Memo

To: Mayor Davis and Members of the City Council

From: Donna Phillips, Community Development Director

Date: September 23, 2026

Agenda Item: Development Impact Fee Advisory Committee Recommendation to the City Council

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Agenda Item Location

Public Meeting

Recommended Action or Motion

The DIFAC recommended **approval** of the schedule of fees for non-residential and residential development to be reflective of those found in Exhibit 15 page 19 of the adopted impact fee study for Year 5 (2027) as shown below:

Proposed Transportation and Parks Impact Fee Schedule

			Development Impact Fees by Year				
Use Classification	Current Charge	Unit	Year 1 (2023)	Year 2 (2024)	Year 3 (2025)	Year 4 (2026)	Year 5+ (2027)
TRANSPORTATION							
Industrial/Warehouse	$0.35	per SF	$0.54	$0.76	$0.99	$1.04	$1.09
Office General	$1.11	per SF	$1.98	$2.93	$3.98	$4.18	$4.39
Medical Office	n/a	per SF	$3.36	$5.12	$8.55	$8.98	$9.43
Service/Other	n/a	per SF	$2.25	$3.49	$4.86	$5.10	$5.36
Retail/Restaurant	$5.67	per SF	$6.99	$8.42	$9.98	$10.48	$11.01
Hotel/Motel	n/a	per room	$1,443	$1,515	$1,591	$1,670	$1,754
Multifamily (4+ units per structure)	$1.12	per SF	$1.29	$1.35	$1.42	$1.49	$1.57
Single Family (1-3 units per structure)							
Less than 1,000 SF	$1,813	per DU	$2,288	$2,402	$2,523	$2,649	$2,781
1,000 to 2,499 SF	$1,813	per DU	$2,423	$2,544	$2,672	$2,805	$2,946
2,500 SF and above	$1,813	per DU	$2,659	$2,792	$2,932	$3,078	$3,232
PARKS							
Multifamily (4+ units per structure)	$0.87	per SF	$1.28	$1.34	$1.41	$1.48	$1.56
Single Family (1-3 units per structure)							
Less than 1,000 SF	$1,414	per DU	$1,623	$1,705	$1,790	$1,879	$1,973
1,000 to 2,499 SF	$1,414	per DU	$2,272	$2,386	$2,505	$2,631	$2,762
2,500 SF and above	$1,414	per DU	$2,662	$2,795	$2,935	$3,081	$3,235

Derived from preceding tables and Appendix C. Assumes 3-year phase in for non-residential fees.

These fees are reflective of the total phase-in of the non-residential, and the annual inflation rate for both non-residential and residential for each year since the adoption of the maximum allowable impact fees that Hayden may charge based on the assumptions set forth in the approved Impact Fee study.

Additionally the Committee recommended the direction for the update to the Development Impact Fee Report should include the following areas of review: Circulation, Community Center, Law Enforcement, and Parks.

Possible Motions of City Council:

- **Motion to Accept** – I move to accept the Development Impact Fee Advisory Committee recommendation.

- **Motion to Continue** – I move to continue discussion to {date specific} to address concerns related to ______________.

- **Motion to Deny** – I move to deny the Development Impact Fee Advisory Committee recommendation and move to instruct staff to remand the discussion back to the Committee for the following reasons: ________________.

Summary

On August 20, 2026, the City of Hayden DIFAC met and reviewed how the impact fees have been collected and spent over the last year, and at the conclusion of that meeting recommended to City Council to increase the impact fees in accordance with Year 5 (2027) of the table shown on the previous page. Attached are the minutes of that meeting.

