

***Capital Improvement Plans and
Development Impact Fees
City of Sandpoint, Idaho***

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City of Sandpoint, Idaho

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CONTENTS

EXECUTIVE SUMMARY1

- Overview1**
- Unique Requirements of the Idaho Impact Fee Act2**
- Summary of Capital Improvement Plans and Impact Fees3**
 - Figure 1. Summary of City of Sandpoint Impact Fee Methodologies.....5*
- Maximum Allowable Development Impact Fees By Type of Land Use5**
 - Figure 2. Summary of Maximum Allowable Development Impact Fees by Land Use: Outside Urban Renewal Areas6*
- Credits and Geographic Area6**
 - Figure 3. Summary of Maximum Allowable Development Impact Fees by Land Use: Downtown Urban Renewal Area7*
 - Figure 4. Summary of Maximum Allowable Development Impact Fees by Land Use: Northern Urban Renewal Area7*

INTRODUCTION TO IMPACT FEES9

- Definition9**
- Legal Framework9**
- Required Findings10**
- Methodologies and Credits11**
- Generic Impact Fee Calculation12**
 - Figure 5. Generic Impact Fee Formula13*

CAPITAL IMPROVEMENTS PLANS14

- Demand for Infrastructure14**
 - Figure 6. Summary of Growth Indicators15*
 - Figure 7. Projected Demand or Service Units16*
- Proposed Means to Meet the Demand for Public Facilities17**
 - Figure 8. Summary of Infrastructure Level of Service Standards17*
- Capital Improvement Plans18**
 - Parks and Recreation18
 - Figure 9. Parks and Recreation Capital Improvement Plan19*
 - Police19
 - Figure 10. Police CIP20*
 - Fire20
 - Figure 11. Fire CIP21*
 - Transportation21
 - Figure 12. Transportation (Streets) Capital Improvement Plan (Capacity Improvements)23*

<i>Figure 13. Pathways CIP</i>	24
Funding Sources for Capital Improvements	24
Historical Funding.....	24
<i>Figure 14. General Fund Capital Outlays for Capacity Improvements</i>	25
Potential Funding from Development Impact Fees	25
<i>Figure 15. Projected Development Impact Fee Revenue</i>	25
PARKS AND RECREATION DEVELOPMENT IMPACT FEES	27
<i>Figure 16. Parks Impact Fee Methodology Chart</i>	28
Parks & Recreation Infrastructure Standards and Cost Factors	29
Parks Land and Improvements.....	29
<i>Figure 17. Parks Level of Service Standards and Cost Factors</i>	30
Recreation Facility	31
<i>Figure 18. Indoor Recreation Facility Level of Service Standards and Cost Factors</i>	31
Cost for Development Impact Fee Study	31
<i>Figure 19. Development Fee Preparation Cost (Parks Portion)</i>	32
Credit Evaluation	32
Parks and Recreation Input Variables and Development Impact Fees	32
<i>Figure 20. Parks and Recreation Input Variables and Maximum Allowable Impact Fees by Type and Size of Housing Unit</i>	33
Service Area	33
Cash Flow Projections	33
<i>Figure 21. Cash Flow Summary for Parks</i>	34
POLICE DEVELOPMENT IMPACT FEES	35
<i>Figure 22. Police Fee Methodology Chart</i>	36
Cost Allocation for Police Infrastructure	37
<i>Figure 23. City of Sandpoint Police Proportionate Share Factors</i>	37
<i>Figure 24. City of Sandpoint Police Cost Allocation and Levels of Service</i>	38
Police Infrastructure Standards and Levels of Service	38
<i>Figure 25. Police Station Level of Service Standard and Cost Factors</i>	38
Communications Infrastructure	39
<i>Figure 26. Police Communications Infrastructure Level of Service Standards and Cost Factors</i>	39
Cost for Development Impact Fee Study	39
<i>Figure 27. Development Fee Preparation Cost (Police Portion)</i>	40
Credit Evaluation	40
Police Input Variables and Development Impact Fees	40
<i>Figure 28. Police Input Variables and Maximum Allowable Impact Fees by Land Use</i>	42
Service Area	43
Cash Flow Projections	43
<i>Figure 29. Cash Flow Summary for Police</i>	43
FIRE DEVELOPMENT IMPACT FEES	44
<i>Figure 30. Fire Fee Methodology Chart</i>	45
Cost Allocation for Fire Infrastructure	45
<i>Figure 31. City of Sandpoint Fire Proportionate Share Factors</i>	46

Fire Infrastructure Standards and Levels of Service46

Figure 32. Fire Station Level of Service Standards and Cost Factors.....47

Apparatus and Major Equipment47

Figure 33. Fire Apparatus Level of Service Standards and Cost Factors48

Cost for Development Impact Fee Study48

Figure 34. Development Fee Preparation Cost (Fire Portion)48

Credit Evaluation49

Fire Input Variables and Development Impact Fees.....49

Figure 35. Fire Input Variables and Maximum Allowable Impact Fees by Land Use51

Service Area.....52

Cash Flow Projections.....52

Figure 36. Cash Flow Summary for Fire52

TRANSPORTATION DEVELOPMENT IMPACT FEES53

Introduction53

Functional Classification54

Figure 37. Current System Level (Arterials and Collectors) Lane Miles in the City of Sandpoint54

Overview of the City of Sandpoint Transportation Impact Fees.....55

Figure 38. Transportation Impact Fee Methodology Chart55

Projected Need for Road Capacity Improvements56

Trip Generation56

Figure 39. Adjustment for Journey-to Work Commuting.....57

Figure 40. Commercial/Shopping Center Trip Rates and Pass-By Adjustments.....58

Figure 41. Average Weekday Vehicle Trip Ends by Housing Type in City of Sandpoint59

Figure 42. Average Persons and Trip Ends by Bedroom Range in City of Sandpoint60

Vehicle Miles of Travel60

Lane Capacity60

Average Trip Length on Road System.....61

Trip Length Weighting Factor by Type of Land Use.....61

Development Prototypes61

Figure 43. Road Impact Fee Input Variables.....62

Travel Demand in the City of Sandpoint62

Figure 44. Travel Demand Calibration for Road Impact Fees63

Cost of Growth-Related Improvements63

Figure 45. Cost Per VMT of Capacity Road Improvements65

Cost for Impact Fee Study66

Figure 46. Development Fee Preparation Cost (Streets Portion)66

Credit Evaluation66

Impact Fee Service Area67

Transportation Input Variables and Development Impact Fees67

Figure 47. Transportation (Streets) Input Variables and Maximum Allowable Impact Fees by Type of Land Use: Outside URAs.....68

Impact Fees within Sandpoint’s Urban Renewal Areas68

Credits68

Figure 48. Urban Renewal Areas Growth Share Calculation69

Figure 49. Revenue Credit: Downtown Urban Renewal Area70

Figure 50. Revenue Credit: Northern Urban Renewal Area71

Impact Fees in the URAs.....71

Figure 51. Transportation (Streets) Input Variables and Maximum Allowable Impact Fees by Type of Land Use: Downtown URA72

Figure 52. Transportation (Streets) Input Variables and Maximum Allowable Impact Fees by Type of Land Use: Northern URA72

Cash Flow Projections.....**73**

Figure 53. Cash Flow Summary for Transportation (Streets).....74

TRANSPORTATION: MULTI-USE PATHWAYS**75**

Figure 54. Multi-use Pathway Fee Methodology Chart.....76

Cost Allocation for Multi-use Pathways Infrastructure**77**

Figure 55. Proportionate Share Calculation.....77

Multi-use Pathways Infrastructure Standards and Levels of Service**77**

Figure 56. City of Sandpoint Multi-use Pathway Inventory and Cost Estimate78

Cost for Development Impact Fee Study78

Figure 57. Development Fee Preparation Cost (Pathways Portion).....78

Credit Evaluation**79**

Pathways Input Variables and Development Impact Fees**79**

Figure 58. Multi-use Pathways Input Variables and Maximum Allowable Impact Fees by Land Use81

Service Area.....**82**

Cash Flow Projections.....**82**

Figure 59. Cash Flow Summary for Pathways.....83

PROPORTIONATE SHARE ANALYSIS**84**

IMPLEMENTATION AND ADMINISTRATION**86**

Nonresidential Development Categories**88**

APPENDIX: LAND USE ASSUMPTIONS & DEMOGRAPHICS..... **A-1**

EXECUTIVE SUMMARY

OVERVIEW

TischlerBise was retained by the City of Sandpoint, Idaho, to analyze potential impact fee funding to meet the demands for public facilities generated by new development in the City. Capital improvements due to growth were identified for four types of public capital improvements: (1) Parks and Recreation, (2) Police, (3) Fire, and (3) Transportation. TischlerBise is also calculating development impact fees for road improvements in the City's Area of City Impact (ACI), which will need to be implemented by Bonner County.

TischlerBise has calculated impact fees for each category of capital improvements. Methodologies and calculations are presented in this report as supporting documentation for updating the current impact fees in Sandpoint.

The purpose of this study is to meet the requirements of the Idaho Development Impact Fee Act. Consistent with this enabling legislation, it is the intent of the City of Sandpoint to:

1. Ensure that adequate public facilities are available to serve new growth and development; and
2. Promote orderly growth and development by establishing uniform standards by which the City may require a payment of money imposed as a condition of development approval to pay for a proportionate share of the cost of system improvements needed to serve development.

Impact fees are one-time payments used to construct system improvements needed to accommodate new development. An impact fee represents new growth's fair share of capital facility needs. By law, impact fees can only be used for *capital* improvements, not operating or maintenance costs. Impact fees are subject to legal standards, which require fulfillment of three key elements: ***need, benefit and proportionality***.

- First, to justify a fee for public facilities, it must be demonstrated that new development will create a **need** for capital improvements.
- Second, new development must derive a **benefit** from the payment of the fees (i.e., in the form of public facilities constructed within a reasonable timeframe).
- Third, the fee paid by a particular type of development should not exceed its **proportional** share of the capital cost for system improvements.

TischlerBise documented appropriate demand indicators by type of development for the capital improvement plans and fees. Specific capital costs have been identified using local data and costs. This report includes summary tables indicating the specific factors used to derive the impact fees. These factors are referred to as level of service standards. The geographic area for the CIPs and implementation of the fees is the City of Sandpoint for all categories.

UNIQUE REQUIREMENTS OF THE IDAHO IMPACT FEE ACT

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

First, as specified in 67-8204(2) of the Idaho Act, “development impact fees shall be calculated on the basis of levels of service for public facilities . . . applicable to existing development as well as new growth and development.”

Second, Idaho requires a Capital Improvements Plan (CIP) [see 67-8208]. The CIP requirements are summarized in this report, with detailed documentation provided in the discussion on infrastructure.

Third, the Idaho Act also requires documentation of any existing deficiencies in the types of infrastructure to be funded by impact fees [see 67-8208(1)(a)]. The intent of this requirement is to prevent charging new development to cure existing deficiencies. In the context of impact fees for the City of Sandpoint, the term “deficiencies” means a shortage or inadequacy of current system improvements when measured against the levels of service to be applied to new development. It does not mean a shortage or inadequacy when measured against some “hoped for” level of service.

TischlerBise used the current infrastructure cost per service unit (i.e., existing standards), or future levels of service where appropriate, multiplied by the projected increase in service units over an

appropriate planning timeframe, to yield the cost of growth-related system improvements. The relationship between these three variables can be reduced to a mathematical formula, expressed as $A \times B = C$. In section 67-8204(16), the Idaho Act simply reorganizes this formula, stating the cost per service unit (i.e., impact fee) may not exceed the cost of growth-related system improvements divided by the number of projected service units attributable to new development (i.e., $A = C \div B$). By using existing infrastructure standards to determine the need for growth-related capital improvements, the City of Sandpoint ensures the same level-of-service standards are applicable to existing and new development. Using existing infrastructure standards also means there are no existing deficiencies in the current system that must be corrected from non-impact fee funding.

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

SUMMARY OF CAPITAL IMPROVEMENT PLANS AND IMPACT FEES

The impact fees calculated for the City of Sandpoint represent the highest amount feasible for each type of applicable land use, or *maximum allowable* amounts, which represents new growth's fair share of the cost for the appropriate capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

The **Parks and Recreation** impact fee is based on the Parks and Recreation capital improvement plan, which is derived from the City of Sandpoint's *adopted* level of service for Park facilities, which is lower than current levels of service, and the current level of service for City Recreation Facility space. Components include both land and improvements, and the fee is only calculated for residential development. Based on infrastructure needs for Park land and improvements, Indoor Recreation Facility space, and average household size by type of unit in Sandpoint, the maximum allowable Parks and Recreation impact fee for an average-size single family detached unit is \$2,510 and \$2,437 for multifamily/other unit. Also provided is Park impact fees by size of single family unit (by bedroom count). This allows for a more "progressive" schedule where smaller units with fewer persons per unit would be assessed a lower fee than larger units with more occupants. (See Figure 2.)

The **Police** impact fee is based on Police facilities and communications infrastructure serving the City of Sandpoint. Police impact fees are calculated for both residential and nonresidential development using proportionate share factors to allocate capital costs to residential or nonresidential land uses.

Police impact fees are based on an incremental approach using current levels of service for police facility space serving the City. Based on demand and infrastructure standards, the maximum allowable Police impact fees by type of land use are: \$220 per average-size single family detached unit and \$214 per multifamily/other unit. Residential fees are provided by size of single family housing unit (by bedroom). As noted above, this allows for a more “progressive” schedule where smaller units with fewer persons per unit would be assessed a lower fee than larger units with more occupants. (See Figure 2.) For nonresidential land uses, impact fee amounts vary by use and size of establishment. Examples of maximum allowable amounts are: \$0.13 per square foot for retail; \$0.04 per square foot for office; and \$0.01 per square foot for manufacturing uses. (See Figure 2.)

The **Fire** impact fee is based on Fire facilities and apparatus/equipment serving the City of Sandpoint. Fire impact fees are calculated for both residential and nonresidential development using calls for service proportionate share factors to allocate capital costs to residential or nonresidential land uses. Fire impact fees are based on an incremental approach using current levels of service for fire facility space and apparatus serving the City. Based on demand and infrastructure standards, the maximum allowable Fire impact fees by type of land use are: \$567 per average-size single family detached unit and \$550 per multifamily/other unit. Residential fees are provided by size of single family housing unit (by bedroom). As noted above, this allows for a more “progressive” schedule where smaller units with fewer persons per unit would be assessed a lower fee than larger units with more occupants. (See Figure 2.) For nonresidential land uses, impact fee amounts vary by use and size of establishment. Examples of maximum allowable amounts are: \$0.94 per square foot for retail; \$0.32 per square foot for office; and \$0.11 per square foot for manufacturing uses. (See Figure 2.)

The **Transportation** impact fee includes two main components (1) Streets and Intersection Improvements and (2) Multi-purpose Pathways. Both components are calculated for residential and nonresidential land uses. The City of Sandpoint development impact fee for Streets infrastructure addresses the need for circulation improvements as identified in the Urban Area Transportation Plan. Improvements are on arterials and collectors and include widenings, adding lanes, realignments, intersection improvements, and installation of traffic signals and roundabouts. All improvements will provide additional capacity and are needed to serve new development. For development outside Urban Renewal Areas (URA), maximum allowable impact fees by type of land use for the Streets component are: \$3,382 per unit for an average-size single family detached unit and \$2,872 per unit for multifamily/other unit. (Separate fee schedules are provided for each URA to account for property tax funding; see the end of this chapter.) Residential fees are provided by size of single family housing unit (by bedroom). As noted above, this allows for a more “progressive” schedule where smaller units that generate fewer vehicle trips per unit are assessed a lower fee than larger units with more vehicle trips. For nonresidential land uses, impact fee amounts vary by use and size of establishment. Examples of maximum allowable amounts are: \$7.14 per square foot for retail; \$2.65 per square foot for office; and \$0.92 per square foot for manufacturing uses. (See Figure 2.)

The **Multi-use Pathways** fee component is derived using an incremental approach and is based on the current linear miles of multi-use pathways in the City of Sandpoint. The maximum allowable impact fees by type of land use for Pathways are: \$369 per unit for an average-size single family detached unit and \$358 per unit for multifamily/other unit. Residential fees are provided by size of single family housing unit (by bedroom). For nonresidential land uses, impact fee amounts vary by use and size of establishment. Examples of maximum allowable amounts are: \$0.21 per square foot for retail; \$0.07 per square foot for office; and \$0.03 per square foot for manufacturing uses. (See Figure 2.)

A summary of methodologies used in the analysis is provided below in Figure 1.

Figure 1. Summary of City of Sandpoint Impact Fee Methodologies

Fee Category	Components	Methodologies
Parks and Recreation	<ul style="list-style-type: none"> • Park land acquisition • Park improvements • Recreation facility space 	Incremental Expansion
Police	<ul style="list-style-type: none"> • Police Station • Communications Infrastructure 	Incremental Expansion
Fire	<ul style="list-style-type: none"> • Fire Stations • Apparatus/Equipment 	Incremental Expansion
Transportation	<ul style="list-style-type: none"> • Streets and Intersections • Multi-use Pathways 	Plan-Based Incremental Expansion

MAXIMUM ALLOWABLE DEVELOPMENT IMPACT FEES BY TYPE OF LAND USE

Figure 2 provides a schedule of the *maximum allowable development impact fees* by type of land use for the City of Sandpoint. The fees represent the highest amount allowable for each type of applicable land use, which represents new growth’s fair share of the cost for capital facilities. The City may adopt fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service.

The fees for residential development are to be assessed per housing unit with the option of assessing by size of unit (based on bedroom count) and should be collected when building permits are issued. For nonresidential development, the fees are assessed per square feet of floor area, and also should be collected when building permits are issued. Nonresidential development categories are consistent with the terminology and definitions contained in the reference book, *Trip Generation*, published by

the Institute of Transportation Engineers. These definitions can be found in the Implementation and Administration section at the back of this report.

Figure 2. Summary of Maximum Allowable Development Impact Fees by Land Use: Outside Urban Renewal Areas

		Parks & Recreation	Police	Fire	Transportation: Streets *	Transportation: Pathways	TOTAL Impact Fee	Total Current Fee	Increase (Decrease)	
Residential		<i>Number of Bedrooms</i>								
		<i>Per Housing Unit</i>								
Multifamily/Other	All Sizes	\$2,437	\$214	\$550	\$2,872	\$358	\$6,431	\$3,668	\$2,763	
Single Family	0-3	\$2,256	\$198	\$509	\$3,138	\$332	\$6,433	\$3,882	\$2,551	
Single Family	4+	\$3,378	\$297	\$763	\$4,219	\$497	\$9,154	\$3,882	\$5,272	
Single Family	Avg	\$2,510	\$220	\$567	\$3,382	\$369	\$7,048	\$3,882	\$3,166	
Nonresidential		<i>Per Square Foot of Floor Area</i>								
820	Commercial / Shpg Ctr Average	n/a	\$0.13	\$0.94	\$7.14	\$0.21	\$8.43	\$2.34	\$6.09	
710	Office	n/a	\$0.04	\$0.32	\$2.65	\$0.07	\$3.08	\$0.90	\$2.18	
151	Mini-Warehouse	n/a	\$0.01	\$0.07	\$0.60	\$0.02	\$0.70	\$0.52	\$0.18	
150	Warehousing	n/a	\$0.01	\$0.10	\$0.85	\$0.02	\$0.99	\$0.57	\$0.42	
140	Manufacturing	n/a	\$0.01	\$0.11	\$0.92	\$0.03	\$1.07	\$0.58	\$0.49	
110	Light Industrial	n/a	\$0.03	\$0.20	\$1.68	\$0.05	\$1.95	\$0.72	\$1.23	

* See other fee schedules for Urban Renewal Areas

CREDITS AND GEOGRAPHIC AREA

A general requirement common to impact fee methodologies is the evaluation of *credits*. Two types of credits should be considered, **future revenue credits** and **site-specific credits**. Revenue credits may be necessary to avoid potential double payment situations arising from a one-time impact fee plus the payment of other revenues (e.g., property taxes) that may also fund growth-related capital improvements. Because new development may provide front-end funding of infrastructure, there is a potential for double payment of capital costs due to future payments on debt for public facilities. No credits for existing or future principal and interest payments are necessary for the City of Sandpoint fees because there is no outstanding debt for the infrastructure categories in the fee program.

Credits are calculated and included for Transportation fees to account for tax increment financing in the City’s Urban Renewal Areas. Also considered is a credit to account for General Fund contributions for appropriate capital improvements. This reduction is included to account for the extent to which new development may have already contributed to the cost of existing facilities where appropriate. This is shown throughout as: “Reduction for Prior General Fund Contribution.”

The second type of credit is a **site-specific credit** for system improvements that have been included in the impact fee calculations. Policies and procedures related to site-specific credits for system improvements should be addressed in the ordinance that establishes the development fees.

However, the general concept is that developers may be eligible for site-specific credits only if they provide system improvements that have been included in the impact fee calculations. Project improvements normally required as part of the development approval process are not eligible for credits against impact fees.

Due to the credits mentioned above, reduced fee schedules are provided below that integrate the credit necessary to account for property tax funding of future road projects. All other fees stay the same except the Transportation (Streets) fee.

Figure 3. Summary of Maximum Allowable Development Impact Fees by Land Use: Downtown Urban Renewal Area

		Parks & Recreation	Police	Fire	Transportation: Streets *	Transportation: Pathways	TOTAL Impact Fee	Total Current Fee	Increase (Decrease)	
Residential		<i>Number of Bedrooms</i>								
		<i>Per Housing Unit</i>								
	Multifamily/Other	\$2,437	\$214	\$550	\$2,435	\$358	\$5,994	\$3,668	\$2,326	
	Single Family 0-3	\$2,256	\$198	\$509	\$2,661	\$332	\$5,956	\$3,882	\$2,074	
	Single Family 4+	\$3,378	\$297	\$763	\$3,577	\$497	\$8,512	\$3,882	\$4,630	
	Single Family Avg	\$2,510	\$220	\$567	\$2,867	\$369	\$6,533	\$3,882	\$2,651	
Nonresidential		<i>Per Square Foot of Floor Area</i>								
820	Commercial / Shpg Ctr Average	n/a	\$0.13	\$0.94	\$6.05	\$0.21	\$7.34	\$2.34	\$5.00	
710	Office	n/a	\$0.04	\$0.32	\$2.25	\$0.07	\$2.68	\$0.90	\$1.78	
151	Mini-Warehouse	n/a	\$0.01	\$0.07	\$0.51	\$0.02	\$0.61	\$0.52	\$0.09	
150	Warehousing	n/a	\$0.01	\$0.10	\$0.72	\$0.02	\$0.86	\$0.57	\$0.29	
140	Manufacturing	n/a	\$0.01	\$0.11	\$0.78	\$0.03	\$0.93	\$0.58	\$0.35	
110	Light Industrial	n/a	\$0.03	\$0.20	\$1.42	\$0.05	\$1.69	\$0.72	\$0.97	

*Reduced due to credit in Urban Renewal Areas

Figure 4. Summary of Maximum Allowable Development Impact Fees by Land Use: Northern Urban Renewal Area

		Parks & Recreation	Police	Fire	Transportation: Streets *	Transportation: Pathways	TOTAL Impact Fee	Total Current Fee	Increase (Decrease)	
Residential		<i>Number of Bedrooms</i>								
		<i>Per Housing Unit</i>								
	Multifamily/Other	\$2,437	\$214	\$550	\$2,488	\$358	\$6,047	\$3,668	\$2,379	
	Single Family 0-3	\$2,256	\$198	\$509	\$2,718	\$332	\$6,013	\$3,882	\$2,131	
	Single Family 4+	\$3,378	\$297	\$763	\$3,654	\$497	\$8,589	\$3,882	\$4,707	
	Single Family Avg	\$2,510	\$220	\$567	\$2,929	\$369	\$6,595	\$3,882	\$2,713	
Nonresidential		<i>Per Square Foot of Floor Area</i>								
820	Commercial / Shpg Ctr Average	n/a	\$0.13	\$0.94	\$6.18	\$0.21	\$7.47	\$2.34	\$5.13	
710	Office	n/a	\$0.04	\$0.32	\$2.30	\$0.07	\$2.73	\$0.90	\$1.83	
151	Mini-Warehouse	n/a	\$0.01	\$0.07	\$0.52	\$0.02	\$0.62	\$0.52	\$0.10	
150	Warehousing	n/a	\$0.01	\$0.10	\$0.74	\$0.02	\$0.88	\$0.57	\$0.31	
140	Manufacturing	n/a	\$0.01	\$0.11	\$0.79	\$0.03	\$0.94	\$0.58	\$0.36	
110	Light Industrial	n/a	\$0.03	\$0.20	\$1.45	\$0.05	\$1.72	\$0.72	\$1.00	

*Reduced due to credit in Urban Renewal Areas

Please note, calculations throughout this report are based on an analysis conducted using Excel software. Results are discussed in the memo using one-and two-digit places (in most cases). Figures are typically either truncated or rounded. In some instances, the analysis itself uses figures carried to their ultimate decimal places; therefore the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

INTRODUCTION TO IMPACT FEES

DEFINITION

Development impact fees, also known as impact fees or development fees, are one-time payments used to fund capital improvements necessitated by new growth. Development impact fees have been utilized by local governments in various forms for at least fifty years. Impact fees do have limitations, and should not be regarded as the total solution for infrastructure financing needs. Rather, they should be considered one component of a comprehensive portfolio to ensure adequate provision of public facilities with the goal of maintaining current levels of service in a community. Any community considering development impact fees should note the following limitations:

- Development impact fees can only be used to finance capital infrastructure and cannot be used to finance ongoing operations and/or maintenance and rehabilitation costs;
- Development impact fees cannot be deposited in the local government's General Fund. The funds must be accounted for separately in individual accounts and earmarked for the capital expenses for which they were collected; and
- Development impact fees cannot be used to correct existing infrastructure deficiencies unless there is a funding plan in place to correct the deficiency for all current residents and businesses in the community.

