Figure 27. All fees are based on water meter sizes using Idaho Rural Water Association capacity ratios. The fee for an equivalent residential connection is 500 gallons, multiplied by \$4.80 per gallon of capacity, or \$2,400 for a 0.75-inch water meter.

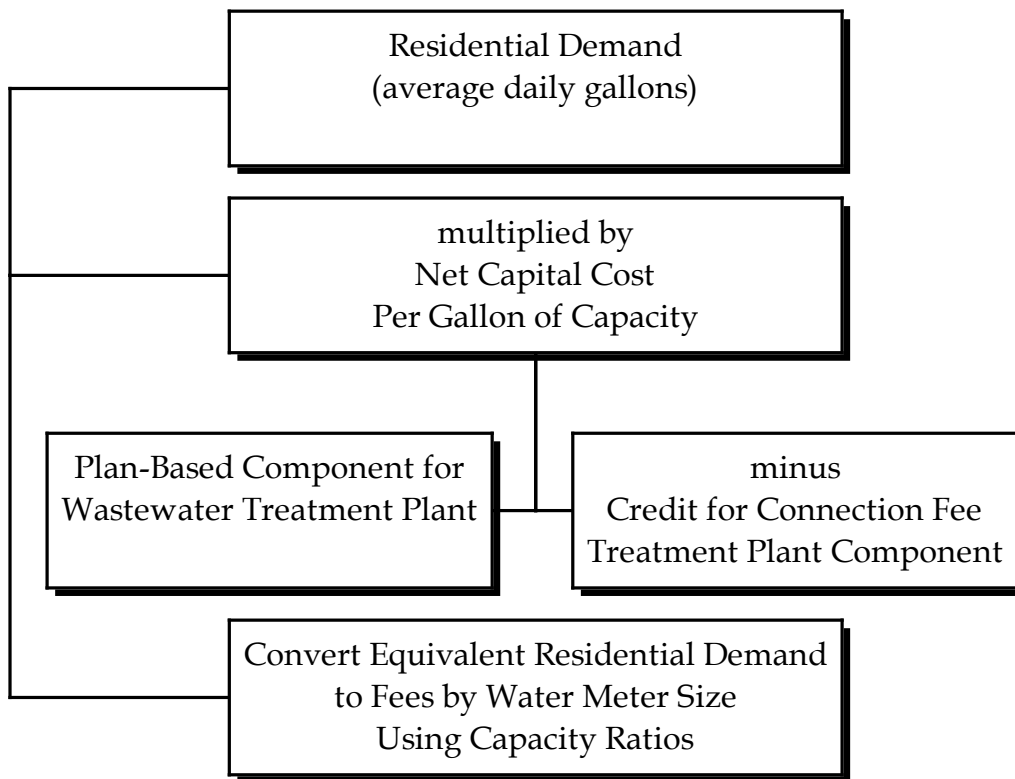
**Figure 27 - Water System Annexation Fees**

				<i>Standards:</i>
<i>Level Of Service</i>				
Gallons per Average Day per Residential Connection				500
CIP Projects Benefiting All Customers Cost per Gallon				\$2.00
Growth-Related CIP Cost per Gallon				\$2.80
Total Capital Cost per Gallon of Capacity				<b>\$4.80</b>
<i>Annexation Fees</i>				
<u>All Development</u>				<u>Per Meter</u>
<i>Meter Size (inches)</i>	<i>Type</i>	<i>Capacity Ratio</i>		
0.75	Displacement	1.0	\$2,400	
1.00	Displacement	1.7	\$4,080	
1.50	Displacement	5.3	\$12,720	
2.00	Displacement	6.7	\$16,080	
3.00	Compound	15.0	\$36,000	
4.00	Compound	25.0	\$60,000	

## SEWER SYSTEM

Sewer annexation fees are based on water meter size. As shown in Figure 28, fees are derived from the net capital cost per gallon of capacity and the average daily demand factor per equivalent residential connection. A plan-based method anticipates the need to expand the wastewater treatment plant. Sewer fees do not cover the cost of project level improvements, like small-size lateral lines in residential subdivisions, nor do they address the need for major sewer interceptors, which are included in Hailey’s sewer connection fee. To avoid potential double payment for wastewater treatment plant capacity, a credit is provided for the treatment plant component of the sewer connection fee.