Fiscal Impact

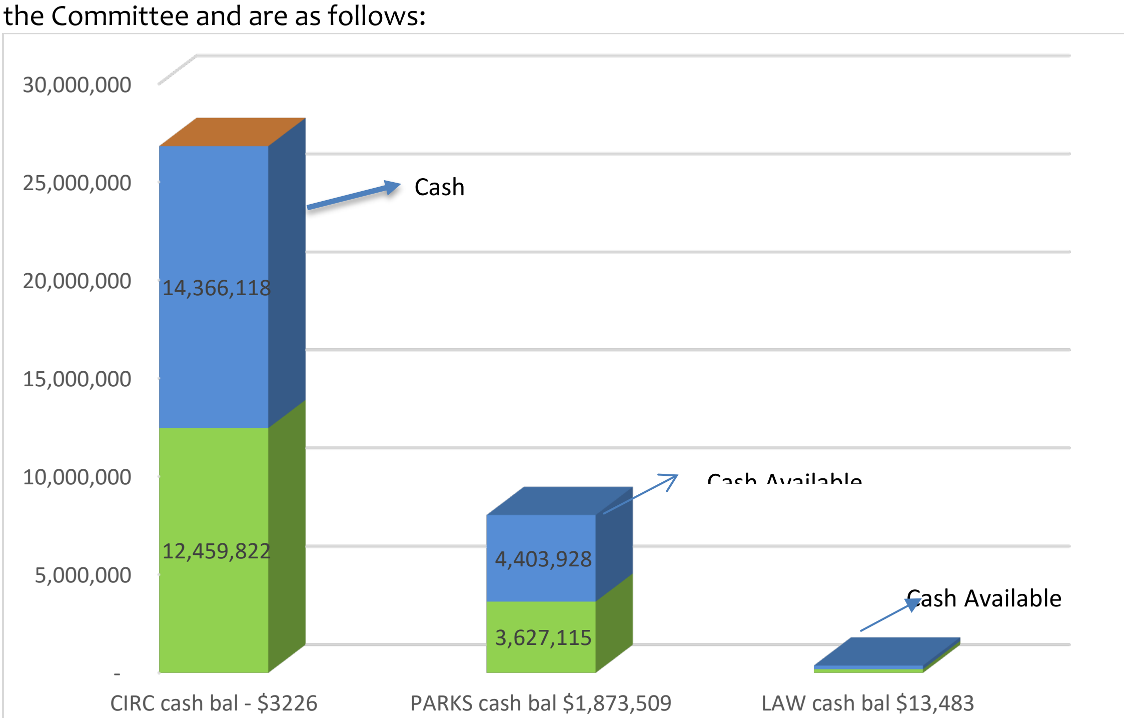
A snapshot of the fiscal year's income (October to September, with the exception *being October to end of July) provided the following information for transportation (circulation) and parks (green):

PARKS	FY 22-23	FY23-24		FY24-25		FY25-26*	
	Total	# of Units	Revenue	# of Units	Revenue	# of Units	Revenue
	Revenue	SF/room		SF/room		SF/room	
Multi-family (4+ units per structure)	$ -	0	$ -	0	$ -		
Single-family (1-3 units per structure)	86 homes	315 homes		159 homes		86 homes	
Less than 1,000 SF		4	$ 6,492.00	2	$ 3,580.00	3	$ 5,548.00
1,000 to 2,499 SF		249	$ 565,728.00	132	$312,311.00	59	$152,583.00
2,500 SF and above		62	$ 165,044.00	25	$ 71,191.00	24	$ 72,776.00
Extra-ordinary impact							
Total Park Revenue Collected	$ 193,105.00		$ 737,264.00		$387,082.00		$230,907.00

CIRCULATION	FY 22-23	FY23-24		FY24-25		FY25-26*	
	Total	# of Units	Revenue	# of Units	Revenue	# of Units	Revenue
	Revenue	SF/room		SF/room		SF/room	
Industrial/Warehouse		134,313	$ 72,529.02	72,081	$ 58,798.44	99,053	$ 102,246.67
Office General		14,509	$ 28,727.82	32,531	$ 100,205.38	18,834	$ 77,578.13
Medical Office		11,896	$ 39,970.56	0	$ -	0	$ -
Service/Other		32,757	$ 73,703.25	45,447	$ 215,754.07	7,440	$ 37,944.00
Retail/Restaurant		4,956	$ 34,642.44	2,869	$ 14,689.25	0	$ -
Hotel/Motel		0		0	$ -	0	$ -
Non-Residential Total	**$ 284,168.35**		**$ 249,573.09**		**$ 389,447.14**		**$ 217,768.80**
Multi-family (4+ units per structure)	**$ -**	**0**	**$ -**	**0**	**$ -**	**0**	**$ -**
Single-family (1-3 units per structure)	**86 homes**	**315 homes**		**159 homes**		**86 homes**	
Less than 1,000 SF		4	$ 9,152.00	2	$ 5,046.00	3	$ 7,821.00
1,000 to 2,499 SF		249	$ 603,327.00	132	$ 333,100.00	59	$ 162,702.00
2,500 SF and above		62	$ 164,858.00	25	$ 71,116.00	24	$ 72,704.00
Extra-ordinary impact					$ 6,952.02		$ 16,221.38
Residential Total	**$ 206,707.00**		**$ 777,337.00**		**$ 416,214.02**		**$ 259,448.38**
Total Circulation Revenue Collected	**$ 490,875.35**		**$ 1,026,910.09**		**$ 805,661.16**		**$ 477,217.18**

It was identified the building trends for the calendar year are provided monthly under the building department reports on the City's website.