LEGAL FRAMEWORK

U.S. Constitution. Like all land use regulations, development exactions—including development impact fees—are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against regulatory takings. To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest. In the case of impact fees, that interest is in the protection of public health, safety, and welfare by ensuring that development is not detrimental to the quality of essential public services.

There is little federal case law specifically dealing with impact fees, although other rulings on other types of exactions (e.g., land dedication requirements) are relevant. In one of the most important exaction cases, the U. S. Supreme Court found that a government agency imposing exactions on

development must demonstrate an “essential nexus” between the exaction and the interest being protected. (See *Nollan v. California Coastal Commission*, 1987.) In a more recent case (*Dolan v. City of Tigard, OR*, 1994), the Court ruled that an exaction also must be “roughly proportional” to the burden created by development. However, the *Dolan* decision appeared to set a higher standard of review for mandatory dedications of land than for monetary exactions such as development impact fees.

REQUIRED FINDINGS

There are three reasonable relationship requirements for development impact fees that are closely related to “rational nexus” or “reasonable relationship” requirements enunciated by a number of state courts. Although the term “dual rational nexus” is often used to characterize the standard by which courts evaluate the validity of development impact fees under the U.S. Constitution, we prefer a more rigorous formulation that recognizes three elements: “impact or need,” “benefit,” and “proportionality.” The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the U.S. Supreme Court in the *Dolan* case. The reasonable relationship language of the statute is considered less strict than the rational nexus standard used by many courts. Individual elements of the nexus standard are discussed further in the following paragraphs.

Demonstrating an Impact. All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the supply of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Impact/development impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle clearly applies to impact fees. In this study, the impact of development on improvement needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific facilities, based on applicable level-of-service standards.

Demonstrating a Benefit. A sufficient benefit relationship requires that facility fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. Fees must be expended in a timely manner and the facilities funded by the fees must serve the development paying the fees. However, nothing in the U.S. Constitution or the State enabling Act requires that facilities funded with fee revenues be available *exclusively* to development paying the fees. In other words, existing development may benefit from these improvements as well.

Procedures for the earmarking and expenditure of fee revenues are typically mandated by the State enabling act, as are procedures to ensure that the fees are expended expeditiously or refunded. All of these requirements are intended to ensure that developments benefit from the fees they are required to pay. Thus, an adequate showing of benefit must address procedural as well as substantive issues.

Demonstrating Proportionality. The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the *Dolan* case (although the relevance of that decision to impact fees has been debated) and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate impact fees for various types of facilities and categories of development. The demand for facilities is measured in terms of relevant and measurable attributes of development. For example, the need for school improvements is measured by the number of public school-age children generated by development.

METHODOLOGIES AND CREDITS

Any one of several legitimate methods may be used to calculate development impact fees. The choice of a particular method depends primarily on the service characteristics and planning requirements for the facility type being addressed. Each method has advantages and disadvantages in a particular situation, and to some extent can be interchangeable, because each allocates facility costs in proportion to the needs created by development.

Reduced to its simplest terms, the process of calculating development impact fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities. The following paragraphs discuss three basic methods for calculating development impact fees and how those methods can be applied.

Plan-Based Fee Calculation. The plan-based method allocates costs for a specified set of improvements to a specified amount of development. The improvements are identified by a facility plan and development is identified by a land use plan. In this method, the total cost of relevant facilities is divided by total demand to calculate a cost per unit of demand. Then, the cost per unit of demand is multiplied by the amount of demand per unit of development (e.g., housing units or square feet of building area) in each category to arrive at a cost per specific unit of development (e.g., single family detached unit).

Cost Recovery or Buy-In Fee Calculation. The rationale for the cost recovery approach is that new development is paying for its share of the useful life and remaining capacity of facilities already built or land already purchased from which new growth will benefit. This methodology is often used for systems that were oversized such as sewer and water facilities.

Incremental Expansion Fee Calculation. The incremental expansion method documents the current level of service (LOS) for each type of public facility in both quantitative and qualitative measures, based on an existing service standard (such as square feet per student). This approach ensures that there are no existing infrastructure deficiencies or surplus capacity in infrastructure. New development is only paying its proportionate share for growth-related infrastructure. The level of service standards are determined in a manner similar to the current replacement cost approach used by property insurance companies. However, in contrast to insurance practices, the fee revenues would not be for renewal and/or replacement of existing facilities. Rather, revenue will be used to expand or provide additional facilities, as needed, to accommodate new development. An incremental expansion cost method is best suited for public facilities that will be expanded in regular increments, with LOS standards based on current conditions in the community.

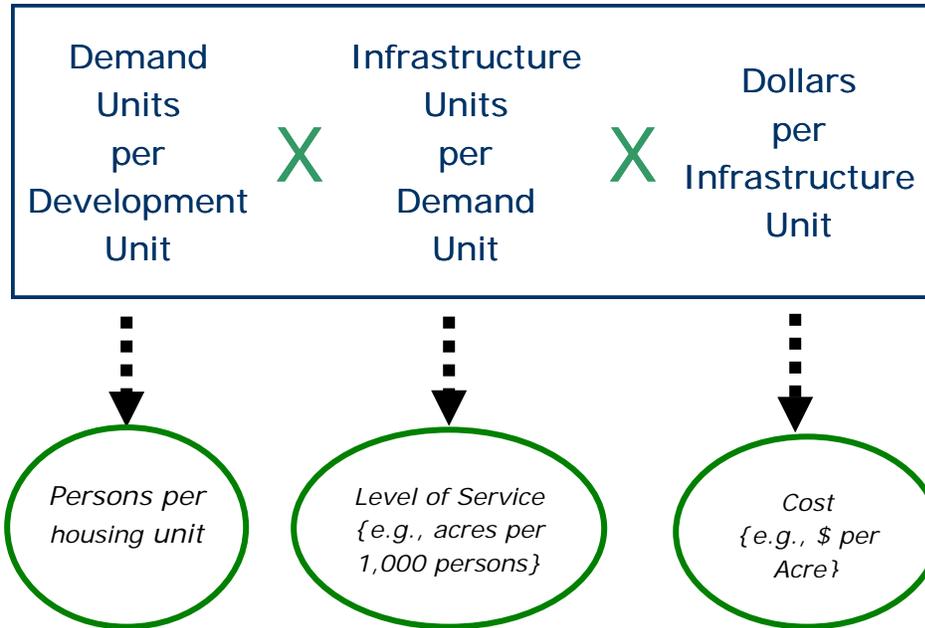
Credits. Regardless of the methodology, a consideration of “credits” is integral to the development of a legally valid impact fee methodology. There are two types of “credits” each with specific, distinct characteristics, but both of which should be addressed in the development of development impact fees. The first is a credit due to possible double payment situations. This could occur when contributions are made by the property owner toward the capital costs of the public facility covered by the impact fee. This type of credit is integrated into the impact fee calculation. The second is a credit toward the payment of a fee for dedication of public sites or improvements provided by the developer and for which the facility fee is imposed. This type of credit is addressed in the administration and implementation of a facility fee program.

GENERIC IMPACT FEE CALCULATION

In contrast to development exactions, which are typically referred to as project-level improvements, impact fees fund growth-related infrastructure that will benefit multiple development projects, or the entire jurisdiction (often referred to as “system-level” improvements). The basic steps in a generic impact fee formula are illustrated in Figure 5. The first step (see the left box) is to determine an appropriate demand indicator, or service unit, for the particular type of infrastructure. The demand/service indicator measures the number of demand or service units for each unit of development. For example, an appropriate indicator of the demand for parks is population growth and the increase in population can be estimated from the average number of persons per occupied

housing unit. The second step in the generic impact fee formula is shown in the middle box below. Infrastructure units per demand unit are typically called Level-Of-Service (LOS) standards. In keeping with the park example, a common LOS standard is park acreage per thousand people. The third step in the generic impact fee formula, as illustrated in the right box, is the cost of various infrastructure units. To complete the park example, this part of the formula would establish the cost per acre for land acquisition and/or development.

Figure 5. Generic Impact Fee Formula



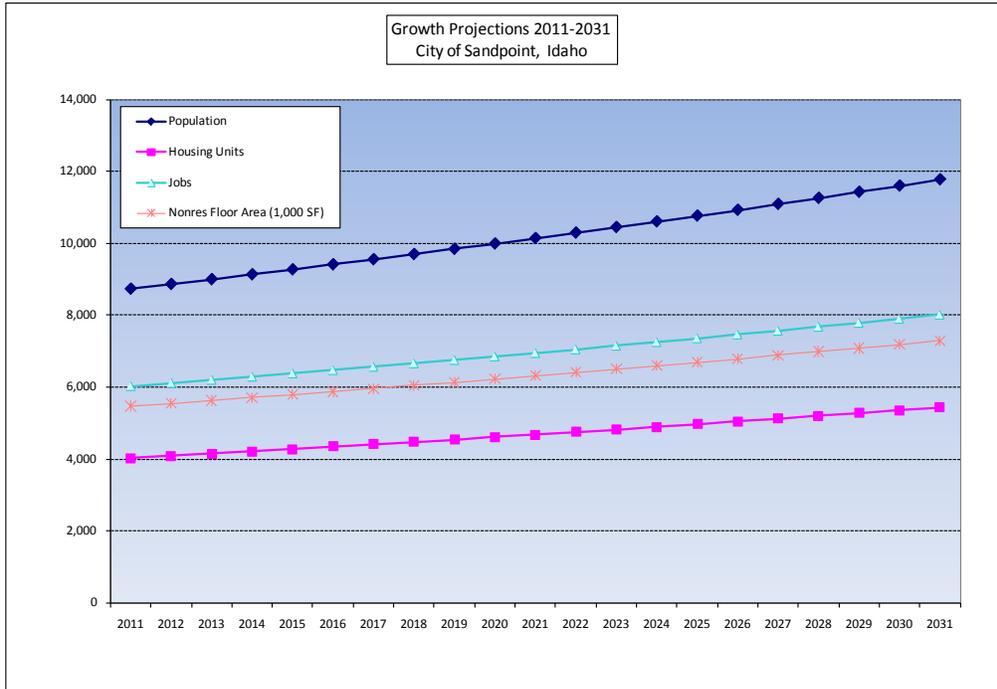
CAPITAL IMPROVEMENTS PLANS

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

DEMAND FOR INFRASTRUCTURE

TischlerBise calculated the demand for facilities using local infrastructure levels of service standards or capital improvement plans from the City of Sandpoint. Growth indicators for the development fee study are summarized in Figure 6. Residential growth is projected at 1.5 percent annual growth, and nonresidential growth (employment) is projected at a 1.45 percent growth in employment over the projection period. These projections were used to estimate potential revenue generated from the development fees and calculate future levels of service as required by Idaho Impact Fee law. Further detail on growth projections is provided in the Appendix to this report.

Figure 6. Summary of Growth Indicators



TischlerBise identified appropriate demand indicators or “service units,” as defined by the Idaho Development Impact Fee Act. Projected service units over the next ten years are listed in Figure 7. For Parks infrastructure, service units are persons; for Police and Fire, service units are persons for residential development and nonresidential vehicle trips for nonresidential development; and for Transportation Streets improvements, service units are vehicle miles of travel for both residential and nonresidential development, and for Multi-use Pathways, service units are persons for residential development and nonresidential vehicle trips for nonresidential development. The Transportation chapter provides vehicle miles of travel (VMT) calculations/conversions and the Appendix provides greater detail on all service unit assumptions.

DEVELOPMENT IMPACT FEE STUDY
Sandpoint, Idaho

Figure 7. Projected Demand or Service Units

Year=>	Base Yr 2011	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021	11 2022	12 2023	13 2024	14 2025	15 2026	20 2031	Five-Year Increments =		
																		Cumulative Increase 2011-2031	Avg. Ann. Increase 2011-2031	
SUMMARY OF DEMAND PROJECTIONS (City Limits)																				
TOTAL POPULATION	8,737	8,868	9,001	9,136	9,273	9,412	9,553	9,697	9,842	9,990	10,140	10,292	10,446	10,603	10,762	10,923	11,767	3,030	152	
TOTAL HOUSING UNITS	4,034	4,094	4,155	4,218	4,281	4,345	4,410	4,477	4,544	4,612	4,681	4,751	4,823	4,895	4,968	5,043	5,433	1,399	70	
TOTAL JOBS	6,016	6,103	6,192	6,282	6,373	6,465	6,559	6,654	6,751	6,848	6,948	7,048	7,151	7,254	7,359	7,466	8,023	2,007	100	
TOTAL POPULATION AND JOBS	14,753	14,971	15,193	15,418	15,646	15,877	16,112	16,351	16,593	16,838	17,087	17,340	17,597	17,857	18,121	18,390	19,791	5,038	252	
Jobs to Population Ratio	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.68	0.68	0.68	0.68	0.68	0.68			
RESIDENTIAL DEVELOPMENT																				
Population	8,737	8,868	9,001	9,136	9,273	9,412	9,553	9,697	9,842	9,990	10,140	10,292	10,446	10,603	10,762	10,923	11,767	3,030	152	
Housing Units																				
Single Family Detached																				
Multifamily																				
TOTAL	4,034	4,094	4,155	4,218	4,281	4,345	4,410	4,477	4,544	4,612	4,681	4,751	4,823	4,895	4,968	5,043	5,433	1,399	70	
NONRESIDENTIAL DEVELOPMENT																				
Nonres Floor Area (1,000 SF)																				
Commercial (1,000 SF)	16%																			
Office/Instit (1,000 SF)	43%																			
Industrial/Flex (1,000 SF)	41%																			
TOTAL	5,470	5,550	5,630	5,712	5,795	5,879	5,964	6,050	6,138	6,227	6,317	6,409	6,502	6,596	6,692	6,789	7,296	1,825	91	
Employment By Type																				
Commercial/Retail	21%	1,275	1,293	1,312	1,331	1,350	1,370	1,390	1,410	1,430	1,451	1,472	1,493	1,515	1,537	1,559	1,582	1,700	425	21
Office/Institutional	58%	3,467	3,517	3,568	3,620	3,672	3,725	3,779	3,834	3,890	3,946	4,003	4,061	4,120	4,180	4,241	4,302	4,623	1,157	58
Industrial/Flex	21%	1,275	1,293	1,312	1,331	1,350	1,370	1,390	1,410	1,430	1,451	1,472	1,493	1,515	1,537	1,559	1,582	1,700	425	21
TOTAL		6,016	6,103	6,192	6,282	6,373	6,465	6,559	6,654	6,751	6,848	6,948	7,048	7,151	7,254	7,359	7,466	8,023	2,007	100
VEHICLE TRIPS																				
Residential Trips																				
Single Family Detached	7.30	11,435	11,607	11,781	11,958	12,137	12,319	12,504	12,691	12,882	13,075	13,271	13,470	13,672	13,877	14,085	14,297	15,402	3,966	198
Multifamily	6.20	5,043	5,118	5,195	5,273	5,352	5,432	5,514	5,597	5,681	5,766	5,852	5,940	6,029	6,120	6,211	6,305	6,792	1,749	87
TOTAL Residential Trips		16,478	16,725	16,976	17,231	17,489	17,751	18,018	18,288	18,562	18,841	19,123	19,410	19,701	19,997	20,297	20,601	22,193	5,715	286
Nonresidential Trips																				
Commercial (1,000 SF)	42.94	14,089	14,293	14,500	14,711	14,924	15,140	15,360	15,583	15,809	16,038	16,270	16,506	16,746	16,988	17,235	17,485	18,790	4,701	235
Office/Instit (1,000 SF)	11.01	12,926	13,113	13,304	13,496	13,692	13,891	14,092	14,296	14,504	14,714	14,927	15,144	15,363	15,586	15,812	16,041	17,239	4,313	216
Industrial/Flex (1,000 SF)	3.82	4,314	4,377	4,440	4,505	4,570	4,636	4,704	4,772	4,841	4,911	4,982	5,055	5,128	5,202	5,278	5,354	5,754	1,440	72
TOTAL Nonresidential Trips		31,329	31,784	32,244	32,712	33,186	33,667	34,156	34,651	35,153	35,663	36,180	36,705	37,237	37,777	38,325	38,880	41,782	10,453	523
GRAND TOTAL Trips		47,807	48,509	49,220	49,943	50,675	51,419	52,173	52,939	53,716	54,504	55,303	56,115	56,938	57,774	58,621	59,482	63,976	16,168	812
ANNUAL INCREASES (City Limits)																				
Population		131	133	135	137	139	141	143	145	148	150	152	154	157	159	161	174	152		
Housing Units		61	61	62	63	64	65	66	67	68	69	70	71	72	73	75	80	70		
Jobs		87	88	90	91	92	94	95	96	98	99	101	102	104	105	107	115	100		
Nonres Floor Area (1,000 SF)		79	80	82	83	84	85	86	88	89	90	92	93	94	96	97	104	91		

PROPOSED MEANS TO MEET THE DEMAND FOR PUBLIC FACILITIES

The demand for public facilities is a function of the projected demand/service units shown above and the infrastructure standards described in this report. For each type of capital improvement addressed in this report, a relationship is established between infrastructure units and demand/service units. Documentation of specific system improvements is contained in the discussion in the text of this report. For example, the City of Sandpoint currently has an adopted level of service of 8 acres of Parks per 1,000 persons (further discussion is in the Parks chapter). The cost of various infrastructure items have been summarized as cost factors per service unit. Documentation on specific system improvements is contained in the discussion of each type of infrastructure.

The State of Idaho requires impact fees to be calculated using levels of service “applicable to existing development as well as new growth and development.” [See Idaho Statutes 67-8204(2).] Figure 8 provides detail on levels of service (or level of usage) and cost factors for each infrastructure category. Further detail for each category is provided in the respective chapter.

Figure 8. Summary of Infrastructure Level of Service Standards

Type of Public Facility	LEVELS OF SERVICE				Infrastructure Cost Factor	Per Service Unit Cost Factor			
	Current	Adopted*	Infrastructure Unit	Service Unit		Current	Adopted*	Cost Factor	
PARKS and RECREATION									
Developed Parks	9.6	8.0	Acres of Parks	per 1,000 persons	\$133,073	per acre	\$1,273	\$1,065	per person
Undeveloped Parks	1.1	0.0	Acres of Parks	per 1,000 persons	\$30,000	per acre	\$33	\$0	per person
Public Recreation Facilities	0.62	na	Sq. Ft. of Indoor Rec Fac.	per person	\$98	per sq. ft.	\$61	na	per person
POLICE									
Police Station	0.48	na	sq. ft. of Police Station space	per person	\$145	per sq. ft.	\$70	na	per person
Police Station	0.04	na	sq. ft. of Police Station space	per nonres. vehicle trip	\$145	per sq. ft.	\$5	na	per nonres. trip
Communications Infrastructure	See ==>				\$914,226	total cost (resid)	\$21	na	per person
Communications Infrastructure	See ==>				\$254,436	total cost (nonresid)	\$2	na	per nonres. trip
FIRE									
Fire Station	0.64	na	sq. ft. of Fire Station space	per person	\$134	per sq. ft.	\$86	na	per person
Fire Station	0.14	na	sq. ft. of Fire Station space	per nonres. vehicle trip	\$134	per sq. ft.	\$19	na	per nonres. trip
Fire Apparatus/Major Equipment	0.38	na	units of Fire Apparatus	per 1,000 persons	\$434,167	avg per unit	\$166	na	per person
Fire Apparatus/Major Equipment	0.09	na	units of Fire Apparatus	per 1,000 nonres vehicle trip	\$434,167	avg per unit	\$37	na	per nonres. trip
TRANSPORTATION									
Streets/Intersection Improvements	See ==>				\$4,304,243	growth-related costs	\$95	na	per vehicle mile of travel
Multi-use Pathways	1.01	na	lin. mi. of Pathways	per 1,000 persons	\$160,000	per lin. mi.	\$162	na	per person
Multi-use Pathways	0.08	na	lin. mi. of Pathways	per 1,000 nonres vehicle trip	\$160,000	per lin. mi.	\$13	na	per nonres. trip

* Used in the Parks impact fee calculations.

CAPITAL IMPROVEMENT PLANS

The following section provides a summary of the Capital Improvement Plans depicting *growth-related capital demands and costs* on which the fees are based. Each infrastructure category is discussed in turn.

Parks and Recreation

The City's Park system includes a total of 93.2 acres of developed and undeveloped parks. This results in a current level of service of 10.7 acres per 1,000 persons (9.6 acres of developed parks per 1,000 persons and 1.1 acres of undeveloped acres per 1,000 persons). Based on discussion and direction from the City, the impact fees herein are calculated based on the City's **adopted** level of service of 8 acres per 1,000 persons (lower than what is provided currently). The City plans to continue to maintain this adopted level of service. An incremental approach is used to derive the impact fee to ensure this level of service is maintained to serve new development.

In addition to Parks, the City has an Indoor Recreation facility, which is used to establish a current level of service that the City plans to maintain in the future. The use of existing standards means there are no existing infrastructure deficiencies. New development is only paying its proportionate share for growth-related infrastructure.

A summary of the Parks and Recreation CIP is included below in Figure 9. As shown, the following additional infrastructure is needed to maintain adopted levels of service over the next five years: 5.4 acres of developed parks; and 417 square feet of indoor recreation center space. Total projected Parks and Recreation capital improvement costs in current dollars are \$759,902.

Figure 9. Parks and Recreation Capital Improvement Plan

Year =>	Base Yr 2011	1 2012	2 2013	3 2014	4 2015	5 2016	5-Yr Net Increase	
DEMAND PROJECTIONS (cumulative)								
Population	8,737	8,868	9,001	9,136	9,273	9,412	675	
Single Family Housing Units	2,655	2,695	2,735	2,776	2,818	2,860	205	
Multifamily Housing Units	1,379	1,399	1,420	1,442	1,463	1,485	107	
CAPITAL IMPROVEMENT NEEDS DUE TO GROWTH								
<u>PARKS & RECREATION</u>								
<i>Park Facilities: Acres Needed to Serve Growth</i>								
ADOPTED LEVEL OF SERVICE								
		<i>Adopted LOS</i>						
Developed Parkland (Acres Needed)	Acres per Person	0.008						
	Annual Acres	1.0	1.1	1.1	1.1	1.1	5.4	
	Cumulative Acres	1.0	2.1	3.2	4.3	5.4		
		<i>Cost/Acre</i>						
Land Costs: Developed	Parkland Acquisition Cost	\$31,453	\$31,925	\$32,404	\$32,890	\$33,383	\$162,056	
Improvement Costs: Developed	Park Improvement Cost	\$108,066	\$109,687	\$111,332	\$113,002	\$114,697	\$556,785	
TOTAL ANNUAL COSTS		\$139,519	\$141,612	\$143,736	\$145,892	\$148,081	\$718,841	
TOTAL CUMULATIVE COSTS		\$139,519	\$281,131	\$424,868	\$570,760	\$718,841		
<i>Recreation Facilities</i>								
CURRENT LEVELS OF SERVICE								
Recreation Facility (SF Needed)	Sq. Ft. per Person	0.62						
	Annual Square Feet	81.0	82.2	83.4	84.7	86.0	417.3	
	Cumulative Square Feet	81.0	163.2	246.6	331.3	417.3		
		<i>Cost/Sq. Ft.</i>						
Recreation Facility Costs	Rec Ctr Costs	\$7,970	\$8,089	\$8,210	\$8,334	\$8,459	\$41,061	
TOTAL ANNUAL COSTS		\$7,970	\$8,089	\$8,210	\$8,334	\$8,459	\$41,061	
TOTAL CUMULATIVE COSTS		\$7,970	\$16,059	\$24,269	\$32,603	\$41,061		
PARKS AND RECREATION TOTAL								
GRAND TOTAL ANNUAL COSTS		\$147,489	\$149,701	\$151,947	\$154,226	\$156,539	\$759,902	
GRAND TOTAL CUMULATIVE COSTS		\$147,489	\$297,190	\$449,137	\$603,363	\$759,902		

Police

The Sandpoint Police Department has two components impacted by growth: Police facility space and Communications Infrastructure. The City currently has a Police Station with 5,394 square feet. The current facility is at capacity per the City Police Department. To maintain current levels of service, new development in the City will require additional capacity to accommodate increased Police demand. The Police Department has indicated a need for additional space for evidence and records storage.

The City of Sandpoint Police Department is developing a mobile data computer system with the required wireless infrastructure throughout the City to allow for effective service by officers in the field. The City has developed the backbone of the system and is currently building out the remainder of the system.