**Figure 28 - Sewer Fee Methodology Chart**



### ***Sewer Demand per Equivalent Residential Connection***

According to the Wastewater Facility Plan Update by Keller & Associates, average daily wastewater flow in Hailey is 360 gallons per equivalent residential connection. This demand factor is consistent with the City's sewer connection fee.

### ***Anticipated Future Cost of Treatment Capacity***

In the future Hailey will expand its wastewater treatment plant capacity. The City recently spent \$7.7 million to construct a new treatment plant with a design capacity of 1.6 MGD. Based on these factors, the average cost is \$4.81 per gallon of treatment plant capacity.

### ***Credit for Connection Fee Treatment Plant Component***

TA recommends a credit for treatment plant component of the City's sewer connection fee, which is approximately \$606 per equivalent residential connection. Dividing this amount by 360 gallons indicates a credit of \$1.68 per gallon.

## Sewer Annexation Fee Calculations

LOS standards used to derive sewer annexation fees are shown in the boxed area of Figure 29. The sewer fee for an equivalent residential connection is 360 gallons multiplied by the net capital cost of \$3.13 per gallon, or \$1,126 for a 0.75-inch meter. Meter size multipliers are discussed in the water fee section.

**Figure 29 - Sewer System Annexation Fee**

				<i>Standards:</i>
<i>Level Of Service</i>				
Average Gallons per Day per Residential Connection				360
Treatment Plant Capital Cost per Gallon of Capacity				\$4.81
Credit for Connection Fee Treatment Plant Component*				(\$1.68)
Total Capital Cost Per Gallon of Demand				\$3.13
<i>Annexation Fee</i>				
<u>Nonresidential</u>				<u>Per Meter</u>
<i>Meter Size (inches)**</i>	<i>Type</i>	<i>Demand Ratio</i>		
0.75	Displacement	1.0	\$1,126	
1.00	Displacement	1.7	\$1,915	
1.50	Displacement	5.3	\$5,972	
2.00	Compound	6.7	\$7,549	
3.00	Compound	15.0	\$16,902	
4.00	Compound	25.0	\$28,170	

\* Hailey's Sewer Connection Fee for the wastewater treatment plant is currently \$605.97 per equivalent residential connection. Dividing this factor by 360 gallons (i.e., average daily demand per ERC) yields a credit of \$1.68 per gallon of capacity.

\*\* Sewer annexation fees are based on water meter size.



## IMPLEMENTATION AND ADMINISTRATION

All costs in the annexation fee calculations are given in current dollars with no assumed inflation rate over time. Necessary cost adjustments can be made during periodic evaluation and update of annexation fees. One approach is to annually adjust for inflation in construction costs by means of an index like the one published by Engineering News Record (ENR). This index could be applied to the adopted annexation fee schedule. If cost estimates change significantly the City should redo the fee calculations.

### *Credits and Reimbursements*

If a developer constructs a system improvement included in the fee calculations, the City of Hailey should reimburse the developer or provide a credit against the fees in the annexation area. The latter option is more difficult to administer because it creates unique fees for specific geographic areas. Based on TA'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. Hailey should only agree to pay the lesser of the actual construction cost or the estimated cost used in the annexation 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 Hailey to reimburse developers annually according to actual fee collections from the benefiting area.

### *Nonresidential Development Categories*

Nonresidential development categories are based on land use classifications from the book Trip Generation (ITE, 1997). A summary description of each development category is provided below.

**Shopping Center (820)** – A shopping center is an integrated group of commercial establishments that is planned, developed, owned and managed as a unit. A shopping center provides on-site parking facilities sufficient to serve its own parking demands. Shopping centers may contain non-merchandizing facilities, such as office buildings, movie theaters, restaurants, post offices, banks, health clubs and recreational facilities. In addition to the integrated unit of shops in one building or enclosed around a mall, many shopping centers include out-parcels. For smaller centers without an enclosed mall or peripheral buildings, the Gross Leaseable Area (GLA) may be the same as the Gross Floor Area (GFA) of the building.

## HAILEY ANNEXATION FEES

**General Office** (710) - A general office building houses multiple tenants including, but not limited to, professional services, insurance companies, investment brokers and tenant services such as banking, restaurants and service retail facilities. In the development fees study, this category is used as a proxy for institutional uses that may have more specific land use codes.