As part of the update to DIFAC, the Impact Fee Cash Balances per Impact Fee Type were provided to the Committee and are as follows:



An update on Projects within the Capital Improvement Plan of the Impact Fee Study was provided to the Committee.

Impact Fee Study Capital Improvement Plan (CIP) Status of Projects

Park Impact Fee CIP Exhibits 4 & 5 of the study (see page 5)

- Hayden Canyon Park (CP-NE-1) – Design is Complete. Construction Plans in Review for Phase I
- Croffoot Park (Near/Mid) – Restroom/Concession Facility, Picnic Shelter, 6 acres of Soccer Fields – constructed.
- Community Park (C-SW-1) – Agreement in Place for 12-acre park
- McIntire Family Park –Master Plan Complete
- Honeysuckle Beach Expansion Study – Completed
- NP-NE-1 Acquisition: 50-100% Complete
- Community Center Planning – 15%

Transportation Impact Fee CIP Exhibit 10 (or Appendix A page 27 – see page6)

- Government Way Corridor Study – Completed
- Government Way & Honeysuckle – Design 25%, Construction 0%
- Government Way & Miles – Design 99%, Construction 0%
- Hayden & Ramsey – Design Complete, Construction – 0%
- Hayden & Atlas – Design Complete, Construction – 0%
- Hayden & Huetter – Design 95%, Construction 0 %
- Hayden – Huetter to Atlas –25% constructed, 75% incomplete
- Hayden – Atlas to Ramsey – 0%
- *Hayden – Juno to Finucane – 65% Constructed through Grant & Developers from Maple to Finucane Done
- Honeysuckle & 4th Street – Completed
- Ramsey Road – Hayden to Wyoming – 60% (1st Phase done)
- Ramsey Road - Wyoming to Lancaster - Completed
- Ramsey & Honeysuckle –In Construction

Exhibit 4
Growth Benefit Projects

By Category	Category	Total Cost	Current Level of Service Eligibility	Current Level of Service Eligible Cost
CP-NE-1 Hayden Canyon Community Park (Phase I)	Community	$ 100,000	54.56%	54,559
Croffoot Park (Phase I)	Community	1,245,000	54.56%	679,262
C-SW-1 Community Park	Community	1,780,000	54.56%	971,153
NP-NE-1	Neighborhood	640,000	80.85%	517,417
CP-NE-1 Hayden Canyon Community Park (Phase II)	Community	1,110,000	54.56%	605,607
Croffoot Park (Phase II)	Community	955,000	54.56%	521,040
Honeysuckle Beach Expansion	Special Use	1,000,000	100.00%	1,000,000
NP-NE-2	Neighborhood	500,000	80.85%	404,232
Total by Total Acreage (costs in 2020 dollars)		**$ 7,330,000**	**82.50%**	**$ 6,046,965**
Total by Total Acreage (costs in 2022 dollars)*		**$ 8,549,712**		**$ 7,053,180**

** Parks cost adjustment factor:* 1.1664
based on Hayden 2040 Parks Master Plan (pg. 82/145)

Exhibit 5
Proportionate Benefit Projects

Project	Total Cost	Eligibility	Eligible Cost
Broadmoore Park	$ 360,000	34.38%	$ 123,762
Stoddard Park	210,000	34.38%	72,195
Finucane Park	230,000	34.38%	79,070
McIntire Family Park	100,000	34.38%	34,378
Honeysuckle Beach Expansion (predesigr	60,000	34.38%	20,627
Community Center Pre-design	50,000	34.38%	17,189
Broadmoore Park	165,000	34.38%	56,724
Stoddard Park	100,000	34.38%	34,378
Finucane Park	445,000	34.38%	152,984
McIntire Family Park	1,000,000	34.38%	343,784
C-SW-1 Community Park	395,000	34.38%	135,795
Total (costs in 2020 dollars)	**$ 3,115,000**	34.38%	**$ 1,070,886**
Total (costs in 2022 dollars)*	$ 3,633,336	34.38%	**$ 1,249,082**