The Police CIP is shown in Figure 10. Service units for residential development are persons and nonresidential vehicle trips for nonresidential development. The CIP depicts annual capital needs required by new development. The costs shown (\$78,097 over 5 years) are those that are attributable to new development.

Figure 10. Police CIP

Year =>	Base Yr 2011	1 2012	2 2013	3 2014	4 2015	5 2016	5-Yr Net Increase
DEMAND PROJECTIONS (cumulative)							
Population	8,737	8,868	9,001	9,136	9,273	9,412	675
Nonresidential Vehicle Trips	31,329	31,784	32,244	32,712	33,186	33,667	2,338
CAPITAL IMPROVEMENT NEEDS DUE TO GROWTH							
<u>POLICE</u>							
Police Station							
Police Station: Growth-Related Needs							
	<i>SF Per Person</i>	0.48					
	<i>SF Per Nonres Trip</i>	0.04					
Annual Square Footage Needed Due to Growth							
		63	64	65	66	67	326
		17	17	18	18	18	88
		80	82	83	84	85	414
	Cost/SF						
Annual Police Station Costs	<i>Police Station Costs</i>	\$145					
		\$11,647	\$11,820	\$11,996	\$12,175	\$12,356	\$59,995
Communications Infrastructure							
Communications Infrastructure: Growth-Related Needs							
	<i>Costs Per Person</i>	\$21.13					
	<i>Costs Per Nonres Trip</i>	\$1.64					
Annual Communications Infrastructure Costs Needed Due to Growth							
		\$2,769	\$2,811	\$2,853	\$2,896	\$2,939	\$14,268
		\$745	\$756	\$767	\$778	\$789	\$3,835
		\$3,514	\$3,567	\$3,620	\$3,674	\$3,728	\$18,102
GRAND TOTAL POLICE COSTS (Annual Due to Growth)		\$15,161	\$15,387	\$15,616	\$15,849	\$16,085	\$78,097

Fire

The Sandpoint Fire Department has two components impacted by growth: Fire Station Space and Apparatus/Major Equipment. The City currently has a Fire Station with 4,656 square feet and an Apparatus Bay with 5,454 square feet. To maintain current levels of service, new development in the City will require additional station and apparatus storage capacity to accommodate increased Fire demand for services.

Future growth in the City will also require an expansion of the department's fleet and communications infrastructure to serve new development to maintain current levels of service. An incremental expansion approach is used to determine current levels of service and the costs to serve growth to maintain this level of service.

The Fire CIP is shown in Figure 11. Service units for residential development are persons and nonresidential vehicle trips for nonresidential development. The CIP depicts annual capital needs required by new development. The costs shown (\$301,622 over 5 years) are those that are attributable to new development.

Figure 11. Fire CIP

Year =>	Base Yr 2011	1 2012	2 2013	3 2014	4 2015	5 2016	5-Yr Net Increase
DEMAND PROJECTIONS (cumulative)							
Population	8,737	8,868	9,001	9,136	9,273	9,412	675
Nonresidential Vehicle Trips	31,329	31,784	32,244	32,712	33,186	33,667	2,338
CAPITAL IMPROVEMENT NEEDS DUE TO GROWTH							
<u>Fire</u>							
Fire Station							
Fire Station: Growth-Related Needs							
SF Per Person		0.64					
SF Per Nonres Trip		0.14					
Annual Square Footage Needed Due to Growth		84	86	87	88	89	434
		65	66	67	68	69	335
		149	152	154	156	158	769
Cost/SF							
Annual Fire Station Costs		\$20,071	\$20,368	\$20,669	\$20,974	\$21,284	\$103,366
Fire Apparatus & Major Equipment							
Fire Apparatus/Equipment: Growth-Related Needs							
Unit Per 1,000 Persons		0.05	0.05	0.05	0.05	0.05	0.26
Unit Per 1,000 Nonres Trips		0.04	0.04	0.04	0.04	0.04	0.20
Annual Units Needed Due to Growth		0.09	0.09	0.09	0.09	0.09	0.46
Costs Per Person		\$21,705	\$22,031	\$22,361	\$22,697	\$23,037	\$111,832
Costs Per Nonres Trip		\$16,791	\$17,034	\$17,281	\$17,532	\$17,786	\$86,423
Annual Communications Infrastructure Costs Needed Due to Growth		\$38,496	\$39,065	\$39,643	\$40,229	\$40,823	\$198,255
GRAND TOTAL Fire COSTS (Annual Due to Growth)		\$58,567	\$59,433	\$60,311	\$61,203	\$62,108	\$301,622

Transportation

Streets and Intersection Improvements

The City has identified a subset of road improvements from the City of Sandpoint's portion of the "Urban Area Transportation Plan (UATP)" needed due to growth, anticipated to be built within the next 10 years, and funded either in part or wholly through local means. The Plan includes identification of other funding sources along with City funding, a portion of which is growth-related. Of the total cost, the City anticipates its share to be \$13.8 million, with the remaining funding coming from other sources. This *growth-related* Streets CIP is included below in Figure 9. The City has been collecting and spending Street impact fees and currently has approximately \$177,909 in the Circulation (Transportation) impact fee account. This fund balance is subtracted from the City's total

cost to reflect new growth's remaining share of the street improvement program. Further detail is provided in the Transportation chapter.

Figure 12. Transportation (Streets) Capital Improvement Plan (Capacity Improvements)

Plan Timing	City	Proj. #	Project	Classification	Upgrade	Description	CITY COST	CITY COST (Urb. Ren.)*	TOTAL CITY COST	OTHER COST	TOTAL PROJ. COST	CITY COSTS		
												Growth %**	Growth \$	
Years 1-5		S-052	Schweitzer Cutoff Rd	Minor Arterial	Upgrade	Widen to arterial 3-B2 from N Boyer Ave to Sand Creek Bridge	\$243,200		\$243,200	\$2,956,800	\$3,200,000	19%	\$44,992	
Years 1-5		S-1103	Schweitzer Cutoff Rd @ Boyer Ave	Minor Arterial	Intersection	Add 1-lane roundabout	included above							
Years 1-5		S-1012	Pine Street@ Division Ave	Minor Arterial	Intersection	Add traffic signal and left turn bays to EB and WB approaches	\$400,000		\$400,000		\$400,000	83%	\$332,686	
Years 6-10		S-012	Downtown Two-Way Operation (Downtown URA)	Principal Arterial	Upgrade	Convert Church, Cedar, Pine and 1st Streets to two-way operations		\$7,250,000	\$7,250,000		\$7,250,000	16%	\$1,142,075	
Years 6-10		S-045	US-2 Extension (Curve Project) (Downtown URA)	Principal Arterial	New Construction	Extend US-2 as Arterial 5 from Boyer ave to Cedar St		\$500,000	\$500,000	\$5,000,000	\$5,500,000	16%	\$78,764	
Years 6-10		S-050	Baldy Mountain Rd (Northern URA)	Minor Arterial	Upgrade	Widen to Arterial 3-B2-LD frin Boyer Ave to western City limit		\$3,200,000	\$3,200,000		\$3,200,000	39%	\$1,256,000	
Years 6-10		S-065	Woodland Drive	Major Collector	Reconstruction	Expand to Collector 3 from Great Northern Rd to Boyer Ave	\$690,000		\$690,000		\$690,000	95%	\$654,733	
Years 6-10		S-026	Larch street	Major Collector	Reconstruction	Boyer avenue to Division Avenue	\$789,000		\$789,000		\$789,000	45%	\$356,177	
Years 6-10		S-036	Ontario Ave	Major Collector	New Construction	Ontario at US-2; realign Ontario to perpendicular with US-2@Ridley Vi	\$432,500		\$432,500		\$432,500	93%	\$402,225	
Years 6-10		S-1024	Cedar St @ Boyer Ave		intersection	Install roundabout with Boyer Ave @ Main Street	\$300,000		\$300,000		\$300,000	72%	\$214,500	
TOTALS														
							TOTALS (Years 1-10)	\$2,854,700	\$10,950,000	\$13,804,700	\$7,956,800	\$21,761,500	32%	\$4,482,152

TOTAL Cost (City Growth Share) **\$4,482,152**
 City of Sandpoint Circulation Impact Fee Fund Balance **\$177,909**
Net Growth-Related Streets Cost (City Share) **\$4,304,243**

included to account for the extent to which new development may have already contributed to the cost of existing facilities. Impact fee funding will provide a dedicated source of revenue for necessary future capital expenditures to serve new growth.

Figure 14. General Fund Capital Outlays for Capacity Improvements

	<i>Fiscal Year =></i>			
	2007-08	2008-09	2009-10	
Total General Fund Expenditures	\$7,231,033	\$6,240,792	\$6,174,961	
<i>General Fund Expenditures for Capital Improvements</i>				Reduction for Capital Improvements Funding
Circulation	\$0	\$0	\$116,032	0.6%
Parks	\$0	\$0	\$0	0.0%
Police	\$48,720	\$3,966	\$33,085	0.4%
Fire	\$0	\$0	\$0	0.0%
<i>Total</i>	<i>\$48,720</i>	<i>\$3,966</i>	<i>\$149,117</i>	

Source: City of Sandpoint

Potential Funding from Development Impact Fees

Potential development impact fee revenues are summarized in Figure 15, assuming implementation of the fees at the maximum allowable level as indicated in this report. Because each type of impact fee must be accounted for separately, TischlerBise has provided cash flow summaries in the impact fee study for each type of public facility. Over the next five years, development fees are projected to generate approximately \$2.8 million based on the land use assumptions detailed in the Appendix to fund growth-related capital improvements if implemented at the maximum allowable level. Average annual development fee revenue is projected to be approximately \$554,000 per year.

Figure 15. Projected Development Impact Fee Revenue

<i>(Current \$ in thousands)</i>	1	2	3	4	5	<i>5-Year Average Annual</i>	<i>5-Year Cumulative Total</i>
	2012	2013	2014	2015	2016		
REVENUES							
<i>Subtotal Parks Fees</i>	\$150	\$153	\$155	\$157	\$160	\$155	\$775
<i>Subtotal Police Fees</i>	\$17	\$17	\$17	\$18	\$18	\$17	\$86
<i>Subtotal Fire Fees</i>	\$60	\$61	\$62	\$63	\$64	\$62	\$310
<i>Subtotal Transportation (Streets) Fees</i>	\$371	\$377	\$382	\$388	\$393	\$382	\$1,911
<i>Subtotal Transportation (Pathways) Fees</i>	\$28	\$28	\$29	\$29	\$30	\$29	\$144
TOTAL FEE REVENUE	\$626	\$636	\$645	\$655	\$664	\$554	\$2,772

The level of funding from development fees is a function of planned capital improvements, fee methodology, projected service units, timing, and applicable credits. Each of these factors is discussed in detail in the body of this report.

PARKS AND RECREATION DEVELOPMENT IMPACT FEES

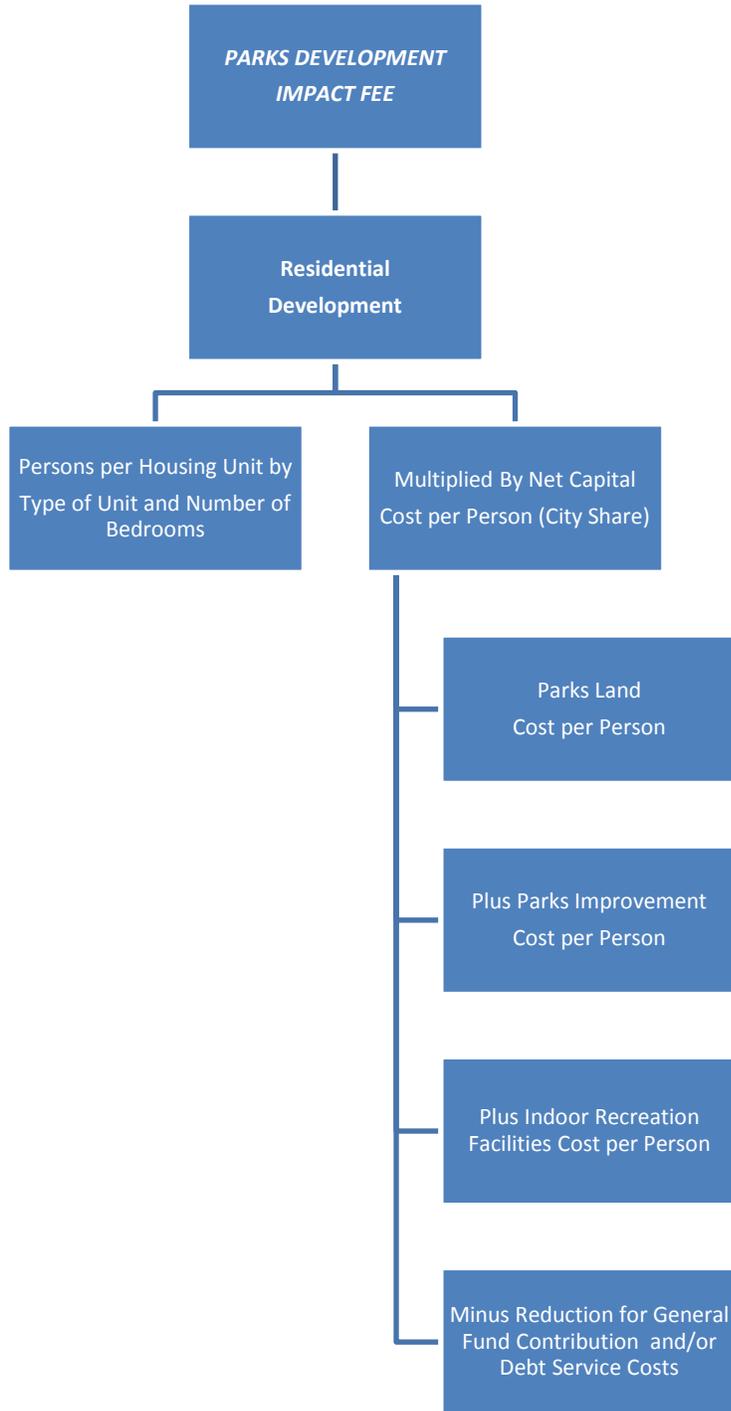
The Parks and Recreation impact fee is based on the cost per service unit method specified in Idaho Code 67-8204(16), also referred to as the incremental method elsewhere in this report. Parks and recreation capital improvements are allocated 100 percent to residential development. Per the Idaho Act, a service unit is a person. Facilities included in the fee calculation are:

- Park land acquisition and improvements
- Recreation facility space

For Park land and improvements, the fees are based on adopted levels of service, which is lower than the City's current level of service. For the Recreation facility component, levels of service are based on current levels of service. The fee includes costs for land acquisition and improvements for both components of the fee. The Idaho Act restricts capital improvement to those with a useful life of at least ten years, therefore parks and recreation vehicles and equipment are excluded.

Figure 16 diagrams the general methodology used to calculate the Parks Impact Fee. It is intended to read like an outline, with lower levels providing a more detailed breakdown of the impact fee components. The park impact fee is derived from the product of persons per housing unit (by type of unit) multiplied by the net capital cost per person. The boxes in the next level down indicate detail on the components included in the fee.

Figure 16. Parks Impact Fee Methodology Chart



PARKS & RECREATION INFRASTRUCTURE STANDARDS AND COST FACTORS

Parks Land and Improvements

Park impact fees are based on an inventory of existing citywide Parks and current values of park improvements in the City of Sandpoint's park system. As required by Idaho Code 67-8204(2), levels of service are applicable to existing development as well as new growth and development. The use of existing or lower adopted standards means there are no existing infrastructure deficiencies. New development is only paying its proportionate share for growth-related infrastructure. Costs and acreages have been provided by City staff. For the City of Sandpoint's fees, levels of service are based on the **adopted** level of service for parks. The adopted level of service is *lower than the City's current level of service* (8 acres of developed park land per 1,000 compared to 10.7 acres per 1,000 persons).

As shown in Figure 17, the City has a total of 93.2 total acres of park land with 83.6 acres of developed acres and 9.6 acres of undeveloped parks in its system. This equates to a current level of service of 9.6 acres per 1,000 persons of developed parks and 1.1 acres per 1,000 persons of undeveloped acres. The City also has an adopted level of service as part of the *City of Sandpoint Parks Master Plan* set at 8 acres per 1,000 persons. Based on direction from the City, the impact fees take a conservative approach and are based on the adopted (lower) level of service. This level of service is used to determine future needs and costs for park development, which results in a lower level of infrastructure improvements needed thus accounting for excess capacity in the system and ensuring that new growth pays its pro rata share.

Further, it is assumed that future undeveloped park land is likely to come from means other than purchase such as developer contribution. Using the lower adopted level accounts for this likelihood.

Land and improvement costs reflect current replacement values. Amenity costs are from the City of Sandpoint and TischlerBise (and confirmed by City staff). Land costs are from recent purchases of property by the City of Sandpoint as well as an analysis by TischlerBise of County Assessor data for vacant and agricultural parcels of 5 to 20 acres in the City of Sandpoint. The total current value of land is approximately \$2.8 million based on an estimated current purchase price of \$30,000 per acre citywide. The inventory of improvements represents an investment with a current cost of approximately \$8.6 million.

For the impact fee calculation, per person costs are as follows: adopted level of service is approximately \$1,065 per person. Further detail is provided at the bottom of the following figure.

Figure 17. Parks Level of Service Standards and Cost Factors

Park	Current City Classification	Developed Acreage	Undeveloped Acreage	TOTAL Acreage	Baseball Softball Fields	Football Soccer Fields	Multise Fields	Basketball Tennis Volleyball # of cts	Boating/ Fishing #	Buildings	Restrooms	Miscellaneous & Infras* (dev acres)	Playground Equipment	TOTAL Value Improvements
1 City Beach	Community Park	22.10		22.1				6.00	2.00	\$250,000	\$175,000	22.10	1.00	\$1,960,000
2 3RD Avenue Pier	Neighborhood Park	0.26		0.3								0.26		\$13,000
3 Hickory Street Park	Neighborhood Park	2.29		2.3						\$11,500		2.29		\$126,000
4 Lakeview Park	Neighborhood Park	12.00		12.0					1.00	\$172,000	\$60,000	12.00	1.00	\$892,000
5 Cedars Park	Neighborhood Park		2.56	2.6								0.00		\$0
6 Main Street Right of Way	Neighborhood Park		5.00	5.0								0.00		\$0
7 Centennial Park	Special Use Area	7.3		7.3		2.00				\$6,200		7.26		\$619,200
8 Farmin Park	Special Use Area	0.3		0.3								0.28		\$14,000
9 Great Northern Park	Special Use Area	7.2		7.2		2.00					\$18,750	7.19		\$628,250
10 Jeff Jones Town Square	Special Use Area	0.3		0.3							\$160,000	0.30		\$175,000
11 Old 9th Grade Center Field	Special Use Area	1.5		1.5			1.00					1.54		\$107,000
12 Outdoor Shooting Range	Special Use Area	6.0		6.0						\$40,000		6.00		\$340,000
13 Pine Street Park	Special Use Area	1.9		1.9			1.00					1.93		\$126,500
14 Travers Park	Special Use Area	17.8		17.8	4.00	1.00		4.00		\$72,800	\$93,000	17.80	1.00	\$1,970,800
15 War Memorial Field	Special Use Area	4.6		4.6	1.00	1.00				\$1,162,148		4.64		\$1,644,148
16 Humbird Mill Park	Trailhead		2.0	2.0								0.00		\$0
Total Units		83.6	9.6	93.2										
					5.00	6.00	2.00	10.00	3.00	\$1,714,648	\$506,750	83.59	3.00	
Current Value per Acre		\$30,000	\$30,000	Unit Price	\$125,000	\$125,000	\$30,000	\$60,000	\$10,000			\$50,000	\$50,000	
Subtotal Values		\$2,507,700	\$286,800	Value (Units x Price)	\$625,000	\$750,000	\$60,000	\$600,000	\$30,000	\$1,714,648	\$506,750	\$4,179,500	\$150,000	
TOTAL VALUES			Land	\$2,794,500									Improvements	\$8,615,898
													Cost per Developed Acre	\$103,073

* Miscellaneous site improvements includes such items as parking, roads, picnic tables, benches, drinking fountains, signage and landscaping. Infrastructure includes such items as irrigation, electricity, water, lighting, drainage and earth work. Sports fields calculate irrigation cost into field cost.

Level of Service Standards

	Population in 2011	8,737
	Developed Acres of Park Land Per 1,000 Residents	9.6
	Undeveloped Acres of Park Land Per 1,000 Residents	1.1
	Developed Land Cost per Acre	\$30,000
	Undeveloped Land Cost per Acre	\$30,000
	Developed Park Land Cost Per Person	\$287.02
	Undeveloped Park Land Cost Per Person	\$32.82
	Average Improvement Cost Per Acre	\$103,073
	Developed Parks: Improvements Cost Per Person	\$986.13
	Undeveloped Parks: Improvements Cost Per Person	\$0.00
	TOTAL Cost Per Person (land + imps)	\$1,305.97

	Current	Adopted
Developed Acres of Park Land Per 1,000 Residents	9.6	8.0
Undeveloped Acres of Park Land Per 1,000 Residents	1.1	0.0
Developed Land Cost per Acre	\$30,000	\$30,000
Undeveloped Land Cost per Acre	\$30,000	\$30,000
Developed Park Land Cost Per Person	\$287.02	\$240.00
Undeveloped Park Land Cost Per Person	\$32.82	\$0.00
Average Improvement Cost Per Acre	\$103,073	\$103,073
Developed Parks: Improvements Cost Per Person	\$986.13	\$824.58
Undeveloped Parks: Improvements Cost Per Person	\$0.00	\$0.00
TOTAL Cost Per Person (land + imps)	\$1,305.97	\$1,064.58

	City Share %	CURRENT LOS City Share \$	ADOPTED LOS City Share \$
Developed Park Land Cost Per Person	100%	\$287.02	\$240.00
Undeveloped Park Land Cost Per Person	100%	\$32.82	\$0.00
Average Improvement Cost Per Acre			
Developed Parks: Improvements Cost Per Person	100%	\$986.13	\$824.58
Undeveloped Parks: Improvements Cost Per Person	100%	\$0.00	\$0.00
TOTAL Cost Per Person (land + imps)		\$1,305.97	\$1,064.58

Source: City of Sandpoint

Recreation Facility

The recreation facility component of the Park and Recreation impact fee is based on the current and planned square footage and replacement value of the indoor recreational facility serving the City. As noted previously, Idaho Code 67-8204(2) requires that levels of service be applicable to existing development as well as new growth and development. The use of existing standards means there are neither existing infrastructure deficiencies nor surplus capacity in infrastructure. New development is only paying its proportionate share for growth-related infrastructure.

As shown in Figure 18, indoor recreational facility square footage in the City of Sandpoint totals 5,400. The current level of service is .62 square feet per person. The total value of the facility including land is estimated at \$531,355, which results in a cost per capita of \$60.81.

Figure 18. Indoor Recreation Facility Level of Service Standards and Cost Factors

<i>Facility</i>	<i>Square Footage</i>	<i>Current Replacement Cost/SF*</i>	<i>Land Value</i>	<i>Cost</i>
Community Hall	5,400	\$93	\$31,355	\$531,355
TOTAL	<u>5,400</u>	\$98		<u>\$531,355</u>
		Population in 2011	8,737	
		Square Foot Per Capita	0.62	
		Cost per Capita	\$60.81	

** Cost estimate for Class D, Average, Community Recreation Center; Marshall & Swift Valuation Service*

Cost for Development Impact Fee Study

Included in the fee is the cost for preparation of the Parks and Recreation portion of the development impact fees as allowed by the Idaho Act. This is calculated based on the projected growth in Sandpoint population over the next five years, which represents the maximum period of time when the CIP and fees should be updated to reflect changes in development and levels of service. The cost per person of \$21.63 is derived by dividing the consultant cost by the projected increase in population over five years. See Figure 19.

Figure 19. Development Fee Preparation Cost (Parks Portion)

	<i>Residential</i>	
Proportionate Share		100.0%
Parks Consultant Fee	\$14,610	\$14,610
Increase in Population	5 years	675
Cost per Person		\$21.63

CREDIT EVALUATION

The City does not have any outstanding debt for parks or recreation that will be retired through property taxes. In addition, the City plans to fund parks and recreation capacity improvements serving growth with impact fees and other non-General Fund sources. Included in the fee calculation is an examination of past funding for parks capacity improvements that were paid out of the General Fund. Based on an analysis from the past three years, we found that 0 percent of the General Fund is spent on parks and recreation capacity improvements. Therefore, no reduction to the gross capital cost is included.

PARKS AND RECREATION INPUT VARIABLES AND DEVELOPMENT IMPACT FEES

Infrastructure standards used to calculate park impact fees are shown in the top portion of Figure 20. For park impact fees, a “service unit” is a person. As specified in 67-8208(e), the variables shown in the table below are used to convert service units to development units.

Figure 20 summarizes service units, conversion factors, and cost factors per service unit for Parks development impact fees for the City of Sandpoint as detailed above. As indicated elsewhere, the impact fees are based on the City’s adopted level of service for park land and improvements, which is reflected in the figure. The total capital cost per person is the sum of the individual cost factors at the top of the figure.