**Business Park** (770) - 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.

**Light Industrial** (110) - Light industrial facilities usually employ fewer than 500 persons and have an emphasis on activities other than manufacturing. Typical light industrial activities include, but are not limited to printing plants, material-testing laboratories and assembling of data processing equipment.

**Warehousing** (150) - Warehouses are primarily devoted to the storage of materials.

**Institutional** (520 & 530) - This category will typically apply to churches and government buildings such as schools. The trip generation rate used in the annexation fee calculations is an average for elementary and high schools.

**Hotel** (310) - Lodging places that provide sleeping accommodations, restaurants, lounges, meeting and banquet rooms, convention facilities, along with ancillary retail and service shops.

## APPENDIX 1 - DEVELOPMENT PROJECTIONS MEMO

### MEMORANDUM

TO: Kathy Grotto, City Planner  
Hailey, Idaho  
FROM: Tischler & Associates, Inc.  
DATE: October 3, 2001  
SUBJECT: **Demographic Data and Development Projections**

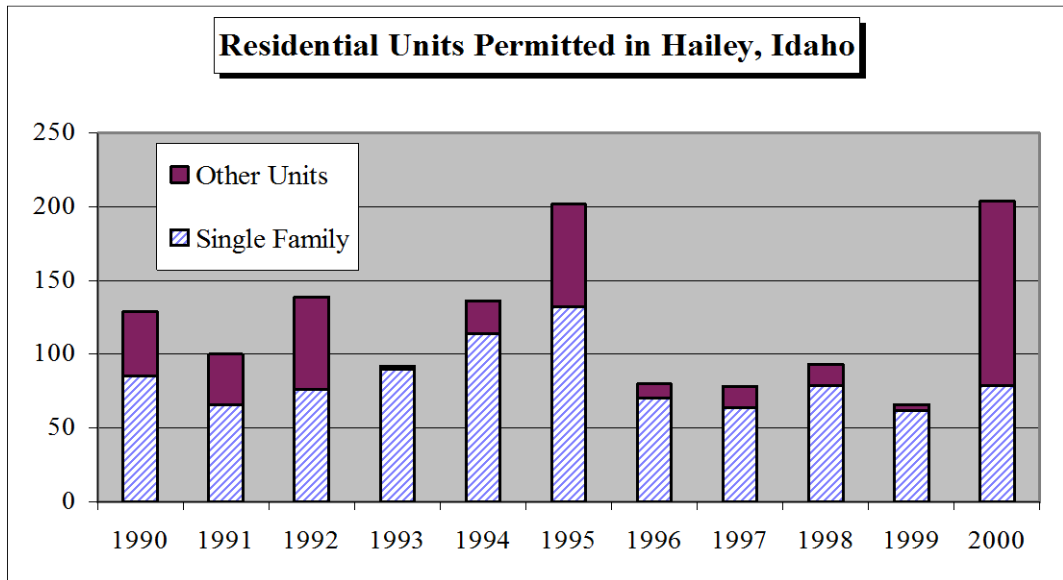
This memorandum documents the demographic data and development projections that will be used by Tischler & Associates, Inc. (TA) to prepare Hailey's Capital Improvements Plan (CIP) and annexation fees study. Although long-range projections are necessary for planning major capital improvements, a shorter time frame of five years is sufficient for most public facilities. Level-of-service standards will be calibrated using data for the second quarter of 2001 (i.e., April through June) and the first projection year for the capital improvements plan will be 2002 (i.e., FY2001-2002).

To help evaluate future development projections, TA obtained historical data on residential building permits from 1990 through 2000. Assuming all units permitted during a calendar year are completed by April 1 of the following year, the City's records are consistent with the U.S. Census Bureau's count of 2,557 housing units at the time the 2000 census was taken. As shown in Figure A1, TA also assumed approximately 3 to 4 housing units per year are demolished in the City of Hailey. Over the past decade, the average annual net increase was 116 housing units per year.