** Parks cost adjustment factor:* 1.1664
based on Hayden 2040 Parks Master Plan (pg. 82/145)

Capital Improvement Plan for Transportation

Impact Fee Eligible?	Project Number	Project Location	Improvement Type	Primary Categorization	Proj. Timing	Cost Estimate (less inflation)	Other Funding	Impact Fee Eligible Project Cost (Vehicles)	Impact Fee Eligible Project Cost (Ped/Bike)
Include	100	Hayden Avenue From Kirkpatrick Street to US-95	Upgrade	Automobile	Before 2025	$ 500,000		$ 500,000	$ -
Include	101	Ramsey Road From Wyoming Avenue to Lancaster Road	New	Automobile	Before 2025	7,707,000	7,141,306	565,694	-
Include	102	Ramsey Road From Hayden Avenue to Wyoming Avenue	Upgrade	Automobile	Before 2025	3,451,000		3,451,000	-
Include	103	Ramsey Road & Honeysuckle Avenue	Upgrade	Automobile	Before 2025	2,411,000		2,411,000	-
Include	104	Honeysuckle Avenue & 4th Street	Upgrade	Automobile	Before 2025	1,495,000		1,495,000	-
Exclude	105	Government Way Corridor Study	Multi-Modal	Non-Motorized	Before 2025	49,000		-	-
Include	106	Hayden Avenue & Huetter Road	Upgrade	Automobile	Before 2025	291,000		291,000	-
Include	107	Government Way & Honeysuckle Avenue	Upgrade	Automobile	Before 2025	587,000		587,000	-
Include	108	Hayden Avenue & Ramsey Road	Upgrade	Automobile	Before 2025	2,781,000		2,781,000	-
Include	109	Hayden Avenue & Atlas Road	Upgrade	Automobile	Before 2025	1,979,000		1,979,000	-
Include	110	Hayden Avenue From Huetter Road to Atlas Road	Upgrade	Automobile	Before 2025	3,828,000		3,828,000	-
Include	111	4th Street From North of Prairie Avenue to South of Honeysuckle Avenue	Upgrade	Automobile	Before 2025	470,000		470,000	-
Include	112	Government Way & Wyoming Avenue	Upgrade	Automobile	Before 2025	1,324,000		1,324,000	-
Include	113	Government Way & Miles Avenue	Upgrade	Automobile	Before 2025	1,726,000		1,726,000	-
Include	200	Hayden Avenue From Atlas Road to Ramsey Road	Upgrade	Automobile	2025-2029	5,947,000		5,947,000	-
Include	201	Hayden Avenue From Juno Street to Finucane Drive	Multi-Modal	Non-Motorized	2025-2029	795,000		-	795,000
Include	202	Strahorn Road & Honeysuckle Avenue	Upgrade	Automobile	2025-2029	1,773,000		1,773,000	-
Include	203	Ramsey Road & Miles Avenue	Upgrade	Automobile	2025-2029	1,374,000		1,374,000	-
Include	204	Ramsey Road From Prairie Avenue to Hayden Avenue	Upgrade	Automobile	2025-2029	7,137,000		7,137,000	-
Include	205	Prairie Avenue & 4th Street	Upgrade	Automobile	2025-2029	891,000		891,000	-
Include	206	Government Way & Dakota Avenue	Upgrade	Automobile	2025-2029	459,000		459,000	-
Include	207	Government Way & Lancaster Road	Upgrade	Automobile	2025-2029	1,426,000		1,426,000	-
Include	208	Government Way From Wyoming Avenue to Boekel Road	Upgrade	Automobile	2025-2029	6,380,000		6,380,000	-
Include	209	Orchard Avenue between Triple Play and Government Way	Multi-Modal	Non-Motorized	2025-2029	548,000		-	548,000
Include	210	Miles Avenue From US-95 to Government Way	Upgrade	Automobile	2025-2029	1,030,000		1,030,000	-
Include	211	Government Way From Miles Avenue to Wyoming Avenue	Upgrade	Automobile	2025-2029	2,548,000		2,548,000	-
Exclude	212	Maple Street from Honeysuckle Avenue to Hayden Avenue	Upgrade	Automobile	2025-2029	1,917,000		-	-
				Total		**$ 60,824,000**	**$ 7,141,306**	**$ 50,373,694**	**$ 1,343,000**
						$ 65,212,948	***$ 7,656,610***	***$ 54,008,567***	***$ 1,439,908***

Source: Hayden 2040 Transportation Strategic Plan, Capital Improvement Program (Jan., 2021); costs updated by Welch Comer engineers (Dec. 2021); and adjusted to 2022 dollars using the McGraw Hill Construction Cost Index.