The Parks impact fee is the product of persons per housing unit multiplied by the total net capital cost per person. Fees are presented by size of single family housing unit based on household size by number of bedrooms (see Demographic analysis section of report for further detail). Each household size is multiplied by the net capital cost per person to derive the impact fee per unit. Also shown is a comparison with the City’s current fees.

An example of the calculation for an average size single family detached unit is: the net capital cost per person (\$1,147.02) multiplied by the persons per housing unit for that size unit (2.19) to arrive at

the development impact fee per average single family unit of \$2,510. This reflects a \$451.53 increase from the existing fee.

Figure 20. Parks and Recreation Input Variables and Maximum Allowable Impact Fees by Type and Size of Housing Unit

<i>Parks and Recreation Level Of Service and Infrastructure Costs per Person</i>		<i>Per Person*</i>
Developed Parks: Land Cost Per Person		\$240.00
Undeveloped Parks: Land Cost Per Person		\$0.00
Developed Parks: Improvements Cost Per Person		\$824.58
Undeveloped Parks: Improvements Cost Per Person		\$0.00
Recreation Facility Cost		\$60.81
Consultant Cost		\$21.63
GROSS COST PER PERSON		\$1,147.02
General Fund Reduction	0%	\$0
Debt Service Credit		\$0
NET CAPITAL COST		\$1,147.02

* Adopted level of service

Parks and Recreation Impact Fee Schedule

Residential			Impact Fee per Housing Unit		
Unit Type	Number of Bedrooms	Persons per Housing Unit	Proposed Fee	Current Fee	Increase (Decrease)
Multifamily/Other	All Sizes	2.12	\$2,437.00	\$2,058.47	\$378.53
Single Family	0-3	1.97	\$2,256.00	\$2,058.47	\$197.53
Single Family	4+	2.95	\$3,378.00	\$2,058.47	\$1,319.53
<i>Single Family</i>	<i>Avg</i>	<i>2.19</i>	<i>\$2,510.00</i>	<i>\$2,058.47</i>	<i>\$451.53</i>

SERVICE AREA

The development fees calculated are for the infrastructure needed by the City of Sandpoint. Therefore, the service area is the City of Sandpoint. Fees should be collected from development in Sandpoint and spent on parks and recreation improvements to serve this growth.

CASH FLOW PROJECTIONS

This section summarizes the potential cash flow to the City of Sandpoint, if the Parks development fee is implemented at the maximum allowable amounts. The cash flow projections are based on the

assumptions detailed in this study and provide an indication of the impact fee revenue and capital expenditures necessary to meet the demand for new parks and recreation facilities brought about by new development. To the extent the rate of development either accelerates or slows down, there will be a corresponding change in impact fee revenue and capital costs. The development projections on which the cash flow summary is based can be found in the Appendix to this report.

Figure 21 provides a summary of the projected five-year cash flow from the Parks and Recreation impact fee and associated capital costs. Impact fees are projected to generate an average of \$155,000 per year if the fee is implemented at the maximum allowable level, for a five-year total of almost \$775,000. Costs shown are incremental costs to serve new development. Projected fee revenue is anticipated to cover 100 percent of the total estimated parks capital costs.

Figure 21. Cash Flow Summary for Parks

<i>(Current \$ in thousands)</i>	1	2	3	4	5	5-Year Average Annual	5-Year Cumulative Total
	2012	2013	2014	2015	2016		
REVENUES							
PARKS							
1 Parks Fee - SFD	\$100	\$101	\$103	\$105	\$106	\$103	\$515
2 Parks Fee - Multifamily/Other Res	\$50	\$51	\$52	\$53	\$53	\$52	\$260
Subtotal Parks Fees	\$150	\$153	\$155	\$157	\$160	\$155	\$775
CAPITAL COSTS							
PARKS							
Park Land	\$31	\$32	\$32	\$33	\$33	\$32	\$162
Park Improvements	\$108	\$110	\$111	\$113	\$115	\$111	\$557
Recreation Facilities	\$8	\$8	\$8	\$8	\$8	\$8	\$41
Consultant Cost	\$3	\$3	\$3	\$3	\$3	\$3	\$15
Subtotal Parks Costs	\$150	\$153	\$155	\$157	\$160	\$155	\$775
NET CAPITAL FACILITIES CASH FLOW - PARKS						<i>Current \$ in thousands</i>	
Annual Surplus (or Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	
Cumulative Surplus (or Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	

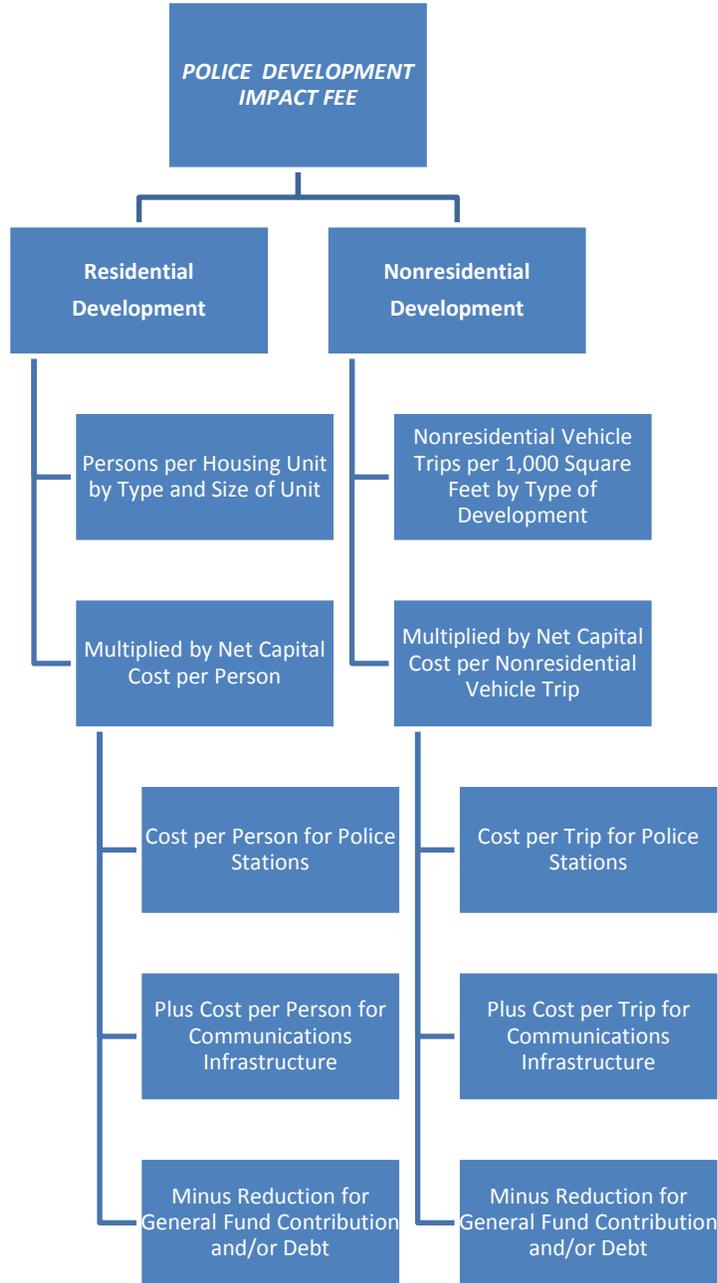
POLICE DEVELOPMENT IMPACT FEES

The Police development impact fee includes two components: Police Station and Communications Infrastructure. An incremental expansion approach is used for both components. Per the Idaho Act, capital improvements are limited to those improvements that have useful lives of ten or more years, therefore Police cars and other vehicles cannot be included.

Costs are allocated to both residential and nonresidential development using different demand indicators for each type of development. Residential development impact fees are calculated on a per capita basis and then converted to an appropriate amount for each type of housing based on household size. For nonresidential development, TischlerBise recommends using nonresidential vehicle trips as the best demand indicator for Police facilities. Trip generation rates are highest for commercial developments, such as shopping centers, and lowest for industrial/warehouse development. Office/institutional trip rates fall between the other two categories. This ranking of trip rates is consistent with the relative demand for Police services from nonresidential development.

Figure 22 diagrams the general methodology used to calculate the Police impact fee. It is intended to read like an outline, with lower levels providing a more detailed breakdown of the impact fee components. The residential portion of the Police fee is derived from the product of persons per housing unit (by type of unit) multiplied by the net capital cost per person. The nonresidential portion is derived from the product of nonresidential vehicle trips per 1,000 square feet of nonresidential space multiplied by the net capital cost per trip. The boxes in the next level down indicate detail on the components included in the fee.

Figure 22. Police Fee Methodology Chart



COST ALLOCATION FOR POLICE INFRASTRUCTURE

Proportionate share factors are used to allocate demand for facilities to residential and nonresidential development. To allocate costs, the City of Sandpoint Police Department provided calls for service data by Police District in an effort to determine whether calls for service were to residential or nonresidential development. However, because each geographic Police District has a mix of land uses and the Police Department does not currently track addresses for each call for service, TischlerBise recommends using a proportionate share allocation based on a functional population approach. Figure 23 indicates that 78 percent of demand is from residential development and 22 percent from nonresidential.

Figure 23. City of Sandpoint Police Proportionate Share Factors

	<u>Demand Units in 2009</u>	<u>Demand Hours/Day</u>	<u>Person Hours</u>	<u>Proportionate Share</u>
Residential				
Estimated Residents	8,615			
Residents Not Working	4,525	24	108,612	
Workers Living in City	4,090			
City Residents Working in City	1,772	16	28,352	
City Residents Working outside of City	2,318	16	37,088	
	Residential Subtotal		174,052	78%
Nonresidential				
Jobs Located in City	6,055			
City Residents Working in City	1,772	8	14,176	
Non-Resident Workers	4,283	8	34,264	
	Nonresidential Subtotal		48,440	22%
	TOTAL		222,492	100%

Source: US Census, OnTheMap Application and LEHD Origin-Destination Employment Statistics

The allocation to residential and nonresidential development can then be applied to calls for service (CFS) data to derive CFS per capita and CFS per nonresidential trip. See Figure 24.

Figure 24. City of Sandpoint Police Cost Allocation and Levels of Service

	2010			
	Proportionate Share	Estimated Calls for Service (CFS)		
Total Calls for Service*		6,083		
Residential	78%	4,759	8,737	Population
Nonresidential	22%	1,324	31,329	Nonres Vehicle Trips

* Calendar year calls for service and felonies
Source: City of Sandpoint Police Department

POLICE INFRASTRUCTURE STANDARDS AND LEVELS OF SERVICE

The section below summarizes the methodologies and levels of service on which the development impact fees are based.

The City currently has a Police Station with 5,394 square feet. The current facility is at capacity per the City Police Department. To maintain current levels of service, new development in the City will require additional capacity to accommodate increased Police demand. The Police Department has indicated a need for additional space for evidence and records storage. Figure 25 details the City's current level of service and costs for Police station space.

Figure 25. Police Station Level of Service Standard and Cost Factors

Facility	Square Feet	\$/SF*	Total Cost*
Police Station	5,394	\$145	\$782,130
Total	5,394	\$145	\$782,130

	Proportionate Share	2011 Demand Units	Cost per Demand Unit
Residential	78%	8,737 Population	\$70.02
Nonresidential	22%	31,329 Nonres Vehicle Trips	\$5.43

SF per Person 0.48
SF per Nonres Trip 0.04

* Marshall & Swift Valuation Service (Class D, Good)

Source: City of Sandpoint

Communications Infrastructure

Level of service standards and cost factors for Police Communications Infrastructure are shown in Figure 26. The City of Sandpoint Police Department is developing a wireless communications infrastructure system throughout the City, which includes voice (land mobile radio “LMR”), data, and capabilities to allow for effective interoperable communications by officers in the field responding to requests for service. The City has developed a portion of the backbone of the system and is currently building out the remainder of the system. The Police Department estimates that the cost of building out the complete wireless communications system (data and LMR) at \$800,000 to \$900,000. The *current* value of the system (including LMR infrastructure and data) is estimated at almost \$240,000, reflecting recent expenditures from FY 2007-08 to FY 2011-12 as well as prior investments. The current value of the system is used to derive the current level of service, which is \$21.13 per person and \$1.64 per nonresidential vehicle trip. New growth will pay its pro rata share of the planned costs according to the current levels of service as documented below. Figure 26 shows the costs and levels of service for residential and nonresidential development.

Figure 26. Police Communications Infrastructure Level of Service Standards and Cost Factor

<i>Facility</i>	<i>Current Value of System</i>		
Wireless Network Communications Infra. (includes data & voice (land mobile radio (LMR)))	\$239,538		

	<i>Proportionate Share</i>	<i>2012 Demand Units</i>	<i>Cost per Demand Unit</i>
Residential	78%	8,868 Population	\$21.13
Nonresidential	22%	31,784 Nonres Vehicle Trips	\$1.64

Source: City of Sandpoint

Cost for Development Impact Fee Study

Included in the fee is the cost for preparation of the Police portion of the development impact fees as allowed by the Idaho Act. This is calculated based on the projected growth in Sandpoint population and nonresidential development over the next five years, which represents the maximum period of time when the CIP should be updated to reflect changes in development and levels of service. The cost per person of \$10.15 and the cost per nonresidential trip of \$0.81 is derived by multiplying the consultant cost for preparing the development impact fees by the respective proportionate share

then dividing by either the projected increase in population or increase in nonresidential trips over three years. See Figure 27.

Figure 27. Development Fee Preparation Cost (Police Portion)

	<i>Residential</i>		<i>Nonresidential</i>	
		Person		Vehicle Trip
Service Unit				
Proportionate Share		78%		22%
Public Safety Consultant Fee	\$8,766	\$6,858		\$1,908
Increase in Service Units	5 years	675		2,338
Cost per Service Unit		\$10.15		\$0.81

CREDIT EVALUATION

The City does not have any current outstanding debt for Police capital improvements that will be retired through property taxes. Included in the fee calculation is an examination of past funding for police capacity improvements that were paid out of the General Fund as required by Idaho impact fee law. Based on an analysis from the past three years, we found that 0.4 percent of the General Fund has been spent on police capacity improvements. Therefore, a credit is included.

POLICE INPUT VARIABLES AND DEVELOPMENT IMPACT FEES

For Police infrastructure, a “service unit” for residential development is a person and for nonresidential development, it is a vehicle trip. As specified in 67-8208(e), the variables shown in the table below are used to convert service units to development units.

Level of service standards for the Police development impact fees are shown in Figure 28. Development impact fees are based on persons per housing unit by type and size for the residential fee and vehicle trip ends per 1,000 square feet for nonresidential development. Average weekday vehicle trip ends are from the reference book, *Trip Generation (Seventh Edition, 2008)*, published by the Institute of Transportation Engineers (ITE). A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate impact fees, trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points—thereby allocating the trip to the appropriate land use.

The basic trip adjustment factor is 50 percent for all nonresidential development except commercial. For commercial/shopping center development, the trip adjustment factor is less than 50 percent 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 an average size shopping center, the ITE manual indicates that on average 25 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 75 percent of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 75 percent multiplied by 50 percent, or approximately 38 percent of the trip ends. (See the Appendix for further discussion.)

Figure 28 summarizes service units, conversion factors, and cost factors per service unit for the Police development impact fees as detailed above.

Maximum allowable Police development impact fees by land use type are also shown below in Figure 28. Residential fees are per housing unit and nonresidential fees are per gross square foot of floor area. The fees are calculated by multiplying the service units per land use type by the net capital cost per service unit.

An example of the calculation for an average size single family detached unit is: the net capital cost per person (\$100.86) multiplied by the persons per housing unit for that size unit (2.19) to arrive at the development impact fee per average single family unit of \$220. This reflects a \$62.92 decrease from the existing fee. For nonresidential land uses, the trip rate for the respective type of use is multiplied by the trip adjustment factor and then multiplied by the impact fee per trip. For example, the impact fee for a shopping center is calculated as follows: $42.94 \times 38\% \times \7.85 to yield an impact fee amount of \$.13 per square foot.

Figure 28. Police Input Variables and Maximum Allowable Impact Fees by Land Use

Residential

		<i>Per Person</i>
Police Facilities Capital Cost		\$70.02
Communications Infrastructure		\$21.13
Consultant Cost		\$10.15
GROSS CAPITAL COST		\$101.30
General Fund Reduction	0.4%	(\$0.44)
Debt Service Credit		\$0.00
NET CAPITAL COST		\$100.86

Residential Impact Fees per Housing Unit			Impact Fee per Housing Unit		
Unit Type	Number of Bedrooms	Persons per Housing Unit	Proposed Fee	Current Fee	Increase (Decrease)
Multifamily/Other	All Sizes	2.12	\$214.00	\$282.92	(\$68.92)
Single Family	0-3	1.97	\$198.00	\$282.92	(\$84.92)
Single Family	4+	2.95	\$297.00	\$282.92	\$14.08
<i>Single Family</i>	<i>Avg</i>	<i>2.19</i>	<i>\$220.00</i>	<i>\$282.92</i>	<i>(\$62.92)</i>

Nonresidential

		<i>Per Nonres Trip</i>
Police Facilities Capital Cost		\$5.43
Communications Infrastructure		\$1.64
Consultant Cost		\$0.81
GROSS CAPITAL COST		\$7.88
General Fund Reduction	0.4%	(\$0.03)
Debt Service Credit		\$0.00
NET CAPITAL COST		\$7.85

		Impact Fee per Square Foot of Floor Area			
	Weekday Vehicle Trip Ends	Trip Rate Adj. Factors	Proposed Fee	Current Fee	Increase (Decrease)
	<i>(Per 1,000 sq. ft.)</i>		<i>(Per Square Foot of Floor Area)</i>		
Nonresidential Development Fee					
820 Commercial / Shpg Ctr Average	42.94	38%	\$0.13	\$0.08	\$0.05
710 Office	11.01	50%	\$0.04	\$0.08	(\$0.04)
151 Mini-Warehouse	2.50	50%	\$0.01	\$0.08	(\$0.07)
150 Warehousing	3.56	50%	\$0.01	\$0.08	(\$0.07)
140 Manufacturing	3.82	50%	\$0.01	\$0.08	(\$0.07)
110 Light Industrial	6.97	50%	\$0.03	\$0.08	(\$0.05)

SERVICE AREA

Given the nature of Police services and the existence of one station with future capacity expansions serving the entire City, it is recommended that one impact fee service area be used for the Police impact fee.

CASH FLOW PROJECTIONS

This section summarizes the potential cash flow to the City of Sandpoint, if the Police development fees are implemented at the maximum allowable amounts. The cash flow projections are based on the assumptions detailed in this study and provide an indication of the impact fee revenue and capital expenditures necessary to meet the demand for police facilities brought about by new development. To the extent the rate of development either accelerates or slows down, there will be a corresponding change in impact fee revenue and capital costs. The development projections on which the cash flow summary is based can be found in the Appendix to this report.

Figure 29 provides a summary of the projected five-year cash flow from the Police impact fee and associated capital costs. Impact fee revenues are projected to generate an average of \$17,000 per year if the fee is implemented at the maximum allowable level, for a five-year total of approximately \$86,000. Five-year Police capital costs to serve growth are projected at approximately \$87,000. Projected fee revenue covers approximately 99 percent of the capital costs.

Figure 29. Cash Flow Summary for Police

<i>(Current \$ in thousands)</i>	1	2	3	4	5	5-Year Average Annual	5-Year Cumulative Total
	2012	2013	2014	2015	2016		
REVENUES							
POLICE							
3 Police Fee - SFD	\$9	\$9	\$9	\$9	\$9	\$9	\$45
4 Police Fee - Multifamily/Other Res	\$4	\$4	\$5	\$5	\$5	\$5	\$23
5 Police Fee - Commercial	\$2	\$2	\$2	\$2	\$2	\$2	\$8
6 Police Fee - Office/Instit	\$1	\$1	\$2	\$2	\$2	\$2	\$8
7 Police Fee - Industrial	\$0	\$0	\$1	\$1	\$1	\$1	\$3
Subtotal Police Fees	\$17	\$17	\$17	\$18	\$18	\$17	\$86
CAPITAL COSTS							
POLICE							
Police Facilities	\$12	\$12	\$12	\$12	\$12	\$12	\$60
Communications Infrastructure	\$4	\$4	\$4	\$4	\$4	\$4	\$18
Consultant Cost	\$2	\$2	\$2	\$2	\$2	\$2	\$9
Subtotal Police Costs	\$17	\$17	\$17	\$18	\$18	\$17	\$87
NET CAPITAL FACILITIES CASH FLOW- POLICE						<i>Current \$ in thousands</i>	
Annual Surplus (or Deficit)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
Cumulative Surplus (or Deficit)	(\$0)	(\$0)	(\$0)	(\$0)	(\$1)		(\$1)

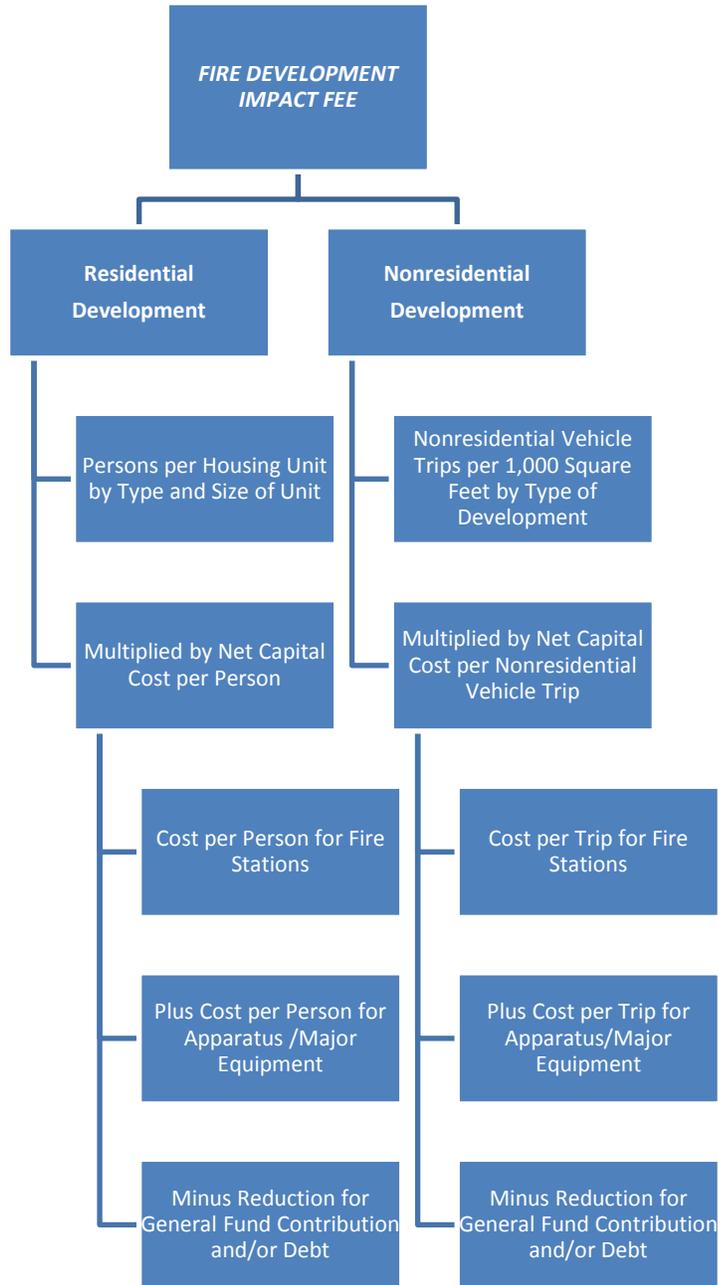
FIRE DEVELOPMENT IMPACT FEES

The Fire development impact fee includes two components: Fire Stations and Apparatus/Major Equipment. An incremental expansion methodology is used for both components. Per the Idaho Act, capital improvements are limited to those improvements that have useful lives of ten or more years, therefore major apparatus is included but cars and other vehicles are not.

Costs are allocated to both residential and nonresidential development using different demand indicators for each type of development. Residential development impact fees are calculated on a per capita basis and then converted to an appropriate amount for each type of housing based on household size. For nonresidential development, TischlerBise recommends using nonresidential vehicle trips as the best demand indicator for Fire facilities. 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 Fire services from nonresidential development.

Figure 22 diagrams the general methodology used to calculate the Fire impact fee. It is intended to read like an outline, with lower levels providing a more detailed breakdown of the impact fee components. The residential portion of the Fire fee is derived from the product of persons per housing unit (by type of unit) multiplied by the net capital cost per person. The nonresidential portion is derived from the product of nonresidential vehicle trips per 1,000 square feet of nonresidential space multiplied by the net capital cost per trip. The boxes in the next level down indicate detail on the components included in the fee.

Figure 30. Fire Fee Methodology Chart



COST ALLOCATION FOR FIRE INFRASTRUCTURE

Proportionate share factors are used to allocate demand for facilities to residential and nonresidential development. To allocate costs, the City of Sandpoint Fire Department provided calls

for service data by type of land use. The calls for service data were from three years 2008, 2009, and 2010 and reflect Fire/EMS calls since the Fire Department is a first responder to EMS calls. As shown in Figure 31, of a 3-year total of 1,319 calls for service to known types of development, 56 percent were to residential development and 44 percent were to nonresidential development.