HAILEY ANNEXATION FEES

Figure A1 - Hailey Residential Building Permits

	<i>Single Family</i>	<i>Other Units</i>	<i>Demolitions</i>	<i>Total</i>
1990	85	44	-4	125
1991	66	34	-4	96
1992	76	63	-4	135
1993	90	2	-4	88
1994	114	22	-4	132
1995	132	70	-4	198
1996	70	10	-4	76
1997	64	14	-4	74
1998	79	14	-3	90
1999	62	4	-3	63
2000	79	125		204
<i>Total</i>	917	402	-38	1,281
	70%	30%	Avg Anl=>	116
Hsg Units in 1990	1,003	477		1,480
Total Units in 2000	1,841	754	-38	2,557
Pct of Units in 2000	71%	29%		



## HAILEY ANNEXATION FEES

Figure A2 presents alternative population projections through the year 2020. TA will discuss the alternative projections in descending order. The highest 2020 population projection of 18,788 is based on the actual compound growth rate of 5.7% experienced in Hailey from 1990 to 2000. Using this growth rate in an exponential projection method yields a population projection similar to the Keller study “best projection”. The Keller study, used by the City in planning the recent expansion of the wastewater treatment plant, did not have the benefit of the 2000 Census data and consequently used a higher year 2000 estimate of 7,271 residents in the City of Hailey. In comparison to the actual population increase of 262 persons per year over the past decade, the exponential growth alternative seems aggressive with an average of 629 persons per year.

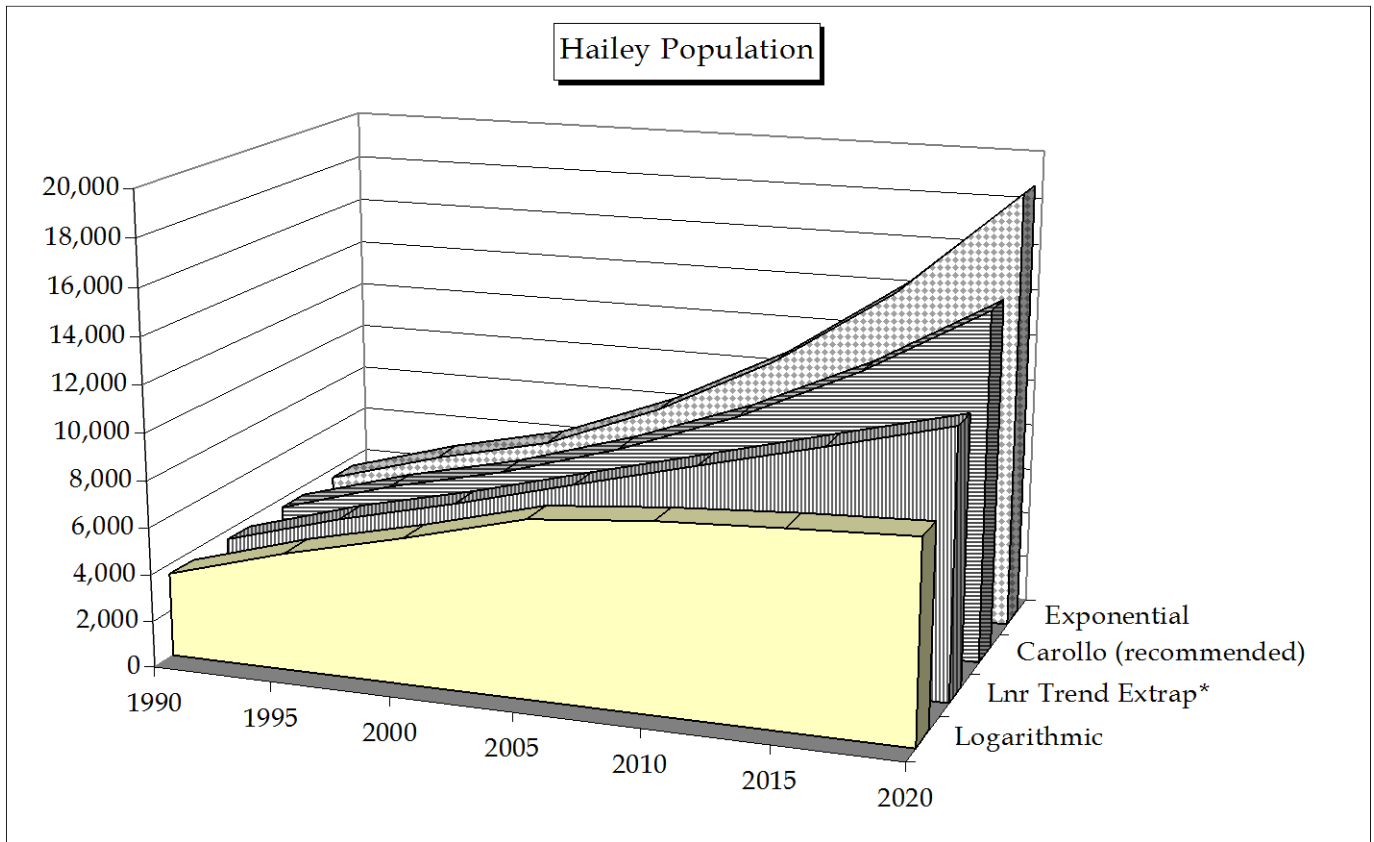
The second highest year 2020 projection of 14,953 residents is from the Water System Master Plan Update currently being prepared by Carollo Engineers. The mid-range “Carollo” alternative is recommended by TA for preparation of Hailey’s CIP.

