

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

April 21, 2022

2:00 P.M.

Council Chambers

Hayden City Hall, 8930 N. Government Way, Hayden, ID 83835

CALL TO ORDER:

Sabrina Primmer called the meeting to order at 2:03 PM

ROLL CALL OF COMMITTEE MEMBERS:

Shawn Taylor	Present
Chris Meyer	Present
Don Crawford	Present
Scot Haug	Present
Glenn Miles	Present
John Gentry	Absent
John Young	Present

STAFF PRESENT:

Donna Phillips, Community Development Director
Alan Soderling, Public Works Director
Santee Rudy, Treasurer
Sabrina Primmer, Committee Clerk

CONSENT CALENDAR:

The approval of the minutes from April 6, 2002 was postponed until the next meeting.

UNFINISHED BUSINESS:

Impact Fee Study and Methodology Report:

Donna Phillips, Community Development Director, started the meeting letting the Committee know that Todd Chase, consultant from the FCS Group, was joining the meeting and available to answer the Committee's questions. John Young stated that Hayden is a bedroom, suburban community that has the Highway 95 corridor running through it. He said that when he looks at the numbers [referring to the ITE, Trip Generation Manual trip end table that had been provided to the Committee] some make sense and some make zero sense in terms of local economics. He asked for clarification and an explanation of how the methodology was put together since it seems that the impact fees for transportation were heavier for businesses than for residential, even though there is more residential than businesses in Hayden. Mr. Chase pointed out that the overall methodology had been covered a few meetings prior. The methodology report starts out with a numerator in the equation. This begins with a capital improvement program (CIP), then it is calculated with the traffic engineers what portion of that (CIP) is attributed to increasing capacity of the roadways. Any non-local grant funds are subtracted from this to come up with the balance that is considered to be impact fee eligible. This is how the numerator is determined. The numerator is divided by the projected growth in trips within the city or the same time frame the CIP will be needed. This is how the rate per trip is determined as a maximum, defensible rate per trip that the city can adopt. Once the rate per trip is determined, then the PM trip ends including bicycle trips are added in and a dollar amount is calculated [see Exhibit 11 on p. 12 of the revised Impact Fee Study]. He felt that the disparity with how the impact fees were done in the past and the current suggested methodology is how the rate is being applied per trip versus the growth in the city. This is where the arc comes in. Hayden is similar to other cities where the

developer is allowed to submit their own traffic impact studies that may contest the default numbers from the ITE manual. Many cities have chosen to follow the ITE manual because there is no discretion except picking a land use category to come up with the fee. If the developer does not agree with the ITE manual numbers, then the city can accept a traffic study from the developer and compare the numbers to determine how much to charge in impact fees.

Another option is to pick the ITE codes that are most similar to what is seen in Hayden and narrow the list of codes down. Instead of going to the ITE manual, the city would rely on the ITE codes that were adopted and calculate impact fees from these selected codes. This would require the Committee and/or City Staff to do the work of identifying which categories to combine that would then be adopted and used.

Mr. Young asked for a clarification of where the AM and PM peak trip hours come from. Mr. Chase stated that the trip counts [ends] are from the ITE manual. These numbers are taken from various cities, suburban, and rural areas around the United States. These are median numbers that are at a 90% confidence level. There is a low and a high range for each category. If there are certain categories that catch the Committee's attention, then Mr. Chase could find the low and high ranges to bring back to them.

Mr. Young asked for an explanation of the new trip conversion factor [see Exhibit 12 on p. 14]. Mr. Chase stated that this takes into account pass by or linked trips. In the ITE surveys, it is calculated if the trip is generated by a land use and is a single purpose trip or if it is a linked trip. An example of a linked trip is heading home but on the way there are stops at various businesses and restaurants. This represents a reduction in the single purpose trips based on the behavior of the trips that were surveyed. The conversion factors are found in the ITE manual. If the city feels that the numbers are too high in some categories, there is the option of the city doing their own trip counts to override the ITE trip counts.