Outside/street incidents were allocated according to the estimated number of vehicle trips associated with development within the City of Sandpoint. (A detailed discussion of trip generation rates and vehicle trip calculations is provided in the Transportation chapter and Appendix of this report.)

Figure 31. City of Sandpoint Fire Proportionate Share Factors

<i>2008-2010 Fire/EMS City of Sandpoint Calls for Service</i>			
Residential		712	
Outside/Streets	35%	21	
<i>Residential Subtotal</i>		733	56%
Nonresidential		547	
Outside/Streets	65%	39	
<i>Nonresidential Subtotal</i>		586	44%
<i>Development Total</i>		1,319	100%
Unknown/Not Reported		61	
Grand Total		1,380	

Source: City of Sandpoint Fire Department

FIRE INFRASTRUCTURE STANDARDS AND LEVELS OF SERVICE

The section below summarizes the methodologies and levels of service on which the development impact fees are based.

The City currently has a Fire Station with 4,656 square feet and an Apparatus Bay with 5,454 square feet. To maintain current levels of service, new development in the City will require additional station and apparatus storage capacity to accommodate increased Fire demand for services. Additional capacity is likely to be needed in the northern/airport area of the City, which will augment the current system by alleviating pressure on the existing station and adding secondary response

capabilities. Figure 32 details the City’s current level of service and costs for Fire station and apparatus bay space. The total replacement cost of existing space totals \$1.36 million, which is allocated to residential and nonresidential development using proportionate share factors to derive a per person and per trip cost. An example of the formula is: $(\$1,358,196 \times 56\%) / 8,737 = \86.35 per person.

Figure 32. Fire Station Level of Service Standards and Cost Factors

<i>Facility</i>	<i>Square Ft</i>	<i>\$/SF</i>	<i>Total Cost</i>
Fire Station Office and Dorm	4,656	\$116	\$540,096
Fire Station Apparatus Bay	5,454	\$150	\$818,100
Total	10,110	\$134	\$1,358,196

	<i>Proportionate Share</i>	<i>2011 Demand Units</i>	<i>Cost per Demand Unit</i>
Residential	56%	8,737 Population	\$86.35
Nonresidential	44%	31,329 Nonres Vehicle Trips	\$19.27

SF per Person 0.64
SF per Nonres Trip 0.14

Source: City of Sandpoint

Apparatus and Major Equipment

Level of service standards and cost factors for Fire Apparatus and Major Equipment are shown in Figure 33. Future growth in the City will require an expansion of the department’s fleet and communications infrastructure to serve new development to maintain current levels of service. An incremental expansion approach is used to determine current levels of service and the costs to serve growth to maintain this level of service. The current value of Fire apparatus and major equipment is \$2.6 million, including the current communications system with a replacement value of \$400,000. This results in a per person cost of \$165.62 and a per trip cost of \$36.96.

Figure 33. Fire Apparatus Level of Service Standards and Cost Factors

<i>Type of Vehicle/Equipment</i>	<i>Units in Service</i>	<i>Unit Price</i>	<i>Replacement Cost</i>
Engines	3	\$400,000	\$1,200,000
Aerial Truck	1	\$720,000	\$720,000
Rescues	1	\$150,000	\$150,000
SCBA Equipment	1	\$135,000	\$135,000
Communications System		\$400,000	\$400,000
Total	6	\$434,167	\$2,605,000

	<i>Proportionate Share</i>	<i>2011 Demand Units</i>	<i>Cost per Demand Unit</i>
Residential	56%	8,737 Population	\$165.62
Nonresidential	44%	31,329 Nonres Vehicle Trips	\$36.96

Units per 1,000 Persons 0.38
Units Per 1,000 Nonres Trips 0.09

Source: City of Sandpoint

Cost for Development Impact Fee Study

Included in the fee is the cost for preparation of the Fire portion of the development impact fees as allowed by the Idaho Act. This is calculated based on the projected growth in Sandpoint population and nonresidential development over the next five years, which represents the maximum period of time when the CIP should be updated to reflect changes in development and levels of service. The cost per person of \$7.21 and the cost per nonresidential trip of \$1.66 is derived by multiplying the consultant cost for preparing the development impact fees by the respective proportionate share then dividing by either the projected increase in population or increase in nonresidential trips over three years. See Figure 27.

Figure 34. Development Fee Preparation Cost (Fire Portion)

		<i>Residential</i>	<i>Nonresidential</i>
		<i>Person</i>	<i>Vehicle Trip</i>
Service Unit			
Proportionate Share		56%	44%
Fire Consultant Fee	\$8,766	\$4,869	\$3,897
Increase in Service Units	5 yrs	675	2,338
Cost per Service Unit		\$7.21	\$1.66

CREDIT EVALUATION

The City does not have any current outstanding debt for Fire capital improvements that will be retired through property taxes. Included in the fee calculation is an examination of past funding for fire capacity improvements that were paid out of the General Fund as required by Idaho impact fee law. Based on an analysis from the past three years, we found that 0 percent of the General Fund has been spent on fire capacity improvements. Therefore, no credit is necessary.

FIRE INPUT VARIABLES AND DEVELOPMENT IMPACT FEES

For Fire infrastructure, a “service unit” for residential development is a person and for nonresidential development, it is a vehicle trip. As specified in 67-8208(e), the variables shown in the table below are used to convert service units to development units.

Level of service standards for the Fire development impact fees are shown in Figure 28. Development impact fees are based on persons per housing unit by type and size for the residential fee and vehicle trip ends per 1,000 square feet for nonresidential development. Average weekday vehicle trip ends are from the reference book, *Trip Generation (Seventh Edition, 2008)*, published by the Institute of Transportation Engineers (ITE). A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate impact fees, trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points—thereby allocating the trip to the appropriate land use.

The basic trip adjustment factor is 50 percent for all nonresidential development except commercial. For commercial/shopping center development, the trip adjustment factor is less than 50 percent 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 an average size shopping center, the ITE manual indicates that on average 25 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 75 percent of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 75 percent multiplied by 50 percent, or approximately 38 percent of the trip ends. (See the Appendix for further discussion.)

Figure 28 summarizes service units, conversion factors, and cost factors per service unit for the Fire development impact fees as detailed above.

Maximum allowable Fire development impact fees by land use type are also shown below in Figure 28. Residential fees are per housing unit and nonresidential fees are per gross square foot of floor area. The fees are calculated by multiplying the service units per land use type by the net capital cost per service unit.

An example of the calculation for an average size single family detached unit is: the net capital cost per person (\$259.81) multiplied by the persons per housing unit for that size unit (2.19) to arrive at the development impact fee per average single family unit of \$567. This reflects a \$93.46 increase from the existing fee. For nonresidential land uses, the trip rate for the respective type of use is multiplied by the trip adjustment factor and then multiplied by the impact fee per trip. For example, the impact fee for a shopping center is calculated as follows: $42.94 \times 38\% \times \57.89 to yield an impact fee amount of \$.94 per square foot.

Figure 35. Fire Input Variables and Maximum Allowable Impact Fees by Land Use

Residential

		<u>Per Person</u>
Fire & Rescue Facilities Capital Cost		\$86.35
Fire & Rescue Apparatus/Equipment Capital Cost		\$165.62
Consultant Cost		\$7.21
GROSS CAPITAL COST		\$259.18
General Fund Reduction	0%	\$0.00
Debt Service Credit		\$0.00
NET CAPITAL COST		\$259.18

Residential Impact Fees per Housing Unit

Unit Type	Number of Bedrooms	Persons per Housing Unit	Impact Fee per Housing Unit		
			Proposed Fee	Current Fee	Increase (Decrease)
Multifamily/Other	All Sizes	2.12	\$550.00	\$473.54	\$76.46
Single Family	0-3	1.97	\$509.00	\$473.54	\$35.46
Single Family	4+	2.95	\$763.00	\$473.54	\$289.46
<i>Single Family</i>	<i>Avg</i>	<i>2.19</i>	<i>\$567.00</i>	<i>\$473.54</i>	<i>\$93.46</i>

Nonresidential

		<u>Per Nonres Trip</u>
Fire & Rescue Facilities Capital Cost		\$19.27
Fire & Rescue Apparatus/Equipment Capital Cost		\$36.96
Consultant Cost		\$1.66
GROSS CAPITAL COST		\$57.89
General Fund Reduction	0%	\$0.00
Debt Service Credit		\$0.00
NET CAPITAL COST		\$57.89

Nonresidential Development Fee

	Weekday Vehicle Trip Ends	Trip Rate Adj. Factors	Impact Fee per Square Foot of Floor Area		
			Proposed Fee	Current Fee	Increase (Decrease)
	<i>(Per 1,000 sq. ft.)</i>		<i>(Per Square Foot of Floor Area)</i>		
820 Commercial / Shpg Ctr Average	42.94	38%	\$0.94	\$0.13	\$0.81
710 Office	11.01	50%	\$0.32	\$0.13	\$0.18
151 Mini-Warehouse	2.50	50%	\$0.07	\$0.13	(\$0.06)
150 Warehousing	3.56	50%	\$0.10	\$0.13	(\$0.03)
140 Manufacturing	3.82	50%	\$0.11	\$0.13	(\$0.02)
110 Light Industrial	6.97	50%	\$0.20	\$0.13	\$0.07

SERVICE AREA

Given the nature of Fire services with one station serving the City currently and future capacity expansions also serving the entire City, it is recommended that one service area be used for the Fire impact fee.

CASH FLOW PROJECTIONS

This section summarizes the potential cash flow to the City of Sandpoint, if the Fire development fees are implemented at the maximum allowable amounts. The cash flow projections are based on the assumptions detailed in this study and provide an indication of the impact fee revenue and capital expenditures necessary to meet the demand for fire and rescue facilities and apparatus brought about by new development. To the extent the rate of development either accelerates or slows down, there will be a corresponding change in impact fee revenue and capital costs. The development projections on which the cash flow summary is based can be found in the Appendix to this report.

Figure 29 provides a summary of the projected five-year cash flow from the Fire impact fee and associated capital costs. Impact fee revenues are projected to generate an average of \$62,000 per year if the fee is implemented at the maximum allowable level, for a five-year total of approximately \$310,000. Five-year Fire capital costs to serve growth are projected at approximately \$310,000. Projected fee revenue covers approximately 100 percent of the capital costs.

Figure 36. Cash Flow Summary for Fire

<i>(Current \$ in thousands)</i>	1	2	3	4	5	5-Year Average Annual	5-Year Cumulative Total
	2012	2013	2014	2015	2016		
REVENUES							
FIRE							
8 Fire Fee - SFD	\$23	\$23	\$23	\$24	\$24	\$23	\$116
9 Fire Fee - Multifamily/Other Res	\$11	\$12	\$12	\$12	\$12	\$12	\$59
10 Fire Fee - Commercial	\$12	\$12	\$12	\$12	\$13	\$12	\$61
11 Fire Fee - Office/Instit	\$11	\$11	\$11	\$11	\$11	\$11	\$56
12 Fire Fee - Industrial	\$4	\$4	\$4	\$4	\$4	\$4	\$19
Subtotal Fire Fees	\$60	\$61	\$62	\$63	\$64	\$62	\$310
CAPITAL COSTS							
FIRE							
Fire Stations	\$20	\$20	\$21	\$21	\$21	\$21	\$103
Fire Apparatus/Major Equipment	\$38	\$39	\$40	\$40	\$41	\$40	\$198
Consultant Cost	\$2	\$2	\$2	\$2	\$2	\$2	\$9
Subtotal Fire Costs	\$60	\$61	\$62	\$63	\$64	\$62	\$310
NET CAPITAL FACILITIES CASH FLOW- FIRE						<i>Current \$ in thousands</i>	
Annual Surplus (or Deficit)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
Cumulative Surplus (or Deficit)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)		(\$0)

TRANSPORTATION DEVELOPMENT IMPACT FEES

INTRODUCTION

Reasonably allocating the cost of transportation system improvements requires consideration of several transportation planning challenges. Because road networks are “open” systems, newly expanded capacity can be readily absorbed by driver adaptations. For example, drivers may change their route of travel, departure times and even mode (i.e., automobile, bicycle, walking, or transit) to take advantage of road improvements.

Vehicular travel within a jurisdiction requires a system of controlled access roads, major and minor arterials, collectors, major access roads, and local streets. However, road impact fees typically are based on a subset of the system reflecting roads to be funded in whole or part by the locality as opposed to other sources (e.g., federal, state, private) as well as other considerations discussed below.

For local governments, one of the first steps in evaluating funding options for transportation improvements is to determine the basic rules of the game established by the state constitution and statutes. Some states are “home rule” states that grant localities all powers that are not precluded or preempted by the state constitution or statutes. In contrast, other states have more conservative legal parameters that basically restrict local government to specifically authorized actions.

The second step in evaluating funding options for transportation improvements is to consider the rational nexus and proportionality tests established by court cases. To clarify the question of who pays for what, it is useful to distinguish between *project-level* improvements and *system* improvements (i.e., infrastructure that benefits multiple development projects and typically located off-site). The need for project-level improvements may be addressed through development exactions that remain roughly proportional to the specific project. Project-level improvements are typically specified in a development agreement or similar instrument and should be distinguished from the need for system improvements, determined by legislatively adopted standards. Because system improvements are larger and more costly, they typically require funding from multiple development projects and/or broad-based revenues.

Functional Classification

Considering the functional classification of road improvements can provide guidance to local government decision makers when wrestling with nexus and proportionality tests. In general, *local streets* are regarded as project-level improvements and *arterials* are typically considered system improvements. Local governments may determine *collector* streets to be either project or system improvements. Common characteristics for different functional classifications of roads are discussed below.

Local Streets

Local streets are the smallest and least expensive improvements, designed to accommodate slow-moving traffic and providing access to adjacent properties. Most local governments require local street construction by the private sector. Capital costs for project-level improvements are typically passed along to homebuyers and renters that occupy new development.

Collectors

Collector streets are generally the “mid-range” improvements that fall between local and arterial streets. If a local government defines collector streets to be “system improvements” they are eligible for road impact fee funding. If collector streets are deemed to serve more limited service areas, nexus considerations may lead to the establishment of zones to track collection and expenditure of fees. In the City of Sandpoint, some collector streets are considered system improvements as they provide alternative routes that provide relief to major arteries.

Arterials

Arterial streets are the largest and typically the most expensive improvements, designed to handle fast-moving traffic making longer distance trips, thus requiring restricted access to adjacent properties. Because arterials function as trunk lines, moving vehicles into, out of, and across urban areas, they frequently have jurisdiction-wide funding sources including impact fees. Also, the major expenditures for arterial road construction usually require funding from several revenue sources.

A summary of the existing lane miles in the City of Sandpoint street system is provided below.

Figure 37. Current System Level (Arterials and Collectors) Lane Miles in the City of Sandpoint

Principal Arterial	11.38
Minor Arterial	12.78
Collector	17.39
	<hr/>
	41.55
	<hr/>

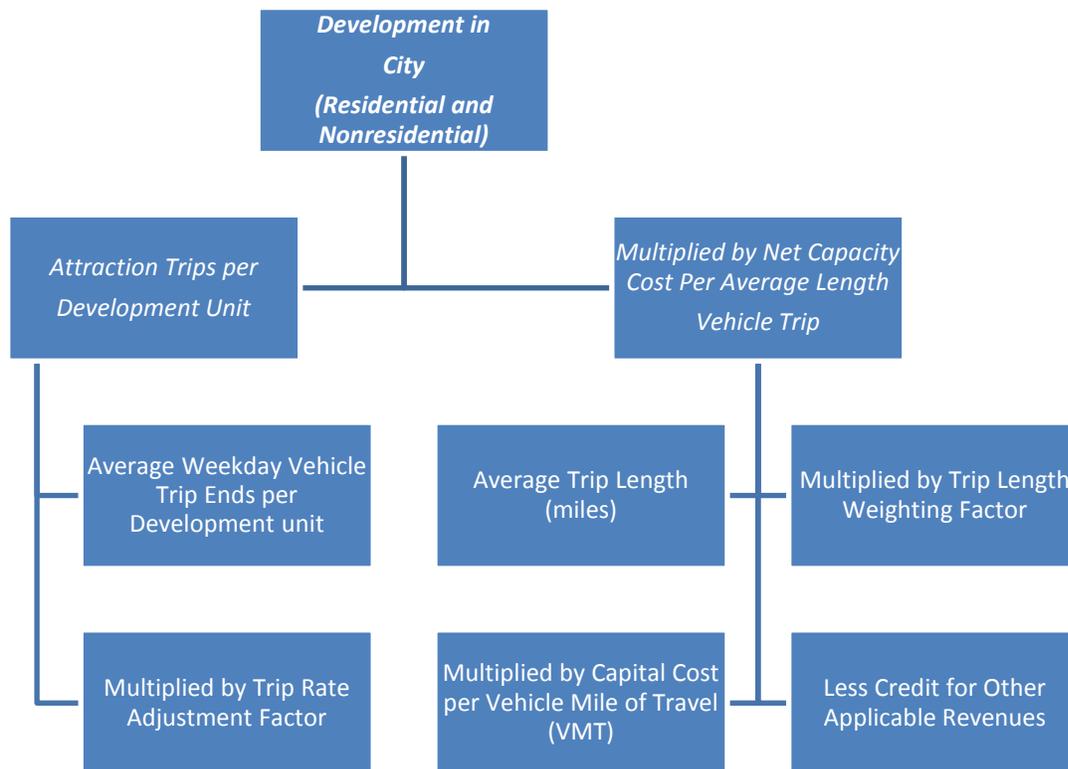
Source: David Evans and Associates

OVERVIEW OF THE CITY OF SANDPOINT TRANSPORTATION IMPACT FEES

The City of Sandpoint development impact fee for transportation infrastructure addresses the need for circulation improvements as identified in the *Urban Area Transportation Plan*.¹ Improvements are on arterials and collectors and include widenings, adding lanes, realignments, intersection improvements, and installation of traffic signals and roundabouts. All improvements will provide additional capacity and are needed to serve new development. A second component for Multi-use Pathways is included as well as part of the transportation fee and is discussed separately.

Transportation development impact fees are derived using a plan-based methodology. As shown in Figure 38, Transportation impact fees are calculated for both residential and nonresidential development by multiplying trip generation rates (demand factors) by the capital cost per trip. This is calculated as a citywide fee herein.

Figure 38. Transportation Impact Fee Methodology Chart



¹ *Urban Area Transportation Plan, November 2007. The Plan includes a complete inventory of the transportation network in Sandpoint and its environs and by reference is incorporated into this document.*

PROJECTED NEED FOR ROAD CAPACITY IMPROVEMENTS

Calculation of impact fees requires projected development in the City to be converted into average weekday vehicle trips and vehicle miles of travel as described in the following sections.

Trip Generation

Trip generation rates used in the City of Sandpoint impact fees are average daily weekday vehicle trip ends from the reference book, *Trip Generation, 8TH Edition*, published by the Institute of Transportation Engineers (ITE) in 2008. Vehicle trips are used to ensure proportionality by type of land use. A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate impact fees, trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points—thereby allocating the trip to the appropriate land use. The basic trip adjustment factor is 50 percent. Further adjustments are made by type of land use to account for travel demand and development characteristics. Each is discussed in turn below.

Trip Rate Adjustments

Trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points. Therefore, the basic trip adjustment factor is 50 percent. As discussed below, additional adjustments are made to ensure the fees are proportionate to the infrastructure demand for particular types of development.

Adjustment for Commuting Patterns

Residential development in the City of Sandpoint has a larger trip adjustment factor of 57 percent to account for commuters leaving Sandpoint for work. According to the National Household Travel Survey,² home-based work trips are typically 31 percent of “production” trips, in other words, out-bound trips (which are 50 percent of all trip ends). Also, data from the US Census for 2009 indicates that 57 percent of Sandpoint’s workers travel outside of the City for work (see Figure 39). In combination, these factors ($0.31 \times 0.50 \times 0.57 = 0.09$) account for 9 percent of additional production trips. The total adjustment factor for residential includes attraction trips (50 percent of trip ends) plus the journey-to-work commuting adjustment (9 percent of production trips) for a total of 59 percent.

² U.S. Department of Transportation and Federal Highway Administration, *Summary of Travel Trends: 2001 National Household Travel Survey*, December 2004 (see Table 29).

Figure 39. Adjustment for Journey-to Work Commuting

Sandpoint Workers (2009)	4,090
Sandpoint Residents Working in City (2009)	1,772
Sandpoint Residents Commuting Outside City for Work	2,318
Percent Commuting out of the City	57%
Additional Production Trips	9%
Residential Trip Adjustment Factor	59%

*Source: U.S. Census, OnTheMap Application (version 5)
Longitudinal-Employer Household Dynamics (LEHD) Program; ITE*

Adjustment for Pass-By Trips

The basic trip adjustment factor of 50 percent is applied to the Office/Institutional and Industrial categories. The Retail category has a trip factor of less than 50 percent because this type of development attracts vehicles as they pass-by on arterial and collector roads. For an average size shopping center, the ITE manual indicates that on average 25 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 75 percent of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 75 percent multiplied by 50 percent, or approximately 38 percent of the trip ends.

Figure 40. Commercial/Shopping Center Trip Rates and Pass-By Adjustments

Floor Area in thousands (KSF)	Shopping Centers (ITE 820 Weekday*)		Commercial Pass-by Trips**	Commercial Trip Adj Factor***
	Trip Ends	Rate/KSF		
25	2,758	110.32	45%	28%
50	4,328	86.56	39%	31%
100	6,791	67.91	34%	33%
200	10,656	53.28	29%	36%
328	Average Size	42.94	25%	38%

* Trip Generation, ITE, 2008.

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

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

Estimated Vehicle Trips in Sandpoint

As an alternative to simply using the national average trip generation rate for residential development, the Institute of Transportation Engineers (ITE) publishes regression curve formulas that can be used to derive custom trip generation rates using local demographic data. Key independent variables needed for the analysis (i.e., vehicles available, housing units, households and persons) are available from the U.S. Census Bureau American Community Survey (ACS) 2005-2009 data for Sandpoint. This data was used to derive custom average weekday vehicle trip ends by type of housing, as shown below.

Figure 41. Average Weekday Vehicle Trip Ends by Housing Type in City of Sandpoint

City of Sandpoint, ID	Vehicles Available (1)	Households (2)			Vehicles per Household by Tenure
		Single Family Units	Multifamily Units	Total	
Owner-occupied	3,028	1,501	54	1,555	1.95
Renter-occupied	1,904	589	765	1,354	1.41
TOTAL	4,932	2,090	819	2,909	1.70
Housing Units (6) =>		2,410	978	3,388	
Persons per Housing Unit =>		2.19	2.12		

	Persons (3)	Trip Ends (4)	Vehicles by Type of Housing	Trip Ends (5)	Average Trip Ends	Trip Ends per Housing Unit	ITE Trip Ends Per Unit	Difference from ITE
Single Family Units	5,274	13,588	3,751	21,690	17,639	7.30	9.57	-24%
Multifamily Units	2,078	7,146	1,181	4,946	6,046	6.20	6.65	-7%
TOTAL	7,352	20,734	4,932	26,636	23,685	7.00		

- (1) Vehicles available by tenure from Table B25046, American Community Survey, 2005-2009.
- (2) Households by tenure and units in structure from Table B25032, American Community Survey, 2005-2009.
- (3) Persons by units in structure from Table B25033, American Community Survey, 2005-2009.
- (4) Vehicle trips ends based on persons using formulas from Trip Generation (ITE 2008). For single family housing (ITE 210), the fitted curve equation is $EXP(0.91 * LN(\text{persons}) + 1.52)$. To approximate the average population of the ITE studies, persons were divided by 9 and the equation result multiplied by 9. For multifamily housing (ITE 220), the fitted curve equation is $(3.47 * \text{persons}) - 64.48$.
- (5) Vehicle trip ends based on vehicles available using formulas from Trip Generation (ITE 2008). For single family housing (ITE 210), the fitted curve equation is $EXP(0.99 * LN(\text{vehicles}) + 1.81)$. To approximate the average number of vehicles in the ITE studies, vehicles available were divided by 15 and the equation result multiplied by 15. For multifamily housing (ITE 220), the fitted curve equation is $(3.94 * \text{vehicles}) + 293.58$.
- (6) Housing units from Table B25024, American Community Survey, 2005-2009.

As shown, a single family detached unit has an average daily trip rate of 7.30 per unit (compared to 9.57 from ITE, or 24 percent lower) and a multifamily unit has an average daily trip rate of 6.20 trips per unit (compared to 6.65 per unit from ITE, or 7 percent lower). Using this data, average daily trips in the City can be derived.

We further analyzed demographic data in an effort to potentially refine the impact fee schedule to be more progressive for residential development. This can be done by developing fees by size of housing unit by bedroom count. Household size and vehicle trip rates can be derived using custom tabulations of demographic data by bedroom range from survey responses provided by the U.S. Census Bureau in files known as Public Use Micro-data Samples (PUMS). TischlerBise used American Community Survey (ACS) 5-Year 2005-2009 data to derive persons per housing unit by number of bedrooms as well as number of vehicle trips per unit by number of bedrooms.