The more conservative linear trend extrapolation alternative is based on annual population estimates for Hailey between 1990 and 2000. The most conservative, logarithmic projection assumes population growth will begin to decline after five years.

It is important to note that over the five-year CIP horizon, the four population projection alternatives are similar. In the year 2005, there is only a variation of 647 persons from the low to the high projection. The City should closely monitor actual development activity and periodically revise the projections that are used for planning capital improvements.

Figure A2 – Alternative Population Projections

Hailey, Idaho			1990	1995	2000	2005	2010	2015	2020	<i>Avg Anl Increase 2000-2020</i>
Annual Change (c)	Base Value (d)	Method	estimates =>			projection years (x) =>				
			(x0)			5	10	15	20	
5.7%	6,200	Exponential	3,575	5,025	6,200	8,180	10,793	14,240	18,788	629
4.5%	6,200	Carollo (recommended)	3,575	5,025	6,200	7,726	9,628	11,999	14,953	438
12.0%	6,200	Logarithmic	3,575	5,025	6,200	7,533	7,984	8,263	8,465	113
3.8%		Lnr Trend Extrap*	3,575	5,025	6,200	7,551	8,850	10,150	11,450	262
* Linear trend extrapolation			<i>Recommended Anl Inc =&gt;</i>			305	380	474	591	



1990 and 2000 population from U.S. Census Bureau.

Household size is an important demographic factor that helps account for variations in service demand by type of housing. In 1990, Hailey had 1,480 housing units and the blended, or weighted average, household size for all housing types was 2.65 persons per household (see Figure A3). 2000 Census data indicates the current household size to be 2.56 persons per household. It is likely that the decline in household size will continue over time. TA assumed a linear decline to 2.45 persons per household in 2020.

**Figure A3 – Persons Per Household in Hailey**

Units in Structure	Owner-Occupied			Renter-Occupied			Combined			Housing Units
	Persons	Hsehlds	PPH	Persons	Hsehlds	PPH	Persons	Hsehlds	PPH	
1-Detached	2,250	780	2.88	441	158	2.79	2,691	938	2.87	1,003
1-Attached	88	42	2.10	39	17	2.29	127	59	2.15	69
Two	15	8	1.88	41	17	2.41	56	25	2.24	27
3-4	8	6	1.33	258	117	2.21	266	123	2.16	132
5-9	22	11	2.00	255	98	2.60	277	109	2.54	116
10 or more	7	4	1.75	123	68	1.81	130	72	1.81	79
Mobile Homes	34	19	1.79	41	15	2.73	75	34	2.21	39
Other	7	4	1.75	20	11	1.82	27	15	1.80	15
<b>Total</b>	<b>2,431</b>	<b>874</b>	<b>2.78</b>	<b>1,218</b>	<b>501</b>	<b>2.43</b>	<b>3,649</b>	<b>1,375</b>	<b>2.65</b>	<b>1,480</b>

Source: 1990 US Census data from STF1A.

Vacant Units => 105

Residential Vacancy Rate => 7.1%

**Persons Per Household by Type in 1990**

	Persons	Hsehlds	PPH	Hhld Mix
Single Family Detached (SFD)	2,691	938	2.87	68%
All Other Residential	958	437	2.19	32%
Group Quarters	38			
<b>TOTAL</b>	<b>3,687</b>	<b>1,375</b>		

**Persons Per Household by Type in 2000**

	Persons	Hsehlds	PPH	Hsg Units
Single Family Detached (SFD)	4,507	1,630	2.77	
All Other Residential	1,604	759	2.11	
Total Less Group Quarters	6,111	2,389	2.56	2,557
Group Quarters	89			
<b>TOTAL</b>	<b>6,200</b>			

Source: U.S. Census Bureau, Census 2000.