Fiscal Impact
Fiscal impact is based on the direction the City Council takes with respect to approval or disapproval of the recommendation.

Budget Funding Source
Not Applicable

Attachment
Draft Minutes of the DIFAC meeting.

DRAFT
MINUTES OF THE DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE
FOR THE CITY OF HAYDEN, KOOTENAI COUNTY, IDAHO

Thursday, August 20, 2026

Committee Meeting: 10 AM
Hayden City Hall Council Chambers, 8930 N. Government Way, Hayden, ID 83835

CALL TO ORDER
The meeting was called to order at 10:05 AM

ROLL CALL OF COMMITTEE MEMBERS

Don Crawford:	Present
Chris Morris:	Present
Shawn Taylor:	Absent
John Young:	Present
Steven Griffitts:	Present
Scott Forssell:	Present

Staff Present: Donna Phillips- Community Development Director, Alan Soderling – Public Works Director, Shannon Drappo- Planner

PLEDGE OF ALLEGIANCE was led by Steven Griffitts

ADDITIONS OR CORRECTIONS were not noted.

1. **CONSENT CALENDAR** ***All items on the Consent Calendar are Action Items***
   A. Approval of Development Impact Fee Advisory Committee Meeting Minutes from September 10, 2025

   Motion to approve consent calendar as presented. This motion, made by Steven Griffitts and seconded by Scott Forssell, Carried.

Don Crawford:	**Yes**
Chris Morris:	**Yes**
Shawn Taylor:	**Absent**
John Young:	**Yes**
Scott Forssell	**Yes**
Steven Griffitts	**Yes**

   Yes: 5, No: 0, Absent: 1

2. **NEW BUSINESS**

   A. Development Impact Fee Revenues and DIFAC Capital Improvement Project (CIP) Status Update Council *ACTION ITEM*

   Donna Phillips, Community Development Director, began the meeting by providing a comprehensive status update on Impact Fees. City Staff have broken single-family residential into three categories and added three additional categories to transportation and parks. She stated that the Impact Fee Study had been adopted in August 2022, with a phased-in schedule for fee increases through 2027. While reviewing the Building Trends handout she provided the Committee, Ms. Phillips stated that much of the City's single-family residential development in 2023 was a result of the Hayden Canyon project south of Lancaster. She noted that the City has, as of this year, not produced any medical offices, hotel/motels, or restaurants. The bulk of the housing coming into Hayden is around 1,000-2,500 square foot range, with a fair amount of people who want larger properties. The Extraordinary Impact dollar amount located in the residential category is directly related to a Transportation Impact Analysis that was done as part of a subdivision, and it was paid in addition to the standard Impact Fees charged. Steven Griffitts inquired if the Extraordinary Fees are to be ongoing and Ms. Phillips replied they would, until the subdivision is built out.

John Young stated although Hayden averages around 100 homes a year, regional subdivisions being constructed just north of the City, in the county, are contributing to substantial traffic impacts on Hayden's road network without contributing Impact Fee revenue. He asked if there is a possibility of charging impact dollars to those subdivisions. She confirmed that the City cannot collect impact-related dollars from county subdivisions. Alan Soderling, Public Works Director, added that roadway maintenance revenue generated by Hayden residents is primarily captured by the county under "Special Maintenance" budgeting, resulting in the City receiving little to none of those funds.

Ms. Phillips produced and displayed for the Committee the City of Hayden Building Trends Report, which shows all the building permits that are recapped, and the valuation of the construction value of the projects and the Impact Fees that are collected. Mr. Griffitts asked about future accuracy, to which she responded affirmatively. Mr. Griffitts questioned whether Ms. Phillips was comfortable with the level of growth predicted in the report. She responded that there are many factors that come into play when evaluating growth and explained that numerous preliminary plats are already approved and under infrastructure design review and that approximately 150 vacant residential lots currently exist. Mr. Young stated that peaks in 2023 and 2024 were exceptions, and future projections should flatten; the upcoming Impact Fee Study will reflect that shift. Ms. Phillips stated that the Impact Fee Study projected a growth rate of 4.3 percent, but actual growth has been closer to two percent.