As shown in Figure 42, TischlerBise derived trip generation rates and average persons, by bedroom range, using the number of persons and vehicles available. As shown, as number of bedrooms increases, trip ends and persons per unit increase as well.

Figure 42. Average Persons and Trip Ends by Bedroom Range in City of Sandpoint

	Persons (1)	Trip Ends (2)	Vehicles Available (1)	Trip Ends (3)	Average Trip Ends	Housing Units (1)	Recommended Multipliers for Sandpoint (4)	
							Trip Ends per Housing Unit	Persons per Housing Unit
Single Family 0-3 Bdrms	6,506	17,417	2,941	17,047	17,232	3,391	6.77	1.97
Single Family 4+ Bdrms	2,841	8,195	907	5,319	6,757	989	9.11	2.95
Single Family Subtotal	9,347	25,612	3,848	22,366	23,989	4,380	7.30	2.19
Multifamily Subtotal	757	2,562	425	1,968	2,265	481	6.20	2.12
GRAND TOTAL	10,104	28,174	4,273	24,334	26,254	4,861		

(1) American Community Survey, Public Use Microdata Sample for ID PUMA 00100 (unweighted data for 2005-2009).

(2) Vehicle trips ends based on persons using formulas from Trip Generation (ITE 2008). For single family housing (ITE 210), the fitted curve equation is $EXP(0.91 * LN(\text{persons}) + 1.52)$. To approximate the average population in the ITE studies, persons were divided by 17 and the equation result multiplied by 17.

(3) Vehicle trip ends based on vehicles available using formulas from Trip Generation (ITE 2008). For single family housing (ITE 210), the fitted curve equation is $EXP(0.99 * LN(\text{vehicles}) + 1.81)$. To approximate the average number of vehicles in the ITE studies, vehicles available were divided by 15 and the equation result multiplied by 15.

(4) Recommended multipliers are scaled to make the average value by type of housing for ID PUMA 00100 match the average value for Sandpoint, derived from American Community Survey 2005-2009 data, with persons adjusted to the Citywide average of 2.19 persons per housing unit.

Vehicle Miles of Travel

A Vehicle Mile of Travel (VMT) is a measurement unit equal to one vehicle traveling one mile. In the aggregate, VMT is the product of vehicle trips multiplied by the average trip length.³ A lane mile is a rectangular area of pavement, one lane wide and one mile long. The average trip length to development in the City is calibrated using data on City arterial and collector lane miles and a lane capacity standard discussed below. VMT is the appropriate demand indicator or “service unit,” as defined by the Idaho Impact Fee Act.

Lane Capacity

Road impact fees are based on a lane capacity standard of 6,950 vehicles per lane, which assumes a generalized annual average daily volume for a two-lane, interrupted rural city roadway operating at a Level of Service (LOS) “D”. This type of facility has an estimated capacity of 13,900 vehicles per day, or 6,950 vehicles per lane.⁴

³ Typical VMT calculations for development-specific traffic studies, along with most transportation models of an entire urban area, are derived from traffic counts on particular road segments multiplied by the length of that road segment. For the purpose of impact fees, VMT calculations for are based on attraction (inbound) trips to development located in the City, with the trip length calibrated to the City’s current road network (arterials and collectors). This refinement eliminates pass-through or external-external trips, travel to development within municipalities and travel on non-City arterials and collectors (e.g. interstate highways and local streets).

⁴ See Table 4-1, “Generalized Annual Average Daily Volumes for Florida’s Urbanized Areas,” in *Quality/Level of Service Handbook 2002*, Florida Department of Transportation.

Average Trip Length on Road System

Determining average trip length for the purpose of impact fees requires consideration of the functional classification of roads and the community's criteria for system improvements, as discussed above. A typical vehicle trip, such as a person leaving their home and traveling to work, generally begins on a local street that connects to a collector street, which connects to an arterial road and eventually to a state or interstate highway. This progression of travel up and down the functional classification chain limits the average trip length question to the following, "What is the average vehicle trip length on the current City road system (i.e., City arterials and collectors)?"

Knowing the increase in vehicle trips, existing City arterial and collector lane miles, and lane capacity, it is possible to derive the average trip length (expressed in miles) on the City system of 6.77.

Trip Length Weighting Factor by Type of Land Use

The transportation impact fee methodology includes a percentage adjustment, or weighting factor, to account for trip length variation by type of land use. As documented in Table 6 of the 2001 National Household Travel Survey (published December 2004 by the Federal Highway Administration), vehicle trips from residential development are approximately 122 percent of the average trip length. The residential trip length adjustment factor includes data on home-based work trips, social and recreational purposes.

Conversely, shopping trips associated with commercial development are roughly 68 percent of the average trip length while other nonresidential development typically accounts for trips that are 75 percent of the average trip length. Note, the national travel survey is not the source of the trip length used in the impact fee calculations. Rather, average trip length is based on the current City street system in Sandpoint today.

Development Prototypes

The relationship between the amount of development in the City of Sandpoint and the projected demand for infrastructure is documented below. Figure 43 summarizes the input variables used to determine current and project trips and vehicle miles of travel from development.

Figure 43. Road Impact Fee Input Variables

	Weekday
SFD Weekday VTE per Unit	7.30
Multifamily/Other Res Weekday VTE per Unit	6.20
Commercial Weekday VTE/KSF*	42.94
Office Weekday VTE/KSF**	11.01
Ind Weekday VTE/KSF***	3.82
Residential Trip Adj Factor	59%
Commercial Trip Adj Factor	38%
All Other Trips Adj	50%
Avg Miles/Trip on City ARTERIALS & COLLECTORS	6.77
Residential Trip Length	122%
Retail Trip Length	68%
Other Nonresidential Trip Length	75%
Capacity Per Lane	6950

Travel Demand in the City of Sandpoint

Projected development in Sandpoint over the next 20 years, and the corresponding need for additional lane miles is documented in Figure 44. (The demographic data shown at the top of Figure 44 is from the demographic projections provided in demographic memo and is included in Appendix of the final report.) Trip generation rates and trip adjustment factors convert projected development into average weekday vehicle trips, shown in the shaded portion of the figure. For example, in the base year, single-family (SFD) detached housing units will produce 11,435 weekday trips (2,655 x 7.3 x 59% = 11,435). The same calculation is done for each land use type. As noted above, VMT is the product of vehicle trips multiplied by the average trip length from Figure 43 above.

Figure 44. Travel Demand Calibration for Road Impact Fees

Year->	5-year increments -->									
	Base 2011	1 2012	2 2013	3 2014	4 2015	5 2016	10 2021	15 2026	20 2031	
DEMAND DATA										
SFD UNITS	2,655	2,695	2,735	2,776	2,818	2,860	3,081	3,319	3,576	
MF/OTHER RES UNITS	1,379	1,399	1,420	1,442	1,463	1,485	1,600	1,723	1,857	
COMMERCIAL KSF	863	876	889	902	915	928	997	1,072	1,152	
OFFICE KSF	2,348	2,382	2,417	2,452	2,487	2,523	2,712	2,914	3,131	
INDUSTRIAL KSF	2,259	2,292	2,325	2,359	2,393	2,427	2,609	2,803	3,013	
SFD TRIPS	11,435	11,607	11,781	11,958	12,137	12,319	13,271	14,297	15,402	
MF/OTHER RES TRIPS	5,043	5,118	5,195	5,273	5,352	5,432	5,852	6,305	6,792	
RES TRIPS	16,478	16,725	16,976	17,231	17,489	17,751	19,123	20,601	22,193	
COMMERCIAL TRIPS	14,089	14,293	14,500	14,711	14,924	15,140	16,270	17,485	18,790	
OFFICE TRIPS	12,926	13,113	13,304	13,496	13,692	13,891	14,927	16,041	17,239	
INDUSTRIAL TRIPS	4,314	4,377	4,440	4,505	4,570	4,636	4,982	5,354	5,754	
NONRES TRIPS	31,329	31,784	32,244	32,712	33,186	33,667	36,180	38,880	41,782	
TOTAL TRIPS	47,807	48,509	49,220	49,943	50,675	51,419	55,303	59,482	63,976	
City VMT	288,495	292,746	297,060	301,438	305,880	310,387	333,941	359,283	386,548	
City Lane Mile	41.5	42.1	42.7	43.4	44.0	44.7	48.0	51.7	55.6	
ANL Lane Mile Increase		0.6	0.6	0.6	0.6	0.6	0.7	0.8	0.8	
Cumulative Lane Miles						3.1	6.5	10.2	14.1	

COST OF GROWTH-RELATED IMPROVEMENTS

The City has identified a subset of road improvements from the City of Sandpoint’s portion of the “Urban Area Transportation Plan (UATP)” needed due to growth, anticipated to be built within the next 10 years, and funded either in part or wholly through local means. TischlerBise obtained volume and capacity information for each of these improvements from David Evans & Associates from the Travel Demand Model developed and implemented for the UATP and subsequent concurrency analyses. The impact fee road improvements plan is shown below in Figure 45 along with the calculated growth share for each project and the total cost per Vehicle Mile of Travel (VMT) for the plan. As shown, an additional 3.0 lane miles are projected to be built over the next 10 years along with intersection improvements that will increase capacity. Growth share is calculated by determining the amount of future capacity available to serve future growth (the capacity that is not already being used by existing development). (The formula is: $1 - (\text{existing volume} / \text{future capacity})$.)

“Other costs” in the figure reflect outside funding such as from the state (Idaho Transportation Department). Urban Renewal funding is included as the planned improvements are both demanded

from and will benefit future growth. Growth shares of the costs are calculated and applied accordingly.

The existing balance from the City's Circulation Impact Fee Fund is subtracted from the total plan cost to account for revenues already collected by the City for capacity improvements not yet built. The City's share of the planned costs is shown below and used to calculate a cost per vehicle mile of travel (VMT). Given a projected increase of 45,446 vehicle miles of travel over the next 10 years within the City, the resulting cost per VMT for growth-related needs is \$94.71 per VMT.

Figure 45. Cost Per VMT of Capacity Road Improvements

Plan Timing	City Proj. #	Project	Existing Lanes	Future Lanes	Length (miles)	Current Lane Miles	Planned Lane Miles	Lane-Mile Increase	CITY COST	CITY COST (Urb. Ren.)*	TOTAL CITY COST	OTHER COST	TOTAL PROJ. COST	CITY COSTS Growth %**	CITY COSTS Growth \$
Years 1-5	S-052	Schweitzer Cutoff Rd	2	3	0.28	0.56	0.84	0.28	\$243,200		\$243,200	\$2,956,800	\$3,200,000	19%	\$44,992
Years 1-5	S-1103	Schweitzer Cutoff Rd @ Boyer Ave	1	1		0.00	0.00	0.00	included above						
Years 1-5	S-1012	Pine Street@ Division Ave	1	1		0.00	0.00	0.00	\$400,000		\$400,000		\$400,000	83%	\$332,686
Years 6-10	S-012	Downtown Two-Way Operation (Downtown URA)			0.98	2.87	2.87	0.00		\$7,250,000	\$7,250,000		\$7,250,000	16%	\$1,142,075
Years 6-10	S-045	US-2 Extension (Curve Project) (Downtown URA)	0	4	0.25	0.00	1.00	1.00		\$500,000	\$500,000	\$5,000,000	\$5,500,000	16%	\$78,764
Years 6-10	S-050	Baldy Mountain Rd (Northern URA)	2	3	0.77	1.54	2.31	0.77		\$3,200,000	\$3,200,000		\$3,200,000	39%	\$1,256,000
Years 6-10	S-065	Woodland Drive	2	3	0.44	0.88	1.32	0.44	\$690,000		\$690,000		\$690,000	95%	\$654,733
Years 6-10	S-026	Larch street	2	3	0.50	1.00	1.50	0.50	\$789,000		\$789,000		\$789,000	45%	\$356,177
Years 6-10	S-036	Ontario Ave	2	2	0.06	0.12	0.12	0.00	\$432,500		\$432,500		\$432,500	93%	\$402,225
Years 6-10	S-1024	Cedar St @ Boyer Ave	1	1	0.00	0.00	0.00	0.00	\$300,000		\$300,000		\$300,000	72%	\$214,500
TOTALS			3.3	7.0	10.0	3.0	10.0	3.0	\$2,854,700	\$10,950,000	\$13,804,700	\$7,956,800	\$21,761,500	32%	\$4,482,152

TOTAL Cost (City Share)	\$4,482,152
City of Sandpoint Circulation Impact Fee Fund Balance	\$177,909
Net Growth-Related Streets Cost (City Share)	\$4,304,243
VMT Increase (10 Years)	45,446
Capital Cost per VMT	\$94.71

* Funding from tax increment in the respective Urban Renewal Area
 ** Reflects new growth's share of future capacity from UATP Travel Demand Model
 Sources: City of Sandpoint, David Evans & Associates, TischlerBise.

Cost for Impact Fee Study

Included in the development fee is the cost for preparation of the Transportation portion of the development impact fees as allowed by the Idaho Act. This is calculated based on projected growth in VMTs over the next five years, which represents the maximum period of time when the CIP and fees should be updated to reflect changes in development and levels of service. The cost per VMT is \$.93. See Figure 46.

Figure 46. Development Fee Preparation Cost (Streets Portion)

Streets Consultant Fee	\$20,454
Increase in VMTs (5 yrs)	21,892
Cost per trip	\$0.93

CREDIT EVALUATION

A general requirement that is common to impact fee methodologies is the evaluation of credits. A revenue credit may be necessary to avoid potential double payment situations from one-time impact fees plus on-going payments of other revenues that may also fund growth-related capital improvements. Because the City's share of the growth-related costs of street and intersection improvements will be fully funded by the development impact fees, a credit for other revenues is not applicable.

The City has two Urban Renewal Areas (URA)—Downtown URA and Northern URA. Both URA's have capital programs that include capacity road improvements (indicated as such on the above CIP). These projects will be funded in part by tax increment financing. That is, the increase in property taxes over the base year set by the Urban Renewal Authority will be used to fund the capital program. Because property taxes will be used to pay for some of the projects included in the Impact Fee CIP, a credit is recommended. This is to mitigate any potential double payment situations where some of the taxes paid by new development in these areas are dedicated to infrastructure improvements and therefore if development were to pay the full impact fee, the development would be paying twice for the same improvements. Separate impact fee schedules are provided at the end of this chapter for each URA.

In addition, the Idaho impact fee law requires an evaluation of funding from the General Fund for improvements for which an impact fee will be collected. Therefore, included in the fee calculation is a reduction to account for past funding for Transportation capacity improvements paid out of the General Fund. Based on an analysis from the past three years, approximately 0.6 percent of the

General Fund is spent on Transportation capacity improvements. Therefore, this amount is included as a reduction to the gross capital cost per trip to derive the net capital cost per trip.

IMPACT FEE SERVICE AREA

Given the road network on which the fees are based—reflecting system-level roads (arterials and major collectors), with improvements on one facility that will shift traffic to the improved roadway, it is recommended that one service area be used for the Transportation impact fee.

TRANSPORTATION INPUT VARIABLES AND DEVELOPMENT IMPACT FEES

Infrastructure standards used to calculate Transportation impact fees are shown at the top of Figure 47. For Transportation impact fees, a “service unit” is a vehicle mile of travel (VMT = vehicle trips (adjusted) x average trip length (adjusted)). As specified in 67-8208(e), the variables shown in the table below are used to convert service units to development units. Figure 47 summarizes service units, conversion factors, and cost factors per service unit for Transportation development impact fees as detailed above.

Maximum allowable Transportation development impact fees by land use type are also shown below in Figure 47. Residential fees are per housing unit and nonresidential fees are per gross square foot of floor area. The fees are calculated by multiplying the service units per land use type by the net capital cost per service unit. For example, for an average single family detached unit, the trip rate of 7.3 weekday trips multiplied by 59 percent trip adjustment is multiplied by the average trip length (6.77 miles x 122 percent) to determine VMT for this size housing unit (35.57). This is then multiplied by the net capital cost per VMT of \$95.08 to derive the Streets development impact fee *per average single family housing unit* of \$3,382 (truncated). The same approach is taken for nonresidential land uses.

Figure 47. Transportation (Streets) Input Variables and Maximum Allowable Impact Fees by Type of Land Use: Outside URAs

Infrastructure Standards		
Average Miles per Vehicle Trip		6.77
Capital Cost per VMT		\$94.71
Consultant Cost per VMT		\$0.93
GROSS COST PER VMT		\$95.65
General Fund Reduction	0.6%	(\$0.56)
Debt Service Credit		\$0
Net Capital Cost per VMT		\$95.08

		[A]	[B]	[C]	[D]	VMT = [A] x [B] x [C] x [D]	Impact Fee per Housing Unit			
		Weekday Vehicle Trip Ends	Trip Rate Adjustment Factors	Avg Miles per Veh. Trip on System	Trip Length Weighting Factors	VMT	Proposed Streets Impact Fee	Current Fee	Increase (Decrease)	
ITE Code	Unit Type	(Per Housing Unit)				per unit	(Per Housing Unit)			
220	Multifamily	All Sizes	6.2	59%	6.77	122%	30.21	\$2,872.00	\$853.45	\$2,018.55
210	Single Family	0-3	6.8	59%	6.77	122%	33.01	\$3,138.00	\$1,066.81	\$2,071.19
210	Single Family	4+	9.1	59%	6.77	122%	44.38	\$4,219.00	\$1,066.81	\$3,152.19
210	Single Family	Avg	7.3	59%	6.77	122%	35.57	\$3,382.00	\$1,066.81	\$2,315.19

		(Per 1,000 sq. ft.)			per 1,000 sf	Impact Fee per Square Foot of Floor Area			
						(Per Square Foot of Floor Area)			
820	Commercial / Shpg Ctr Average	42.94	38%	6.77	68%	75.12	\$7.14	\$1.93	\$5.21
710	Office	11.01	50%	6.77	75%	27.95	\$2.65	\$0.49	\$2.16
151	Mini-Warehouse	2.50	50%	6.77	75%	6.35	\$0.60	\$0.11	\$0.49
150	Warehousing	3.56	50%	6.77	75%	9.04	\$0.85	\$0.16	\$0.69
140	Manufacturing	3.82	50%	6.77	75%	9.70	\$0.92	\$0.17	\$0.75
110	Light Industrial	6.97	50%	6.77	75%	17.70	\$1.68	\$0.31	\$1.37

IMPACT FEES WITHIN SANDPOINT’S URBAN RENEWAL AREAS

As noted above, the City has two Urban Renewal Areas (URA)—Downtown URA and Northern URA. Both URA’s have capital programs that include capacity road improvements (indicated as such on the above CIP). Because property taxes will be used to pay for some of the projects included in the Impact Fee CIP, a credit is recommended that will be integrated into the impact fee calculation. This is to mitigate any potential double payment situations where some of the taxes paid by new development in these areas are dedicated to infrastructure improvements and therefore if development were to pay the full impact fee, the development would be paying twice for the same improvements. Impact fee schedules specific to each URA are provided below.

Credits

As described previously, a general requirement common to impact fee methodologies is the evaluation of credits. A revenue credit may be necessary to avoid potential double payment situations from one-time road impact fees plus on-going payments of other revenues that may also fund growth-related road capital improvements.

A credit for revenue generated by property taxes dedicated for capital improvements with each URA is calculated. Information on the URA TIF revenue credits is provided below in the following figures. Projected tax increment revenue for each source was provided by the City of Sandpoint from Sandpoint Urban Renewal Agency cash flow projections for each URA. Because the impact fee road improvement program reflect only a portion of the URA capital improvement plan and of those projects, only a portion are growth-related, the projected revenues are adjusted to reflect the projected amount to be used for growth-related impacts. The calculation for each URA is shown below.

Figure 48. Urban Renewal Areas Growth Share Calculation

Downtown Urban Renewal Area Growth Share Calculation

Downtown URA Total Projected Capital Expenses (20-Yr)*	\$11,907,000
Downtown URA Road Projects in City Impact Fee CIP (City Costs)**	\$7,750,000
Impact Fee Project as % of Total Downtown URA Capital Plan	65.1%
Growth Share of Downtown URA Road Projects**	\$1,220,838
Growth Share as % of Impact Fee CIP	15.8%
Percent of Downtown URA Plan that is Growth Related	10.3%

* *Downtown 2010 Plan Amendment, Sandpoint Urban Renewal Agency*

** *Development Impact Fee Study, 2011, TischlerBise*

Northern Urban Renewal Area Growth Share Calculation

Northern URA Total Projected Capital Expenses (20-Yr)*	\$7,785,000
Northern URA Road Projects in City Impact Fee CIP (City Costs)**	\$3,200,000
Impact Fee Project as % of Total Northern URA Capital Plan	41.1%
Growth Share of Northern URA Road Projects**	\$1,256,000
Growth Share as % of Impact Fee CIP	39.3%
Percent of Northern URA Plan that is Growth Related	16.1%

* *Northern 2010 Plan Amendment, Sandpoint Urban Renewal Agency*

** *Development Impact Fee Study, 2011, TischlerBise*

Using annual projected future revenue from tax increments and adjusting for the growth-related portion, a per VMT credit is derived. The adjusted projected revenue is divided by projected vehicle miles of travel in the respective URA in each year to get a per VMT credit. For example, for the

Downtown URA, the projected annual growth-related revenue of \$50,437 in fiscal year 2012 is divided by projected VMTs within the URA of 59,930 for a credit per VMT of \$0.84. To account for the time value of money, annual revenues per VMT are discounted using a net present value formula based on an average interest rate of 4.0 percent. The total net present value of future revenue per trip for the Downtown URA is \$14.46; and for the Northern URA, the total net present value per VMT is \$12.72. This amount is subtracted from the gross capital cost per VMT to derive a net capital cost per VMT within each URA to derive a separate fee schedule for each area.

Figure 49. Revenue Credit: Downtown Urban Renewal Area

<i>Fiscal Year</i>	<i>Projected Tax Increments [1]</i>	<i>Projected Tax Increments for Growth Related Projects[1]</i> 10.3%	<i>TOTAL to Credit</i>	<i>Total Res & Nonres VMT in Downtown URA [2]</i>	<i>Credit Per VMT</i>
2011	\$489,680	\$50,437	\$50,437	59,930	\$0.84
2012	\$538,648	\$55,481	\$55,481	61,357	\$0.90
2013	\$565,581	\$58,255	\$58,255	62,783	\$0.93
2014	\$593,860	\$61,168	\$61,168	64,210	\$0.95
2015	\$623,553	\$64,226	\$64,226	65,637	\$0.98
2016	\$654,731	\$67,437	\$67,437	67,063	\$1.01
2017	\$687,467	\$70,809	\$70,809	68,490	\$1.03
2018	\$721,840	\$74,350	\$74,350	69,917	\$1.06
2019	\$757,932	\$78,067	\$78,067	71,344	\$1.09
2020	\$795,829	\$81,970	\$81,970	72,770	\$1.13
2021	\$835,621	\$86,069	\$86,069	81,330	\$1.06
2022	\$877,402	\$90,372	\$90,372	75,624	\$1.20
2023	\$921,272	\$94,891	\$94,891	77,050	\$1.23
2024	\$967,335	\$99,636	\$99,636	78,477	\$1.27
2025	\$1,015,702	\$104,617	\$104,617	79,904	\$1.31
2026	\$1,066,487	\$109,848	\$109,848	81,330	\$1.35
2027	\$1,119,811	\$115,341	\$115,341	82,783	\$1.39
2028	\$1,175,802	\$121,108	\$121,108	84,261	\$1.44
2029	\$1,234,592	\$127,163	\$127,163	85,765	\$1.48
2030	\$0	\$0	\$0	0	
TOTAL	\$15,643,146	\$1,611,244	\$1,611,244		\$21.66
				<i>Discount Rate</i>	4.0%
				Net Present Value per VMT [3]	\$14.46

[1] Projected tax increments from Sandpoint Urban Renewal Agency; growth share calculated by TischlerBise
 [2] See Report and Appendix for VMT projections
 [3] To account for the time value of money, payment per trip is discounted using a net present value formula assuming the average interest rate as shown.
 Sources: City of Sandpoint; TischlerBise

Figure 50. Revenue Credit: Northern Urban Renewal Area

Fiscal Year	Projected Tax Increments [1]	Projected Tax Increments for Growth Related Projects[1]		TOTAL	Total Res & Nonres VMT in North URA [2]	Credit Per VMT
		16.1%				
2011	\$211,360		\$34,029	\$34,029	50,305	\$0.68
2012	\$280,495		\$45,160	\$45,160	52,178	\$0.87
2013	\$294,520		\$47,418	\$47,418	54,052	\$0.88
2014	\$309,246		\$49,789	\$49,789	55,926	\$0.89
2015	\$324,709		\$52,278	\$52,278	57,799	\$0.90
2016	\$340,944		\$54,892	\$54,892	59,673	\$0.92
2017	\$357,991		\$57,637	\$57,637	61,547	\$0.94
2018	\$375,891		\$60,518	\$60,518	63,420	\$0.95
2019	\$394,685		\$63,544	\$63,544	65,294	\$0.97
2020	\$414,420		\$66,722	\$66,722	67,168	\$0.99
2021	\$435,141		\$70,058	\$70,058	78,410	\$0.89
2022	\$456,898		\$73,561	\$73,561	70,915	\$1.04
2023	\$479,742		\$77,239	\$77,239	72,789	\$1.06
2024	\$503,730		\$81,100	\$81,100	74,663	\$1.09
2025	\$528,916		\$85,155	\$85,155	76,536	\$1.11
2026	\$555,362		\$89,413	\$89,413	78,410	\$1.14
2027	\$583,130		\$93,884	\$93,884	80,330	\$1.17
2028	\$612,286		\$98,578	\$98,578	82,296	\$1.20
2029	\$642,901		\$103,507	\$103,507	84,311	\$1.23
2030	\$0		\$0	\$0	0	
TOTAL	\$8,102,365		\$1,304,481	\$1,304,481		\$18.92
					<i>Discount Rate</i>	4.0%
					Net Present Value per VMT [3]	\$12.72

[1] Projected tax increments from Sandpoint Urban Renewal Agency; growth share calculated by TischlerBise

[2] See Report and Appendix for VMT projections

[3] To account for the time value of money, payment per trip is discounted using a net present value formula assuming the average interest rate as shown.