Mr. Haug referred to the single page comparison spreadsheet that Ms. Phillips created to compare the city's current impact fees with the ITE trip end fees. He asked for an explanation of the huge difference in fees specifically for kennels. Ms. Phillips explained that under the current fees it would be roughly \$16,000 with the office and kennels. She picked the vet hospital code from the ITE manual that seemed to match the closest to the same use. The proposed fee would be roughly \$179,000. This category would be an anomaly. This is where the developer would provide a trip generation letter or the city would do trip counts. Ms. Phillips continued to explain the comparison spreadsheet and the different categories listed. Mr. Haug pointed out that he thought that some of the percentage changes, especially for low impact businesses, seemed really high. Ms. Phillips clarified that a medical office is going to impact traffic more than a general office would. The Committee continued to discuss various aspects of the comparison spreadsheet. Mr. Chase commented that it had been decided to use the PM peak hour trip ends for the impact fee calculations. He explained that in Washington State some cities chose to give businesses a business enhancement factor which is a reduction in the trip rate based on a relative contribution that the business makes to the local and/or state economy. A business that generates significant sales tax or other revenue would get a discount. This is only given to certain businesses not all businesses and not to residential. Alan Soderling, Public Works Director, stated that it would take a study to justify using a business enhancement factor. Mr. Chase said that if the study could be done in less than four hours then the results could be shared with Staff next week and see if that is enough of a basis to make an adjustment to some of the rates. If it requires more effort, than a methodology would need to be developed.

Mr. Young stated that past consultants showed the estimated increase in commercially related traffic trips. They calculated what the expected increase in commercial trips were based on previous building permit data that the City had provided. This gave an idea of growth over a five and ten year period. The ratios were then divided by expected increases and the different uses based on trip generations. Mr. Young asked if the FCS Group had this type of information when they were working through their methodology. Mr. Chase stated that it was not part of their approach to project commercial trips separate from residential trips. He

felt that the past data was not very accurate. Mr. Young stated that he felt the data from the previous years was pretty accurate in how the City ended up developing. He asked if the Staff could provide this building permit information so the Committee could understand what is being spread across residential and commercial. Mr. Chase said it is much easier to predict the residential growth versus business growth. He said he might need to circle back to Ms. Phillips and Mr. Soderling about an approach that could do that. Mr. Young stated that he felt it would be very helpful to have this growth patterns for the Committee to see. The Committee continued to discuss and clarify what this kind of data would accomplish for the impact fee analysis.

Mr. Miles stated that context is everything. He had studied section 9 of the 11th addition of the ITE manual and there were only three cities that came close to the size of Hayden. Many of the context of the ITE manual is based on major metro areas. Hayden is not in this type of economic environment. He wondered how many of the fees listed in the ITE manual would be a legitimate fit for Hayden. Mr. Chase said there is not any other good statistical data source than the ITE manual. Mr. Miles stated that another problem with the ITE manual is that the transportation studies done were prior to 2000. So you are 20 years out from 80% of the data that was generated. These numbers are from major metro areas and trying to fit them into a Hayden, Idaho context is where part of the problem is.

Mr. Chase said that to move forward the Committee either has to accept the ITE manual numbers or come up with an average of categories or select categories that they think best represent the general categories that are reflective of what is seen in Hayden and use those over the next five years and hope that it represents what will actually happen. The city could also conduct its own trip counts for specific land use types using trip counters. Another option would be to come up with the business enhancement reduction factor that Mr. Chase previously discussed. These are the four options.

Mr. Miles asked what the percentage of the fee value is compared to the product value. Is it 1%-10%? Mr. Chase stated 10% is the tipping point and things start to break down there. He said he did mention at one point the value of non-residential development versus residential development. That value is in terms of property value, assessed value, sales tax revenue, and other revenue generated by the jobs and the people working in those jobs and spending their money. He thought that could be analyzed where a basis for reducing some of the commercial rates below what is considered to be the national average. This would be one approach. The Committee may want to identify which categories they are the most uncomfortable with and then try to help Staff come up with weighted averages or represented land use types that the Committee thinks are the only ones that should be considered.

Mr. Haug said there are a list of jobs [transportation projects]. He wanted to know how those jobs are determined. The other component is whether the transportation projects are a list of wants or needs. Mr. Young answered that these transportation projects are based on the transportation plan [2040 Transportation Plan] so they are a needs and wants list. He said that last time the Committee looked at the transportation projects that were rated as failing, they were not put in at a 100% value. Mr. Miles pointed out that was why he wanted the "Truth in Impact Fee Disclosure" [see Exhibit 1 on p.2 of the impact fee study]. Ms. Phillips clarified that the transportation project list are the items that need to be addressed in the city's transportation infrastructure.

Mr. Crawford stated that commercial development follows residential growth. Businesses will look at the population growth to see if they want to come into an area.

REPORTS:

There was nothing to report.

ADJOURNMENT:

Meeting was adjourned at 2:57pm.

Sabrina Primmer, Committee Clerk