Mr. Young noted that infrastructure demand is not driven solely by Hayden's growth but by county subdivisions in the north whose traffic moves through Hayden. Mr. Griffitts suggested that City leadership should meet with county commissioners to pursue equitable cost-sharing so that our needs, as the City of Hayden, are met so that individuals who do not live in the City and do not pay these fees may enjoy the benefits of our infrastructure. She confirmed this request would be reflected in the minutes. Mr. Soderling added that he had been to highway district meetings in previous years, and this sort of request has not been further discussed. Lakes Highway District surrounds approximately 95% of Hayden, so they get the dollars for infrastructure and improvements.

Ms. Phillips reviewed Impact Fee cash balances as of July 31, 2026, noting that Circulation Funds held slightly over $3,000 and Parks Funds approximately $1.8 million, though roughly $800,000 of that amount is contractually obligated for reimbursement to a developer for park construction on the west side of the City. The Law Enforcement Fund carried approximately $13,000, largely residual from prior expenditures on a dock on Honeysuckle Beach [for the Kootenai County Sheriff's Department], and interest. Mr. Young asked whether certain safety improvements—such as solar-powered radar signs on high-volume streets—could be funded using Impact Fees. Ms. Phillips clarified that Impact Fees cannot address existing deficiencies and may only be used for capital expenditures that offset future impact; legal review would be needed to determine applicability. Mr. Griffitts asked Mr. Soderling if wear and tear on a road is diminished at 25 MPH as compared to 40 MPH. Mr. Soderling stated that he had not encountered a study that reflects that.

Ms. Phillips proceeded to give an overview of transportation/ Capital Improvement Projects (CIP) and their status. The Hayden Avenue project between Kirkpatrick Street and Highway 95 has not occurred yet. The Ramsey Road project from Wyoming Avenue to Lancaster Road is 100% completed. Ramsey Road from Hayden Avenue to Wyoming Avenue is 60% completed with the first phase being done. Ramsey Road from the Honeysuckle Avenue intersection is about 10% done and it's under construction now. The Honeysuckle Avenue and 4th Street intersection is 100% completed. The Government Way Corridor Study is 100% completed. The Hayden Avenue and Huetter Road intersection is about 25% completed, with the design about 95% completed and the construction hasn't occurred yet. Government Way and Honeysuckle Avenue intersection is about 5% completed with the design at about 25%, construction hasn't occurred. Hayden Avenue and Ramsey Road intersection is about 25% done and the design is 100% done but construction hasn't started. Mr. Young asked Mr. Soderling if he will be involved in the new Impact Fee Study being conducted for next year and be involved with the consultants; he also questioned if they go back over their evaluations. Mr. Young stated that years ago, the City projected that Ramsey Road would be a huge corridor, and he has seen almost zero traffic on Ramsey Road. He stated that the City spent a significant amount of funds on the project and would like to take a rear-view look at the consultants' thoughts and how accurate they were. Mr. Soderling responded by saying that the Ramsey Corridor is isolated, and when it is connected to roads in the north, it will see an increase in traffic. Chris Morris asked about the subdivision on Maple Street and Miles Avenue [Sycamore Valley] and if the City is able to require additional traffic studies for the impact on the Government Way and Miles Avenue intersection. He also asked if Impact Fees are able to be used for improvements to that intersection, as he believes it will become a big issue.

Ms. Phillips continued with her Transportation Report, which gave a brief answer to Mr. Morris' question. Hayden Avenue and Atlas Road intersection is about 25% complete with the design at 100%. Hayden Avenue from Huetter Road to Atlas Road project is 25% done with 75% of the construction remaining. Fourth Street from Prairie Avenue to Honeysuckle Avenue hasn't happened yet as well as the Government Way and Wyoming Avenue intersection. The Government Way and Miles Avenue intersection is about 20% completed, with the design around 99% done and construction is at zero. Hayden Avenue from Atlas Road to Ramsey Road has not started. Hayden Avenue from Juno Lane to Finucane Street is approximately 65% done with Maple Street to Finucane Street being completed. Mr. Forssell asked Mr. Soderling if the City does any in-house designs for improvements. Mr. Soderling responded that most of the City's projects are outsourced. He discussed Hayden Avenue and Ramsey Road, and Hayden Avenue and Atlas Road intersections. Two temporary signals are designated for these intersections until funds for a roundabout are available. The intersection at Hayden Avenue and Atlas Road has shifted priority and he stated that if the last property owner for acquiring right-of-way comes to the table, he could find the money for those improvements. As it stands, the City acquires around $170,000.00 a year for circulation, and it has around $14 million worth of improvements that were discussed in the review just provided by Ms. Phillips.