Sources: City of Sandpoint; TischlerBise

Impact Fees in the URAs

Given the above credits, separate fee schedules are provided for each URA below. As noted above, the revenue credit is subtracted from the gross capital cost per VMT to derive a reduced net capital cost per VMT, which is then used to calculate the fees.

Figure 51. Transportation (Streets) Input Variables and Maximum Allowable Impact Fees by Type of Land Use: Downtown URA

Infrastructure Standards: Downtown URA

Average Miles per Vehicle Trip	6.77
Capital Cost per VMT	\$94.71
Consultant Cost per VMT	\$0.93
GROSS COST PER VMT	\$95.65
General Fund Reduction	0.6% (\$0.56)
TIF Credit per VMT	(\$14.46)
Net Capital Cost per VMT	\$80.62

			[A]	[B]	[C]	[D]	VMT = [A] x [B] x [C] x [D]	Impact Fee per Housing Unit		
			Weekday Vehicle Trip Ends	Trip Rate Adjustment Factors	Avg Miles per Veh. Trip on System	Trip Length Weighting Factors	VMT	Proposed Streets Impact Fee	Current Fee	Increase (Decrease)
Residential Development	Number of Bedrooms	ITE Code	(Per Housing Unit)				per unit	(Per Housing Unit)		
	All Sizes	220	6.2	59%	6.77	122%	30.21	\$2,435.00	\$853.45	\$1,581.55
	0-3	210	6.8	59%	6.77	122%	33.01	\$2,661.00	\$1,066.81	\$1,594.19
	4+	210	9.1	59%	6.77	122%	44.38	\$3,577.00	\$1,066.81	\$2,510.19
	Avg	210	7.3	59%	6.77	122%	35.57	\$2,867.00	\$1,066.81	\$1,800.19

			[A]	[B]	[C]	[D]	VMT = [A] x [B] x [C] x [D]	Impact Fee per Square Foot of Floor Area		
			Weekday Vehicle Trip Ends	Trip Rate Adjustment Factors	Avg Miles per Veh. Trip on System	Trip Length Weighting Factors	VMT	Proposed Streets Impact Fee	Current Fee	Increase (Decrease)
Nonresidential Development	Number of Bedrooms	ITE Code	(Per 1,000 sq. ft.)				per 1,000 sf	(Per Square Foot of Floor Area)		
	All Sizes	820	6.2	38%	6.77	68%	75.12	\$6.05	\$1.93	\$4.12
	0-3	710	6.8	50%	6.77	75%	27.95	\$2.25	\$0.49	\$1.76
	4+	151	9.1	50%	6.77	75%	6.35	\$0.51	\$0.11	\$0.40
	Avg	150	7.3	50%	6.77	75%	9.04	\$0.72	\$0.16	\$0.56
		140	3.82	50%	6.77	75%	9.70	\$0.78	\$0.17	\$0.61
		110	6.97	50%	6.77	75%	17.70	\$1.42	\$0.31	\$1.11

Figure 52. Transportation (Streets) Input Variables and Maximum Allowable Impact Fees by Type of Land Use: Northern URA

Infrastructure Standards: Northern URA

Average Miles per Vehicle Trip	6.77
Capital Cost per VMT	\$94.71
Consultant Cost per VMT	\$0.93
GROSS COST PER VMT	\$95.65
General Fund Reduction	0.6% (\$0.56)
TIF Credit per VMT	(\$12.72)
Net Capital Cost per VMT	\$82.36

			[A]	[B]	[C]	[D]	VMT = [A] x [B] x [C] x [D]	Impact Fee per Housing Unit		
			Weekday Vehicle Trip Ends	Trip Rate Adjustment Factors	Avg Miles per Veh. Trip on System	Trip Length Weighting Factors	VMT	Proposed Streets Impact Fee	Current Fee	Increase (Decrease)
Residential Development	Number of Bedrooms	ITE Code	(Per Housing Unit)				per unit	(Per Housing Unit)		
	All Sizes	220	6.2	59%	6.77	122%	30.21	\$2,488.00	\$853.45	\$1,634.55
	0-3	210	6.8	59%	6.77	122%	33.01	\$2,718.00	\$1,066.81	\$1,651.19
	4+	210	9.1	59%	6.77	122%	44.38	\$3,654.00	\$1,066.81	\$2,587.19
	Avg	210	7.3	59%	6.77	122%	35.57	\$2,929.00	\$1,066.81	\$1,862.19

			[A]	[B]	[C]	[D]	VMT = [A] x [B] x [C] x [D]	Impact Fee per Square Foot of Floor Area		
			Weekday Vehicle Trip Ends	Trip Rate Adjustment Factors	Avg Miles per Veh. Trip on System	Trip Length Weighting Factors	VMT	Proposed Streets Impact Fee	Current Fee	Increase (Decrease)
Nonresidential Development	Number of Bedrooms	ITE Code	(Per 1,000 sq. ft.)				per 1,000 sf	(Per Square Foot of Floor Area)		
	All Sizes	820	6.2	38%	6.77	68%	75.12	\$6.18	\$1.93	\$4.25
	0-3	710	6.8	50%	6.77	75%	27.95	\$2.30	\$0.49	\$1.81
	4+	151	9.1	50%	6.77	75%	6.35	\$0.52	\$0.11	\$0.41
	Avg	150	7.3	50%	6.77	75%	9.04	\$0.74	\$0.16	\$0.58
		140	3.82	50%	6.77	75%	9.70	\$0.79	\$0.17	\$0.62
		110	6.97	50%	6.77	75%	17.70	\$1.45	\$0.31	\$1.14

The City has expressed an interest in further reducing the fees paid in the Downtown URA. As a matter of policy, the City Council could implement a program where the Downtown URA impact fees are paid through other sources of revenue. One such option is mentioned in the *2010 Amended Urban Renewal Plan for the Downtown Area*:

*For development covered by an owner participation agreement or disposition and development agreement, the SURA shall have the authority, but not the obligation to cooperate with the developer to apply for a credit or reimbursement of any impact fee, or for any refund of said fee assessed by any other governmental entity. **The SURA shall also have the authority, but not the obligation, to consider paying of all or part of such impact fees from revenue allocation proceeds to the extent allowed by law.** (Emphasis added.)*

CASH FLOW PROJECTIONS

This section summarizes the potential cash flow to the City of Sandpoint, if the Transportation development impact fee is implemented at the maximum allowable amounts. The cash flow projections are based on the assumptions detailed in this study and provide an indication of the impact fee revenue and capital expenditures necessary to meet the demand for transportation improvements brought about by new development. To the extent the rate of development either accelerates or slows down, there will be a corresponding change in impact fee revenue and capital costs. The development projections on which the cash flow summary is based can be found in the Appendix to this report.

Figure 53 provides a summary of the projected ten-year cash flow from the Transportation impact fee and associated capital costs. A longer period of time is used for Transportation impact fees than other categories due to the long-term nature of road projects. Average annual fee revenue is approximately \$397,000, if the fee is implemented at the maximum allowable levels. Total projected new fee revenue is projected at almost \$4 million over 10 years. The bottom of the figure includes other revenue sources, including the balance of the current streets impact fee fund, other sources of funding identified in the CIP, and the remaining URA funds for projects including in the impact fee program. Given the available projected revenue sources, total revenue is \$20.6 million. Total projected capital costs over the next ten years total approximately \$21.8 million, resulting in a shortfall of \$1.2 million to be covered by other revenue sources.

Figure 53. Cash Flow Summary for Transportation (Streets)

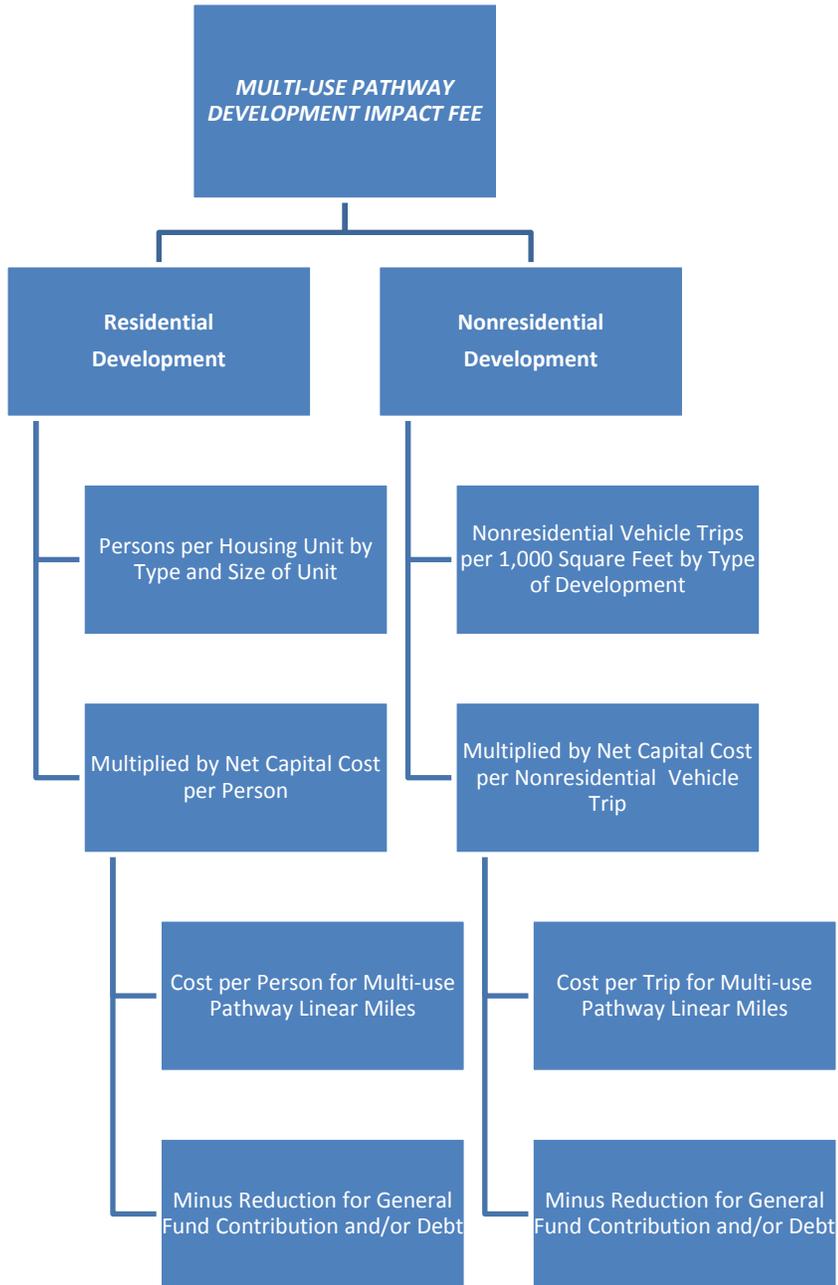
<i>(Current \$ in thousands)</i>	1	2	3	4	5	6	7	8	9	10	10-Year Average Annual	10-Year Cumulative Total
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
REVENUES												
TRANSPORTATION: Streets												
8 Streets Fee - SFD	\$121	\$123	\$125	\$127	\$129	\$131	\$133	\$135	\$137	\$139	\$130	\$1,300
9 Streets Fee - Multifamily/Other Res	\$55	\$56	\$57	\$57	\$58	\$59	\$60	\$61	\$62	\$63	\$59	\$588
10 Streets Fee - Commercial	\$81	\$82	\$84	\$85	\$86	\$87	\$89	\$90	\$91	\$92	\$87	\$868
11 Streets Fee - Office/Insttit	\$85	\$86	\$88	\$89	\$90	\$92	\$93	\$94	\$96	\$97	\$91	\$910
12 Streets Fee - Industrial	\$28	\$29	\$29	\$29	\$30	\$30	\$31	\$31	\$32	\$32	\$30	\$301
btotal Transportation (Streets) Fees	\$371	\$377	\$382	\$388	\$393	\$399	\$405	\$411	\$417	\$423	\$397	\$3,966
CAPITAL COSTS												
TRANSPORTATION: Streets												
Streets and Intersection Improvements	\$2,176	\$2,176	\$2,176	\$2,176	\$2,176	\$2,176	\$2,176	\$2,176	\$2,176	\$2,176	\$2,176	\$21,762
Consultant Cost	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$4	\$42
Subtotal Streets Costs	\$2,180	\$2,181	\$2,181	\$2,181	\$2,180	\$21,804						
NET CASH FLOW (Impact Fees)- TRANSPORTATION: Streets											<i>Current \$ in thousands</i>	
Annual Surplus (or Deficit)	(\$1,809)	(\$1,804)	(\$1,798)	(\$1,793)	(\$1,787)	(\$1,781)	(\$1,775)	(\$1,769)	(\$1,763)	(\$1,757)	(\$1,784)	
Cumulative Surplus (or Deficit)	(\$1,809)	(\$3,613)	(\$5,411)	(\$7,204)	(\$8,990)	(\$10,772)	(\$12,547)	(\$14,317)	(\$16,080)	(\$17,838)		(\$17,838)
Other Transportation (Streets) Fund IF balance												
Other Funding	\$177.91											\$8,135
Remaining Urban Renewal Funding	\$847	\$847	\$847	\$847	\$847	\$847	\$847	\$847	\$847	\$847	\$847	\$8,473
Total Transportation Revenues	\$2,192	\$2,020	\$2,025	\$2,031	\$2,036	\$2,042	\$2,048	\$2,054	\$2,060	\$2,066		\$20,574
NET CAPITAL FACILITIES CASH FLOW (ALL FUNDING)	\$12	(\$161)	(\$155)	(\$150)	(\$144)	(\$138)	(\$132)	(\$126)	(\$121)	(\$114)		(\$1,230)

TRANSPORTATION: MULTI-USE PATHWAYS

The City of Sandpoint has a system of Multi-use Pathways that are used for alternative modes of transportation. The City intends to build new miles of Pathways to maintain the current level of service by implementing a Multi-use Pathway impact fee to be implemented on residential and nonresidential development. It is based on the current linear miles of multi-use pathways in the City of Sandpoint.

Figure 54 diagrams the general methodology used to calculate the Multi-use Pathway impact fee. It is intended to read like an outline, with lower levels providing a more detailed breakdown of the impact fee components. The residential portion of the fee is derived from the product of persons per housing unit (by type of unit) multiplied by the net capital cost per person. The nonresidential portion is derived from the product of nonresidential vehicle trips per 1,000 square feet of nonresidential space multiplied by the net capital cost per trip. The boxes in the next level down indicate detail on the components included in the fee.

Figure 54. Multi-use Pathway Fee Methodology Chart



COST ALLOCATION FOR MULTI-USE PATHWAYS INFRASTRUCTURE

As pathways are used by both residents and employees in the City, costs are allocated to residential and nonresidential development. Figure 55 provides the proportionate share calculation to allocate costs between residential and nonresidential development.

Figure 55. Proportionate Share Calculation

	<u>Demand Units in 2009</u>	<u>Demand Hours/Day</u>	<u>Person Hours</u>	<u>Proportionate Share</u>
Residential				
Estimated Residents	8,615			
Residents Not Working	4,525	24	108,612	
Workers Living in City	4,090			
City Residents Working in City	1,772	16	28,352	
City Residents Working outside of City	2,318	16	37,088	
		Residential Subtotal	174,052	78%
Nonresidential				
Jobs Located in City	6,055			
City Residents Working in City	1,772	8	14,176	
Non-Resident Workers	4,283	8	34,264	
		Nonresidential Subtotal	48,440	22%
		TOTAL	222,492	100%

Source: US Census, OnTheMap Application and LEHD Origin-Destination Employment Statistics

MULTI-USE PATHWAYS INFRASTRUCTURE STANDARDS AND LEVELS OF SERVICE

The City currently has 11.31 miles of multi-use pathways. Allocating to residential and nonresidential development results in a level of service of 1.01 miles per person and .08 miles per nonresidential trip. Figure 56 provides the inventory of current pathways and values as well as costs per person and nonresidential trip and levels of service.

Figure 56. City of Sandpoint Multi-use Pathway Inventory and Cost Estimate

	<i>Length (lin. miles)</i>			
Sandpoint to Dover Community Trail	1.82			
Travers, Centennial, Great Northern Pathway:	4.11			
Lakeview Park Trail	0.40			
City Beach Trail	0.50			
Long Bridge Trail	0.25			
Lincoln Avenue	0.49			
Pine Street	0.53			
Division Street	0.30			
Boyer Avenue	0.62			
N. Boyer to Popsicle Bridge	0.32	<i>Average</i>		
West City limits to downtown to Larch & Boyer	1.97	<i>Cost per Mile</i>	<i>Total Value</i>	
TOTAL	11.31	\$160,000	\$1,809,933	

	<i>Proportionate Share</i>	<i>2011 Demand Units</i>	<i>Cost per Demand Unit</i>
Residential	78%	8,737 Population	\$162.05
Nonresidential	22%	31,329 Nonresid Trips	\$12.57

Lin. Mi. per 1,000 Persons 1.01
Lin. Mi. per 1,000 Nonres Trips 0.08

Source: City of Sandpoint

Cost for Development Impact Fee Study

Included in the fee is the cost for preparation of the Pathways portion of the development impact fees as allowed by the Idaho Act. This is calculated based on the projected growth in Sandpoint population and nonresidential development over the next five years, which represents the maximum period of time when the CIP should be updated to reflect changes in development and levels of service. The cost per person of \$6.77 and the cost per nonresidential trip of \$0.54 is derived by multiplying the consultant cost for preparing the development impact fees by the respective proportionate share then dividing by either the projected increase in population or increase in nonresidential trips over three years. See Figure 57.

Figure 57. Development Fee Preparation Cost (Pathways Portion)

		<i>Residential</i>	<i>Nonresidential</i>
Service Unit		Person	Vehicle Trip
Proportionate Share		78%	22%
Pathways Consultant Fee	\$5,844	\$4,572	\$1,272
Increase in Service Units	5 yrs	675	2,338
Cost per Service Unit		\$6.77	\$0.54

CREDIT EVALUATION

The City does not have any current outstanding debt for Pathways capital improvements that will be retired through property taxes. Included in the fee calculation is an examination of past funding for Pathways capacity improvements that were paid out of the General Fund as required by Idaho impact fee law. Based on an analysis from the past three years, we found that 0 percent of the General Fund has been spent on Pathways capacity improvements. Therefore, no credit is included.

PATHWAYS INPUT VARIABLES AND DEVELOPMENT IMPACT FEES

For Pathways infrastructure, a “service unit” for residential development is a person and for nonresidential development, it is a vehicle trip. As specified in 67-8208(e), the variables shown in the table below are used to convert service units to development units.

Level of service standards for the Pathways development impact fees are shown in Figure 28. Development impact fees are based on persons per housing unit by type and size for the residential fee and vehicle trip ends per 1,000 square feet for nonresidential development. Average weekday vehicle trip ends are from the reference book, *Trip Generation (Seventh Edition, 2008)*, published by the Institute of Transportation Engineers (ITE). A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate impact fees, trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points—thereby allocating the trip to the appropriate land use.

The basic trip adjustment factor is 50 percent for all nonresidential development except commercial. For commercial/shopping center development, the trip adjustment factor is less than 50 percent 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 an average size shopping center, the ITE manual indicates that on average 25 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 75 percent of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 75 percent multiplied by 50 percent, or approximately 38 percent of the trip ends. (See the Appendix for further discussion.)

Figure 28 summarizes service units, conversion factors, and cost factors per service unit for the Pathways development impact fees as detailed above.

Maximum allowable Pathways development impact fees by land use type are also shown below in Figure 28. Residential fees are per housing unit and nonresidential fees are per gross square foot of floor area. The fees are calculated by multiplying the service units per land use type by the net capital cost per service unit.

An example of the calculation for an average size single family detached unit is: the net capital cost per person (\$168.82) multiplied by the persons per housing unit for that size unit (2.19) to arrive at the development impact fee per average single family unit of \$369. For nonresidential land uses, the trip rate for the respective type of use is multiplied by the trip adjustment factor and then multiplied by the impact fee per trip. For example, the impact fee for a shopping center is calculated as follows: $42.94 \times 38\% \times \13.11 to yield an impact fee amount of \$.21 per square foot.

Figure 58. Multi-use Pathways Input Variables and Maximum Allowable Impact Fees by Land Use

Residential

		<i>Per Person</i>
Multi-use Pathway		\$162.05
Consultant Cost		\$6.77
GROSS COST		\$168.82
General Fund Reduction	0%	\$0
Debt Service Credit		\$0
		<i>Per Person</i>
NET CAPITAL COST		\$168.82

Residential Impact Fee

Unit Type	Number of Bedrooms	Persons per Housing Unit	Impact Fee per Housing Unit		
			Proposed Fee	Current Fee	Increase (Decrease)
Multifamily/Other	All Sizes	2.12	\$358.00	na	\$358.00
Single Family	0-3	1.97	\$332.00	na	\$332.00
Single Family	4+	2.95	\$497.00	na	\$497.00
Single Family	Avg	2.19	\$369.00	na	\$369.00

Nonresidential

		<i>Per Nonres. Trip</i>
Multi-use Pathway		\$12.57
Consultant Cost		\$0.54
GROSS COST		\$13.11
General Fund Reduction	0%	\$0
Debt Service Credit		\$0
		<i>Per Trip</i>
NET CAPITAL COST		\$13.11

Nonresidential Development Fee

ITE Code	Weekday Vehicle Trip Ends	Trip Rate Adj. Factors	Impact Fee per Square Foot of Floor Area			
			Proposed Fee	Current Fee	Increase (Decrease)	
		<i>(Per 1,000 sq. ft.)</i>	<i>(Per Square Foot of Floor Area)</i>			
820	Commercial / Shpg Ctr	42.94	0.38	\$0.21	na	\$0.21
710	Office	11.01	0.50	\$0.07	na	\$0.07
151	Mini-Warehouse	2.50	0.50	\$0.02	na	\$0.02
150	Warehousing	3.56	0.50	\$0.02	na	\$0.02
140	Manufacturing	3.82	0.50	\$0.03	na	\$0.03
110	Light Industrial	6.97	0.50	\$0.05	na	\$0.05

SERVICE AREA

Given the nature of Pathways services and the existence of one station with future capacity expansions serving the entire City, it is recommended that one impact fee service area be used for the Pathways impact fee.

CASH FLOW PROJECTIONS

This section summarizes the potential cash flow to the City of Sandpoint, if the Pathways development fees are implemented at the maximum allowable amounts. The cash flow projections are based on the assumptions detailed in this study and provide an indication of the impact fee revenue and capital expenditures necessary to meet the demand for pathways brought about by new development. To the extent the rate of development either accelerates or slows down, there will be a corresponding change in impact fee revenue and capital costs. The development projections on which the cash flow summary is based can be found in the Appendix to this report.

Figure 29 provides a summary of the projected five-year cash flow from the Pathways impact fee and associated capital costs. Impact fee revenues are projected to generate an average of \$29,000 per year if the fee is implemented at the maximum allowable level, for a five-year total of approximately \$144,000. Five-year capital costs to serve growth are projected at approximately \$145,000. Projected fee revenue covers approximately 100 percent of the capital costs.