Residential Vacancy Rate => 6.6%

In addition to data on residential development, the CIP requires data on nonresidential construction in Hailey. To convert job projections to gross floor area of nonresidential development, TA will use average square feet per employee multipliers (see Figure A4) derived from national data published by the Institute of Transportation Engineers (ITE) and the Urban Land Institute (ULI).

**Figure A4 – Employee and Building Area Ratios**

Land Use (ITE code)	<i>Wkdy Trip Ends Per 1,000 Sq Ft*</i>	<i>Wkdy Trip Ends Per Employee*</i>	<i>Emp Per 1,000 Sq Ft</i>	<i>Sq Ft Per Emp**</i>
<b>Commercial/ Shopping Ctr (820)</b>				
<b>25K gross leasable area</b>	<b>111.82</b>	na	3.33	<b>300</b>
50K gross leasable area	87.31	na	2.86	350
100K gross leasable area	68.17	na	2.50	400
200K gross leasable area	53.22	na	2.22	450
Medical-Dental Office (720)	36.13	8.91	4.05	247
Hospital (610)	16.78	5.17	3.25	308
<b>General Office (710)</b>				
<b>10K gross floor area</b>	<b>22.64</b>	5.16	4.39	<b>228</b>
25K gross floor area	18.31	4.53	4.04	247
50K gross floor area	15.59	4.11	3.79	264
100K gross floor area	13.27	3.72	3.57	280
200K gross floor area	11.30	3.37	3.35	298
High School (530)	13.27	19.98	0.66	1,506
<b>Average School</b>	<b>12.65</b>	16.56	0.79	<b>1,299</b>
Elementary School (520)	12.03	13.13	0.92	1,091
Business Park (770)***	12.76	4.04	3.16	317
<b>Light Industrial (110)</b>	<b>6.97</b>	3.02	2.31	<b>433</b>
Warehousing (150)	4.96	3.89	1.28	784
	<i>Per Room</i>		<i>Per Room</i>	
Hotel (310)	8.23	14.34	0.57	

\* Trip Generation, Institute of Transportation Engineers, 1997.

\*\* Square feet per employee 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.

Figure A5 indicates the floor area of nonresidential development in the City of Hailey, estimated to be approximately 1.08 million square feet in 2000, with an overall average of 503 square feet per employee. The total number of jobs in the Hailey zip code was obtained from the Idaho Department of Labor, with the percentage breakdown by type of job derived from data TA purchased from Claritas, Inc. The percentage allocation of jobs by four general categories of nonresidential development is expected to remain constant over the next 20 years. Also, TA will hold constant the average square feet per job, as shown in bold type below. TA uses the term “jobs” to refer to employment by place of work (i.e., within the City of Hailey).



**Figure A5 – Estimate of Nonresidential Floor Area in Hailey**

	2000		Adjusted Jobs**	Sq Ft Per Job	Nonresidential Sq Ft in 2000
	Jobs*	Pct			
<b>Retail/Commercial</b>					
Retail Trade	471				
Personal/Entertain/Rec Services	129				
Subtotal	600	27.9%	725	300	217,000
<b>Office</b>					
Finance/Ins./Real Estate	49				
Business/Prof/Health Services	420				
Subtotal	469	21.8%	567	228	129,000
<b>Institutional</b>					
Public Schools	240		240	1,417	340,000
Other Government	250		352	247	87,000
Subtotal	490	22.8%	592	721	427,000
<b>Industrial</b>					
Construction	315				
Manufacturing/Wholesale	174				
Transp/Com/Util/Other	102				
Subtotal	591	27.5%	714	433	309,000
Total at Nonresidential Locations	2,150	100.0%	2,597	503	1,082,000
Working at Home	172		208		
TOTAL	2,322		2,805		

\* Source: Claritas, Inc.

\*\* Adjusted to total jobs reported by Idaho Department of Labor.