Mr. Soderling went on to state that the reasons the City doesn't design most of its projects is because the projects are multi-faceted and require surveyors, AutoCAD drafters, and designers. The City has designers in-house, but it doesn't have any of those previously mentioned professionals. Considering the size of the City of Hayden, it's much cheaper to outsource this work than to have those individuals sitting around. Scott Forssell asked if the decision was made to put a light on Hayden Avenue and Ramsey Road, instead of a roundabout. Mr. Soderling responded that the City doesn't have funding currently to build a roundabout, so the Public Works department is considering installing a temporary light at the intersection, as they are cheaper to build.

Ms. Phillips moved on to projects relating to City parks. She reported that the Hayden Canyon Park Master Plan design is 100% completed. The City is currently looking at construction plans provided by the developer for the first phase of this park to go in with part of their project and their requirements. Projects on Broadmoore, Stoddard, Finucane, McIntire, Croffoot and the community park in the southwest corner of Hayden have not been started. The Honeysuckle Beach Expansion Study was completed a couple of years ago. The City did an acquisition of some park land in the northeast section of town which is 100% complete. Ms. Phillips stated that the City is working on a Community Center which is about 15% completed. The Impact Fee Study update is slated to happen. She asked if the Committee wished to recommend to City Council to follow the guidelines of the report and implement the Impact Fees for 2027 which assume a 5% increase; the maximum allowed by the report.

To provide historical context for the new members of the Committee, Mr. Young stated that five years ago, the recommendation of the report was to go straight to year five of the increases. The Committee at the time protested, saying that the Impact Fees were too high, too quick, and it would hamper growth. The suggestion then was to slowly ascend the Impact Fees over time to reach the proposed fee. Mr. Griffitts asked if another study is required to produce another 5-year plan. Ms. Phillips confirmed that another study is required as they need to remove those projects that have been completed and add any new projects in accordance with the City needs. Don Crawford stated that the data provided by the City is helpful, and that the Committee should be cautious about having Impact Fees that are too high, as it might reduce development in the area, therefore not securing funds to get projects completed. Mr. Griffitts responded by saying that he doesn't believe Impact Fees make a lot of difference in development rates. Mr. Young stated that Impact Fees are a significant cost. A building that he developed last year in Hayden accrued Impact Fees of about $42,000.00. He stated that adding $42,000.00 to the land cost, which was about 4% of the build cost, caused rents to increase accordingly, concluding that the Committee must be cognizant of impact of these fees. Mr. Morris asked if the City could go to the county to receive support, to which Mr. Soderling responded that he doesn't believe we will see much support from the county.

Ms. Phillips continued with an examination of fee increase methodology. When the Committee is contemplating whether they want to look at the fee increase, the Methodology Report that they have had for the last five years did recognize a Community Center as a possibility to collect Impact Fees toward. She stated that she is undecided as to whether it makes sense to collect that or not. The City had previously collected for a law enforcement Impact Fee. There is a law enforcement study currently being done by the City that's going to give the City direction. Ms. Phillips stated that it may be remiss if, as the City migrates toward a new Impact Fee Report, that the Committee could potentially evaluate all 4 of those categories that the City could include in the Impact Fee. As a result, the City may reproduce the results of the last Impact Fee Report, which informed the Committee's choice of recommending the removal of law enforcement or community center planning as a part of the final result. She stated that since we have looked at all of those in the past, she did want to identify those for the Committee, especially the new folks, as possibilities to include in a new Impact Fee Methodology. She was seeking direction of the Committee as to how to move forward.

