

**Agenda**  
**DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE**  
**Monday, March 3, 2025**  
**5:00 p.m.**

Hailey Development Impact Fee Advisory Committee Meetings are open to the public, in person, and by electronic means when available. The city strives to make the meeting available virtually but cannot guarantee access due to platform failure, internet interruptions or other potential technological malfunctions. Participants may join our meeting virtually by the following means:

Join on your computer, mobile app, or room device.

[Click here to join the meeting](#)

Meeting ID: 249 576 139 181

Passcode: Ge6Z7Q

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Or call in (audio only)

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Phone Conference ID: 602 369 677#

**Call to Order**

**Presentation**

- [PP 1](#) Overview by Tischler Bise Galena Consulting of Development Impact Fees.

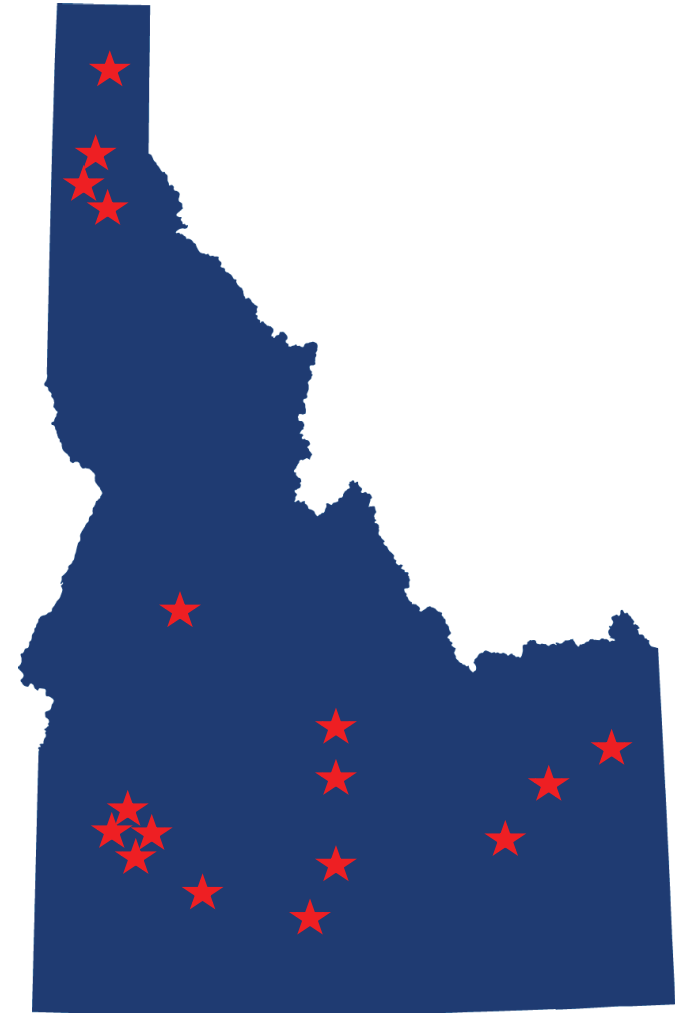
# Paying for Growth: Impact Fees in Idaho

Hailey, ID  
March 3, 2025



**TischlerBiseGalena Idaho Experience**

Ada County	Boise	Burley	Caldwell	Caldwell Hwy. District	Caldwell Rural Fire District
Canyon County	Canyon County EMS	Carey	Cascade	Cascade Fire District	Donnelly
Driggs	Eagle Fire District	Eastside Fire District	Eastside Hwy. District	Elmore County	Emmett
Filer Fire District	Gem County	Gem County Fire District	Hailey	Hayden	Homedale Fire District
Houser Fire District	Idaho Falls	Jerome County	Kellogg	Kootenai County	Kootenai County Fire District
Kuna	Kuna Fire District	Lakes Hwy. District	Marsing Fire District	McCall	McCall Fire District
Melba Fire District	Meridian	Meridian Rural Fire District	MicaKidd Fire District	Middleton	Middleton Fire District
Middleton Parks District	Mountain Home	Nampa	Nampa Fire District	North Ada Co. Fire District	Northern Lakes Fire District
Northside Fire District	Parma	Payette	Payette County	Post Falls	Post Falls Hwy. District
Rock Creek Fire District	Sandpoint	Shoshone County	Shoshone Fire District	Spirit Lake Fire District	St. Maries' Fire District
Star Fire District	Sun Valley	Teton County	Timberlake Fire District	Twin Falls	Valley County
Victor	West Pend	Whitney Fire District	Wilder Fire District	Worley Fire District	



# Impact Fee Fundamentals

- One-time payment for growth-related infrastructure, usually collected at the time buildings permits are issued
- Not a tax, similar to a contractual arrangement to build infrastructure with fee revenue, with three requirements
  - Need (system improvements, not project-level improvements)
  - Benefit
    - Short range expenditures
    - Geographic service areas and/or benefit districts
  - Proportionate