Consistent with the national trend forecast by the U.S. Census Bureau, TA assumed a gradual increase in the ratio of jobs per housing unit over the next 20 years. The current ratio of 1.0 job per housing unit is expected to rise to 1.22 jobs per housing unit by 2020. Detailed demographic data are provided in Figure A6. From 2000 to 2020, the City anticipates an average annual housing increase of 197 housing units plus approximately 110,000 square feet per year of nonresidential floor area. Based on the amount of developed nonresidential land in Hailey, the current floor area ratio is approximately 0.15. TA assumed this ratio would remain constant through 2020.

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**Figure A6 – Detailed Development Projections**

Hailey, Idaho	2000	2001	2002	2003	2004	2005	2010	2015	2020
<b>Cumulative</b>									
Population in Hseholds (rounded)	6,100	6,405	6,710	7,016	7,321	7,626	9,528	11,899	14,853
Population in Group Quarters*	100	100	100	100	100	100	100	100	100
<b>Total City Population</b>	<b>6,200</b>	<b>6,505</b>	<b>6,810</b>	<b>7,116</b>	<b>7,421</b>	<b>7,726</b>	<b>9,628</b>	<b>11,999</b>	<b>14,953</b>
Jobs	2,597	2,753	2,918	3,087	3,259	3,435	4,542	5,992	7,888
Housing Units	2,557	2,684	2,818	2,952	3,087	3,223	4,071	5,141	6,489
Jobs to Housing Ratio	1.02	1.03	1.04	1.05	1.06	1.07	1.12	1.17	1.22
Residential Vacancy Rate	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
Households	2,389	2,507	2,633	2,758	2,884	3,011	3,804	4,803	6,062
Persons Per Household	2.56	2.55	2.55	2.54	2.54	2.53	2.51	2.48	2.45
<b>Job Distribution</b>									
Pct Retail/Commercial Jobs	27.9%	27.9%	27.9%	27.9%	27.9%	27.9%	27.9%	27.9%	27.9%
Pct Office Jobs	21.8%	21.8%	21.8%	21.8%	21.8%	21.8%	21.8%	21.8%	21.8%
Pct Institutional Jobs	22.8%	22.8%	22.8%	22.8%	22.8%	22.8%	22.8%	22.8%	22.8%
Pct Goods Production Jobs	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%
<b>Nonres Sq Ft (x 1,000)</b>									
Retail/Commercial KSF**	217	230	244	258	273	287	380	502	660
Office KSF**	129	137	145	153	162	171	226	298	392
Institutional KSF**	427	452	480	507	536	565	747	985	1,297
Industrial KSF**	309	328	347	368	388	409	541	714	939
<b>Total KSF**</b>	<b>1,083</b>	<b>1,147</b>	<b>1,216</b>	<b>1,287</b>	<b>1,359</b>	<b>1,432</b>	<b>1,893</b>	<b>2,498</b>	<b>3,288</b>
<b>Nonres Acreage</b>									
Total Nonresidential	166	176	186	197	208	219	290	382	503
<b>2000-2020</b>									
<b>Annual Increase</b>		00-01	01-02	02-03	03-04	04-05	09-10	14-15	<b>Avg Anl</b>
Total Population		305	305	305	305	305	380	474	438
Jobs		156	166	169	172	175	230	301	265
Housing Units		127	134	135	135	136	171	216	197
Retail/Commercial KSF**		13	14	14	14	15	19	25	22
Office KSF**		8	8	8	9	9	11	15	13
Institutional KSF**		26	27	28	28	29	38	49	43
Industrial KSF**		19	20	20	20	21	27	36	32
Nonresidential Acreage		10	11	11	11	11	15	19	17

\* 2000 group quarters population rounded to hundreds.

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

HAILEY ANNEXATION FEES

Key growth indicators for population, housing units and jobs are summarized in Figure A7. Because of the declining household size, the number of housing units will increase at a higher rate of growth than population. Jobs are expected to increase at a compound growth rate of 5.7% per year.

**Figure A7 - Comparison of Key Growth Indicators**

	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>2020</u>	<b>2000 to 2020 Average Annual</b>	
						<u>Increase</u>	<u>Compound Rate</u>
Population	6,200	7,726	9,628	11,999	14,953	438	4.5%
Housing Units	2,557	3,223	4,071	5,141	6,489	197	4.8%
Jobs	2,597	3,435	4,542	5,992	7,888	265	5.7%