Mr. Young stated that both previous Impact Fee Studies included law enforcement, and he thinks the City wouldn't be doing the right thing if it wasn't included in the upcoming study. He continued by saying that traffic related improvements are needed. Relating to impact fees for a community center, he would not be comfortable charging people who are moving here an Impact Fee for the possibility of a community center; his vote would be no on that inclusion of the report. Mr. Forssell stated that the City has already demonstrated a need for a community center, and that as the population increases the need will increase as well. Mr. Young expressed concern that increasing Impact Fees to facilitate a community center will further increase the burden that Impact Fees produce. He stated that a community center would take a lot of new houses being developed to fund. Only residential Impact Fees would be able to fund that project, and it would be slow to produce. Mr. Griffitts asked if Mr. Young believed that the City's Impact Fees have contributed to not getting medical, retail, restaurant and hotels into Hayden. Mr. Young stated that he does believe that. He stated that Parkwood has available space on Highway 95 and a couple different spots. He is currently working with other developers in Post Falls and in Coeur d'Alene, and our Impact Fee structures are higher here than either one of those areas. We're seeing retail developments in those areas and we're not seeing as much out here in Hayden.

Ms. Phillips outlined that a typical single-family home between 1,000 and 2,499 square feet currently pays approximately $2,800 in circulation Impact Fees, $2,600 in park Impact Fees, $1,302 in fire Impact Fees, and $12,222 in sewer cap fees, adding nearly $19,000 to every home prior to the building permit. She also noted that small commercial uses such as a 3,000-square-foot restaurant may pay over $30,000 in Impact Fees and close to $100,000 when cap fees are included. If we hear that our Impact Fees are too high for them, and we include more fees, it will be very impactful for single-family residential. She stated that if one were to develop a restaurant in the City, at $11 per square foot, and you have a 3,000 square foot space, then there would be $30,000 dollars for Impact Fees, adding 4-5 sewer cap fees, and you end up charging around $100,000 worth of fees for a restaurant, which she feels is a lot upfront. Mr. Griffitts asked if we were to eliminate those Impact Fees, what impact it would have on the City's ability to bring those entities into Hayden. Mr. Young stated that these Impact Fees add a significant cost to development, and if they were to be reduced it would have a positive impact on rates of development in Hayden. Mr. Young stated that several years ago, the City received a recommendation from a consultant that guided the fees in the past, and as a Committee they didn't argue with the numbers, but now the Committee must question if the numbers have in fact changed, as well as their methodology. Mr. Morris stated that there is an argument to be made that we didn't meet the projections of the studies. Mr. Young stated that we still aren't securing enough fees to fund our projects, so regardless of the nature of the development projections, an increase might be necessary.

Mr. Griffitts stated that he believes the inclination of the Committee is to stick with the study, and that the study will be significant in discovering how much we could increase our fees while being conscious of the City's tax base. Ms. Phillips clarified that the City does collect Impact Fees for fire and EMS as well as our own. These are passthrough fees delivered to Northern Lakes Fire Protection District, which comes out as $1,302 per dwelling unit, or $0.65 per square foot. The Committee proceeded to discuss motions.

Move to recommend an increase in Impact Fees in accordance with the current report. This motion, made by Steven Griffitts and seconded by Scott Forssell, Carried.

Don Crawford: Yes
Chris Morris: Yes
Shawn Taylor: Absent
John Young: Yes
Steven Griffitts: Yes
Scott Forssell: Yes

Yes: 5, No: 0, Absent: 1

Recommendation to update the Impact Fee Methodology Study in accordance with Idaho code. Items to be included in the study should be transportation, parks, law enforcement, and community center. This motion, made by Scott Forssell and seconded by John Young, Carried.

Don Crawford: Yes
Chris Morris: Yes
Shawn Taylor: Absent
John Young: Yes
Steven Griffitts: Yes
Scott Forssell: Yes

Yes: 5, No: 0, Absent: 1

3. REPORTS

The Committee discussed delivering recommendations to City Council. The Committee nominated Shawn Taylor to present the Committee's recommendation to City Council, with Scott Forssell as a backup. Ms. Phillips informed the Committee that when the date of the Update Report approaches, there will be a kick-off meeting with the Committee as well as consultants. These consultants will deliver questions and a draft. The Committee can anticipate an estimation of six more meetings to finalize this process. Mr. Young requested that the City deliver the RFP towards the end of the calendar year and get Staff working on this early. This will ensure that the Committee can hold their meetings on this matter in March, April, and May, and avoid having these processes go on throughout the summer.

4. ADJOURNMENT
Motion to adjourn the meeting. This motion, made by Don Crawford and seconded by Steven Griffitts, Carried.

Meeting adjourned 10:55 AM

Respectfully Submitted,

Cooper Broggel, Committee Clerk