# Eligible Costs

- Facilities/improvements required to serve new development – Yes
- Excess capacity in existing facilities – Yes
- Improvements required to correct existing deficiencies – No
  - Unless there is a funding plan
- Maintenance and repairs – No
- Operating costs – No
- ❖ Park examples
  - ❖ Net new playground – Yes
  - ❖ Replacing rusty slide – No
  - ❖ Replacing playground from 400 sqft to 1,000 sqft – 60% impact fees

# Impact Fees in Idaho

- Impact fee revenue must be maintained in an interest bearing account
- Monies must be spent within 8 years from collection
- Community must publish an Annual Monitoring Report and have Advisory Committee
- Capital improvement plan (CIP) is required
- Comprehensive review and update every 5 years
- Eligible for the following public facilities with useful life of 10 years or more:
  - Water, wastewater, stormwater
  - Transportation
  - Parks & Recreation
  - Public safety: law enforcement, fire, EMS

# Development Impact Fee Advisory Committee

- DIFAC is at least 5 members
  - Must be residents of the jurisdiction
  - At least 2 must be developers, realtors, builders; at least 2 must not be active in those fields
  - No elected officials; can use the Planning & Zoning Commission if they meet the other requirements.
- Assist in the assumptions regarding growth, levels of service, future demand, costs, capital plans, etc.
  - Mission is to secure a recommendation of validity of the analysis
  - Other recommendations/comments submitted to City Council
- Meet annually to review revenue and expenditure report

# Myths and Misconceptions

- ✗ Impact fees cover the entire cost of new facilities, negating the need for higher taxes
  - Conservative assumptions
  - Credits
  - O&M costs
- ✗ Impact fees should be based on planning standards, without concern for deficiencies
- ✗ Nonresidential fees can be “adjusted” for economic reasons
- ✗ All developers/builders hate impact fees
  - Streamlined program that proformas can account for (just like building permit fees), compared to unknowns during the entitlement process
  - Equity across development



# Development Impact Fee Advisory Committee

- Methodologies
  - Cost Recovery (past)
    - Recovering growth cost of a previously built facility
  - Incremental Expansion (present)
    - Fee is set to current level of service
  - Plan-Based (future)
    - Fee is collected for a specific CIP project list
- Benefit Analysis (service areas)
- Evaluate credits

# Impact Fee Study Process

- Determine existing development base and projected future growth
- Determine existing levels of service and capital needs due to new growth
- Determine appropriate indicators of demand
- Evaluate methodological alternatives
- Evaluate need for credits
- Calculate fees
- Review and input from DIFAC/other stakeholder groups
- Adoption process
  - Planning & Zoning Committee for CIP to be included to Comp Plan
  - City Council for ordinance and formal adoption

# Current Fee Schedule

- Ordinance includes an annual update based on Municipal Cost Index to account for increases in construction costs between 5-year updates

Citywide Service Area	Parks	Fire	Streets	CIP	Total
<b>Residential (per dwelling unit by finished square feet)</b>					
600 or less	\$575	\$147	\$1,002	\$24	<b>\$1,747</b>
601 to 1000	\$776	\$198	\$1,320	\$32	<b>\$2,327</b>
1001 to 1400	\$978	\$250	\$1,638	\$41	<b>\$2,907</b>
1401 to 1800	\$1,181	\$302	\$1,956	\$50	<b>\$3,488</b>
1801 to 2200	\$1,382	\$354	\$2,274	\$58	<b>\$4,068</b>
2201 to 2600	\$1,584	\$405	\$2,592	\$67	<b>\$4,648</b>
2601 to 3000	\$1,785	\$457	\$2,910	\$75	<b>\$5,228</b>
3001 or more	\$1,987	\$509	\$3,228	\$84	<b>\$5,808</b>
<b>Nonresidential (per 1,000 square feet of floor area)</b>					
Commercial	\$0	\$340	\$2,976	\$55	<b>\$3,370</b>
Office and other services	\$0	\$431	\$1,919	\$70	<b>\$2,420</b>
Industrial	\$0	\$231	\$774	\$37	<b>\$1,041</b>
Institutional	\$0	\$92	\$1,830	\$14	<b>\$1,935</b>

# Study Update

- Exploring police impact fees
  - City paused police impact fees in 2021 study
  - Need for full ownership of police station, impound/tow lot, fleet expansion
- Fire
  - Replace and expand the fire station
    - The expanded capacity of the station is growth-related, impact fee eligible
    - Expand fleet
- Park
  - May not need more land, but development of land and park amenities
- Streets
  - Intersection improvements, pedestrian circulation expansion

# Discussion

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