Figure 59. Cash Flow Summary for Pathways

<i>(Current \$ in thousands)</i>	1	2	3	4	5	5-Year Average Annual	5-Year Cumulative Total
	2012	2013	2014	2015	2016		
REVENUES							
TRANSPORTATION: Multi-use Pathways							
13 Pathways Fee - SFD	\$15	\$15	\$15	\$15	\$16	\$15	\$76
14 Pathways Fee - Multifamily/Other Res	\$7	\$8	\$8	\$8	\$8	\$8	\$38
15 Pathways Fee - Commercial	\$3	\$3	\$3	\$3	\$3	\$3	\$14
16 Pathways Fee - Office/Instit	\$2	\$2	\$3	\$3	\$3	\$3	\$13
17 Pathways Fee - Industrial	\$1	\$1	\$1	\$1	\$1	\$1	\$4
Subtotal Transportation (Pathways) Fees	\$28	\$28	\$29	\$29	\$30	\$29	\$144
CAPITAL COSTS							
TRANSPORTATION: Multi-use Pathways							
Multi-use Pathways	\$27	\$27	\$28	\$28	\$29	\$28	\$139
Consultant Cost	\$1	\$1	\$1	\$1	\$1	\$1	\$6
Subtotal Pathways Costs	\$28	\$29	\$29	\$29	\$30	\$29	\$145
NET CAPITAL FACILITIES CASH FLOW-	TRANSPORTATION: Multi-use Pathways					<i>Current \$ in thousands</i>	
Annual Surplus (or Deficit)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	
Cumulative Surplus (or Deficit)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)		(\$0)

PROPORTIONATE SHARE ANALYSIS

Development impact fees for the City of Sandpoint are based on reasonable and fair formulas or methods. The fees do not exceed a proportionate share of the costs incurred or to be incurred by the City in the provision of system improvements to serve new development. The City will fund non-growth related improvements with non-impact fee funds as it has in the past.

The Idaho Development Impact Fee Act includes the evaluation factors set forth in the Utah Supreme Court decision known as *Banberry Development Corp. v. South Jordan City*. The analysis of these seven factors is discussed below.

- 1) The development impact fees for the City of Sandpoint are based on new growth's share of the costs of previously built projects along with planned public facilities as provided by the City of Sandpoint. Projects are included in the City's capital improvements plan and will be included in annual capital budgets.
- 2) The impact fee analysis and CIPs have identified potential funding shortfalls to be covered by non-development fee revenue sources. TischlerBise estimated impact fee revenue based on the maximum allowable impact fees for each functional area; results are shown in the cash flow analyses in this report. Impact fee revenue will almost entirely fund growth-related improvements.
- 3) The extent to which new development may have already contributed to the cost of existing public facilities has been considered. This credit is included based on amount of General Fund spent on capacity improvements for each category.
- 4) The relative extent to which properties will make future contributions to the cost of existing public facilities has also been evaluated in regards to existing debt. Outstanding debt for growth's portion of already constructed facilities will be paid from impact fee revenue, therefore a future revenue credit is not necessary.
- 5) The City will evaluate the extent to which newly developed properties are entitled to a credit for *system improvements* that have been provided by property owners or developers. These "site-specific" credits will be available for system improvements identified in the annual capital budget and long-term Capital Improvements Plans.

Administrative procedures for site-specific credits should be addressed in the development impact fee ordinance.

- 6) Extraordinary costs, if any, in servicing newly developed properties should be addressed through administrative procedures that allow independent studies to be submitted to the City. These procedures should be addressed in the development impact fee ordinance. One service area represented by the City of Sandpoint is appropriate for the fees herein.

- 7) The time-price differential inherent in fair comparisons of amounts paid at different times has been addressed. All costs in the impact fee calculations are given in current dollars with no assumed inflation rate over time. Necessary cost adjustments can be made as part of the annual evaluation and update of development impact fees.

IMPLEMENTATION AND ADMINISTRATION

The Idaho Development Impact Fee Act (hereafter referred to as the Idaho Act) requires jurisdictions to form a Development Impact Fee Advisory Committee. The committee must have at least five members with a minimum of two members active in the business of real estate, building, or development. The committee acts in an advisory capacity and is tasked to do the following⁵:

- Assist the governmental entity in adopting land use assumptions;
- Review the capital improvements plan, and proposed amendments, and file written comments;
- Monitor and evaluate implementation of the capital improvements plan;
- File periodic reports, at least annually, with respect to the capital improvements plan and report to the governmental entity any perceived inequities in implementing the plan or imposing the development impact fees; and
- Advise the governmental entity of the need to update or revise land use assumptions, the capital improvements plan, and development impact fees.

Per the above, the City has formed a Development Impact Fee Advisory Committee (DIFAC). TischlerBise and City Staff have met with the DIFAC and continue to do so throughout the process and have provided information on land use assumptions, level of service and cost assumptions, and draft impact fee schedules.

The City must develop and adopt a capital improvements plan (CIP) that includes those improvements for which fees were developed. The Idaho Act defines a capital improvement as an “improvement with a useful life of ten years or more, by new construction or other action, which increases the service capacity of a public facility.”⁶ Requirements for the CIP are outlined in Idaho Code 67-8208. Certain procedural requirements must be followed for adoption of the CIP and the development impact fee ordinance. Requirements are described in detail in Idaho Code 67-8206. For those infrastructure categories where incremental needs are identified, the City will need to incorporate those needs and costs in its ongoing CIP.

TischlerBise recommends that development impact fees be updated *annually* to reflect recent data. One approach is to adjust for inflation in construction costs by means of an index like the Marshall

⁵ Idaho Code 67-8205.

⁶ Idaho Code 67-8203.

Valuation Service or Engineering News Record (ENR). This index can be applied against the calculated impact fee. If cost estimates change significantly the City should evaluate an adjustment to the CIP and development impact fees. It has been the City's practice to do this.

Idaho's enabling legislation requires an annual development impact fees report that accounts for fees collected and spent during the preceding year (Idaho Code 67-8210). Development impact fees must be deposited in interest-bearing accounts earmarked for the associated capital facilities as outlined in capital improvements plans. Also, fees must be spent within five years of when they are collected unless the local governmental entity identifies in writing (a) a reasonable cause why the fees should be held longer than five years; and (b) an anticipated date by which the fees will be expended but in no event greater than eight years from the date they were collected.⁷

Credits must be provided for in accordance with Idaho Code Section 67-8209 regarding site-specific credits or developer reimbursements for system improvements that have been included in the impact fee calculations. Project improvements normally required as part of the development approval process are not eligible for credits against development impact fees. Specific policies and procedures related to site-specific credits or developer reimbursements for system improvements should be addressed in the ordinance that establishes the City's fees.

The general concept is that developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in CIP and impact fee calculations. If a developer constructs a system improvement that was included in the fee calculations, it is necessary to either reimburse the developer or provide a credit against the fees in the area that benefits from the system improvement. The latter option is more difficult to administer because it creates unique fees for specific geographic areas. Based on TischlerBise's experience, it is better for a reimbursement agreement to be established with the developer that constructs a system improvement. For example, if a developer elects to construct a system improvement, then a reimbursement agreement can be established to payback the developer from future impact fee revenue. The reimbursement agreement should be based on the actual documented cost of the system improvement, if less than the amount shown in the CIP. However, the reimbursement should not exceed the CIP amount that has been used in the impact fee calculations.

⁷ See Idaho Code 67-8210 for further detail.

NONRESIDENTIAL DEVELOPMENT CATEGORIES

Nonresidential development categories used throughout this study are based on land use classifications from the book *Trip Generation* (ITE, 2008). 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 Leasable Area (GLA) may be the same as the Gross Floor Area (GFA) of the building.

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 impact fees study, this category is used as a proxy for institutional uses that may have more specific land use codes.

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.

Manufacturing (140) – In manufacturing facilities, the primary activity is the conversion of raw materials or parts into finished products. In addition to the actual production of goods, manufacturing facilities may have office, warehouse, research, and associated functions.

APPENDIX: LAND USE ASSUMPTIONS & DEMOGRAPHICS

MEMORANDUM

TO: Jeremy Grimm, Planning Director
City of Sandpoint, Idaho

FROM: Julie Herlands
TischlerBise

DATE: May 20, 2011

SUBJECT: Demographic Data and Development Projections for Impact Fee Study

As part of our Work Scope, TischlerBise has prepared documentation on demographic data and development projections that will be used in the Impact Fee Study. The demographic data estimates for January 1, 2011, will be used in the study calculations. The development projections are used solely for the purpose of having an understanding of the possible future pace of service demands, impact fee revenues, and capital expenditures.

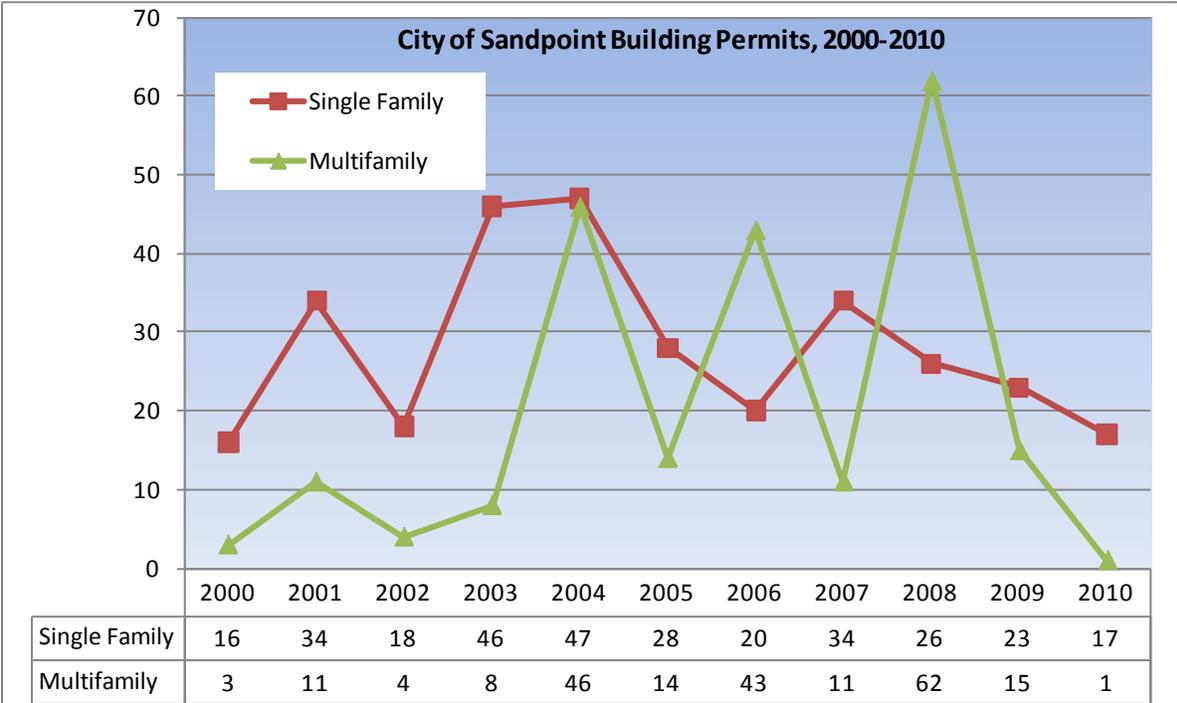
The data herein are for City of Sandpoint Parks, Law Enforcement, Fire Protection, and Transportation impact fees.

Calculations throughout this technical memo are based on an analysis conducted using Excel software. Results are discussed in the memo using one-and two-digit places (in most cases), which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

CURRENT POPULATION AND HOUSING UNIT ESTIMATES

Development impact fees require an analysis of current levels of service. For residential development, current levels of service are determined using current estimates of population and housing units. To estimate current housing units in the City, TischlerBise obtained building permit information from the City of Sandpoint. This information is then used to determine a current estimate of housing units as well as to estimate current population. Residential building permit trends by type of housing unit are shown below.

Figure A1. Residential Building Permits in City of Sandpoint, 2000-2010



Using the *Comprehensive Plan* base year (2006) City population of 8,206 and average household size, we estimate number of housing units in 2006 at 3,782. Using building permit data, we can estimate the growth in housing units over the last five years and the current number of housing units in the City by type of unit. Population growth over the last five years as well as the current estimated population (for 2011) is derived using housing units and persons per housing unit. The current number of housing units in the City is estimated at 4,034 with a current estimated population of 8,737. Figure A2 lists recent residential growth and the current housing unit and population estimates for the City of Sandpoint.

Based on household characteristics, TischlerBise recommends using two housing unit categories for the impact fee study: (1) Single Family Detached and (2) Multifamily. (Further discussion on housing

characteristics by housing unit type and bedroom count is provided at the end of this memo.) Recent residential growth trends in housing units and population are shown below. (See Figure A2.) The data for year 2011 will be used as the base year estimate for the Impact Fees.

Figure A2. Recent Growth in Population and Housing Units in the City of Sandpoint

		<i>Issued during calendar year</i>						
		<i>2006*</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>average</i>	
Building Permits								
Single Family		20	34	26	23	17	24	
Multifamily		43	11	62	15	1	26	
Total		63	45	88	38	18	50	
		50.4						
		<i>Jan 1==></i>					<i>Base Year</i>	
		2006	2007	2008	2009	2010	2011	
Housing Units								
Single Family		2,535	2,555	2,589	2,615	2,638	2,655	66%
Multifamily		1,247	1,290	1,301	1,363	1,378	1,379	34%
Total		3,782	3,845	3,890	3,978	4,016	4,034	100%
		2.17						
Population in Households	PPHU							
Single Family	2.19	5,552	5,596	5,670	5,727	5,777	5,815	
Multifamily	2.12	2,643	2,734	2,757	2,889	2,920	2,922	
		2.17						

* 2009 Comprehensive Plan base year population estimate
Source: City of Sandpoint; U.S. Census; TischlerBise

Household size by type of unit from the U.S. Census American Community Survey (2005-2009) is shown in Figure A3. Household size (persons per housing unit (PPHU)) is an important demographic factor that helps account for variations in service demand by type of housing. Persons per housing unit will be held constant over the projection period since the impact fees represent a “snapshot approach” of current levels of service and costs.

Figure A3. Household Size by Type of Housing Unit, 2005-2009 US Census American Community Survey

Units in Structure	<u>Persons</u>	<u>Units</u>	<u>PPHU</u>
	Single Family*	5,274	2,410
Multifamily	2,078	978	2.12
TOTAL	7,352	3,388	2.17

* Includes Manufactured Homes

Source: US Census, American Community Survey 5-Year Estimates, 2009

POPULATION AND HOUSING UNIT PROJECTIONS

TischlerBise analyzed recent growth trends, reviewed the City of Sandpoint Comprehensive Plan, and had discussions with staff. Over the past 10 years, the City has seen an average of 48 residential building permits a year. Without year 2010, which had the lowest number of permits over the last 10 years, the average number of units increases only slightly to 50 per year. However, in a number of recent years, activity has surpassed 60 units per year. Based on these growth patterns and assuming the slow economic recovery continues at a measured pace, residential growth is projected at a 1.5 percent annual growth rate. At this pace of growth, the average annual projected increase is 70 housing units and 152 persons, over the 20-year projection period. Given the recent economic downturn and slow recovery, the projected growth is gradual in the initial years. It is assumed that the distribution between single family and multifamily units is held constant with 66 percent of the housing stock single family homes and the remainder multifamily.

Population and housing unit projections are used for the purpose of having an understanding of the possible future pace of service demands, revenues, and expenditures. As these factors will vary to the extent that future development varies, there will be virtually no effect on the actual amount of the impact fee.

Figure A4. Population and Housing Unit Projections in City of Sandpoint, 2011-2031

Year=>	Base Yr	Five-Year Increments ==>									Cumulative Increase 2011-2031	Avg. Ann. Increase 2011-2031
	2011	1	2	3	4	5	10	15	20			
SUMMARY OF DEMAND PROJECTIONS (City Limits)												
TOTAL POPULATION	8,737	8,868	9,001	9,136	9,273	9,412	10,140	10,923	11,767		3,030	152
TOTAL HOUSING UNITS	4,034	4,094	4,155	4,218	4,281	4,345	4,681	5,043	5,433		1,399	70
ANNUAL INCREASES (City Limits)												
	10-11	11-12	12-13	13-14	14-15	15-16	20-21	25-26	30-31	Avg Annual		
Population		131	133	135	137	139	150	161	174	152		
Housing Units		61	61	62	63	64	69	75	80	70		

Sources: City of Sandpoint; TischlerBise.

NONRESIDENTIAL DEVELOPMENT ESTIMATES AND PROJECTIONS

In addition to data on residential development, the calculation of impact fees requires data on nonresidential square footage and employment (number of jobs) in the City of Sandpoint.

TischlerBise analyzed recent employment trends in the City of Sandpoint and Bonner County. Over the last 9 years, an average of 46 percent of the County’s jobs has been in the City of Sandpoint. We estimate the current number of jobs in the City of Sandpoint is 6,016, assuming a modest employment growth of .7 percent from 2010 to 2011. Results are shown below.

Figure A5. Employment Trends in Bonner County and City of Sandpoint

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	9-yr Avg Growth	Last 5-yr avg grwth
Bonner County Jobs	11,528	11,870	12,597	13,481	13,919	14,420	13,777	12,900	12,989	13,079	1.6%	-1.7%
<i>Annual growth</i>		3.0%	6.1%	7.0%	3.2%	3.6%	-4.5%	-6.4%	0.7%	0.7%		
<i>Net Jobs Increase</i>		342	727	884	438	501	(643)	(877)	89	90		
City of Sandpoint Job	5,204	5,491	5,789	6,377	6,408	6,299	6,146	6,055	5,975	6,016	2.3%	-1.3%
<i>Annual growth</i>		5.5%	5.4%	10.2%	0.5%	-1.7%	-2.4%	-1.5%	-1.3%	0.7%		
<i>Net Jobs Increase</i>		287	298	588	31	(109)	(153)	(91)	(80)	41		
% City of County	45%	46%	46%	47%	46%	44%	45%	47%	46%	46%		
							average==>	46%				
Estimated				4273								

Source: US Census, OnTheMap Application and LEHD Origin-Destination Employment Statistics; Idaho Department of Labor

To estimate current nonresidential floor area in the City, TischlerBise used the above job estimate along with an average square foot per job derived from the 2005 estimate of City nonresidential floor area (from the previous impact fee study) and number of jobs in 2005. It was estimated in 2005 that the City had 5.8 million square feet of nonresidential space (occupied) and a total of 6,377 jobs. This equates to 909 square feet per job. Applying this figure to the current estimated number of jobs determines the total amount of occupied nonresidential space. Further, this space is allocated to type of land use using the distribution from the 2005 study. The estimated square footage in 2011 for each major category of nonresidential development is shown below in Figure A6.

Figure A6. Estimated Employment and Nonresidential Floor Area City of Sandpoint, 2011

2011 Total Estimated Jobs	6,016	
Gross SF per Job*	909	
2011 Nonresidential SF Estimate		5,470,348
	<i>Percent by Nonresidential Land Use*</i>	<i>2011 Nonres Floor Area Estimate</i>
Commercial/Retail	16%	863,436
Office	43%	2,348,035
Industrial	41%	2,258,878
	100%	5,470,348

* Based on 2005 Buildout Analysis and 2005 Sandpoint employment

Nonresidential Floor Area and Employment Projections

Future employment growth and nonresidential development in the City are projected based on information provided by City staff, TischlerBise’s analysis of past trends, as well as examination of state and regional projections from the Idaho Department of Labor and Woods & Poole Economics.⁸ Idaho Department of Labor projects a growth rate of 1.42 percent for the Northern Idaho Region and Woods & Poole projects a growth rate of 1.5 percent for Bonner County. To be conservative, we average the two growth rates and assume a 1.45 percent growth in employment over the projection period.

The projected increase in employment is then used to project growth in nonresidential square footage using the employee per square foot data discussed above. Results are shown in Figure A7 below.

⁸ Woods & Poole Economics, Inc. is an independent firm that specializes in long-term county economic and demographic projections. Woods & Poole's database for every county in the U.S. contains projections through 2040 for more than 900 variables. Each year Woods & Poole updates the projections with new historical data.

Figure A7. Nonresidential Floor Area and Employment Projections in City of Sandpoint, 2011-2031

Year=>	Base Yr 2011	Five-Year Increments ==>									Cumulative Increase 2011-2031	Avg. Ann. Increase 2011-2031
		1 2012	2 2013	3 2014	4 2015	5 2016	10 2021	15 2026	20 2031			
SUMMARY OF DEMAND PROJECTIONS (City Limits)												
NONRESIDENTIAL DEVELOPMENT												
Nonres Floor Area (1,000 SF)	% of ttl											
Commercial (1,000 SF)	16%	863	876	889	902	915	928	997	1,072	1,152	288	14
Office/Instit (1,000 SF)	43%	2,348	2,382	2,417	2,452	2,487	2,523	2,712	2,914	3,131	783	39
Industrial/Flex (1,000 SF)	41%	2,259	2,292	2,325	2,359	2,393	2,427	2,609	2,803	3,013	754	38
TOTAL		5,470	5,550	5,630	5,712	5,795	5,879	6,317	6,789	7,296	1,825	91
Employment By Type												
Commercial/Retail	21%	1,275	1,293	1,312	1,331	1,350	1,370	1,472	1,582	1,700	425	21
Office/Institutional	58%	3,467	3,517	3,568	3,620	3,672	3,725	4,003	4,302	4,623	1,157	58
Industrial/Flex	21%	1,275	1,293	1,312	1,331	1,350	1,370	1,472	1,582	1,700	425	21
TOTAL		6,016	6,103	6,192	6,282	6,373	6,465	6,948	7,466	8,023	2,007	100
ANNUAL INCREASES (City Limits)												
		10-11	11-12	12-13	13-14	14-15	15-16	20-21	25-26	30-31	Five-Year Increment 2011-2031	Avg Annual
Jobs			87	88	90	91	92	99	107	115		100
Nonres Floor Area (1,000 SF)			79	80	82	83	84	90	97	104		91

AVERAGE DAILY VEHICLE TRIPS

Average Daily Vehicle Trips are used in several impact fee categories. Vehicle trips are estimated using average weekday vehicle trip ends from the reference book, *Trip Generation, 8th Edition*, published by the Institute of Transportation Engineers (ITE) in 2008. A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway).

Trip Rate Adjustments

Trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points. Therefore, the basic trip adjustment factor is 50 percent. As discussed below, additional adjustments are made to ensure the fees are proportionate to the infrastructure demand for particular types of development.

Adjustment for Journey-To-Work Commuting

Residential development in the City of Sandpoint has a larger trip adjustment factor of 61 percent to account for commuters leaving Sandpoint for work. According to the National Household Travel Survey,⁹ home-based work trips are typically 31 percent of “production” trips, in other words, out-bound trips (which are 50 percent of all trip ends). Also, data from the US Census for 2009 indicates that 57 percent

⁹ U.S. Department of Transportation and Federal Highway Administration, *Summary of Travel Trends: 2001 National Household Travel Survey*, December 2004 (see Table 29).

of Sandpoint’s workers travel outside the City for work (see Figure A8). In combination, these factors ($0.31 \times 0.50 \times 0.57 = 0.09$) account for 9 percent of additional production trips. The total adjustment factor for residential includes attraction trips (50 percent of trip ends) plus the journey-to-work commuting adjustment (9 percent of production trips) for a total of 59 percent.

Figure A8. Adjustment for Journey-to Work Commuting

Sandpoint Workers (2009)	4,090
Sandpoint Residents Working in City (2009)	1,772
Sandpoint Residents Commuting Outside City for Work	2,318
Percent Commuting out of the City	57%

Additional Production Trips	9%
Residential Trip Adjustment Factor	59%

*Source: U.S. Census, OnTheMap Application (version 5)
 Longitudinal-Employer Household Dynamics (LEHD) Program; ITE*

Adjustment for Pass-By Trips

The basic trip adjustment factor of 50 percent is applied to the Office/Institutional and Industrial categories. The Retail category has a trip factor of less than 50 percent because this type of development attracts vehicles as they pass-by on arterial and collector roads. For an average size shopping center, the ITE manual indicates that on average 25 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 75 percent of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 75 percent multiplied by 50 percent, or approximately 38 percent of the trip ends.

Estimated Vehicle Trips in Sandpoint

As an alternative to simply using the national average trip generation rate for residential development, the Institute of Transportation Engineers (ITE) publishes regression curve formulas that may be used to derive custom trip generation rates using local demographic data. Key independent variables needed for the analysis (i.e., vehicles available, housing units, households and persons) are available from the U.S. Census Bureau American Community Survey (ACS) 2005-2009 data for Sandpoint. This data was used to derive custom average weekday vehicle trip ends by type of housing, as shown below.

Figure A9. Average Weekday Vehicle Trip Ends by Housing Type in City of Sandpoint

City of Sandpoint, ID	Vehicles Available (1)	Households (2)			Vehicles per Household by Tenure
		Single Family Units	Multifamily Units	Total	
Owner-occupied	3,028	1,501	54	1,555	1.95
Renter-occupied	1,904	589	765	1,354	1.41
TOTAL	4,932	2,090	819	2,909	1.70
Housing Units (6) =>		2,410	978	3,388	
Persons per Housing Unit =>		2.19	2.12		

	Persons (3)	Trip Ends (4)	Vehicles by Type of Housing	Trip Ends (5)	Average Trip Ends	Trip Ends per Housing Unit	ITE Trip Ends Per Unit	Difference from ITE
Single Family Units	5,274	13,588	3,751	21,690	17,639	7.30	9.57	-24%
Multifamily Units	2,078	7,146	1,181	4,946	6,046	6.20	6.65	-7%
TOTAL	7,352	20,734	4,932	26,636	23,685	7.00		

- (1) Vehicles available by tenure from Table B25046, American Community Survey, 2005-2009.
- (2) Households by tenure and units in structure from Table B25032, American Community Survey, 2005-2009.
- (3) Persons by units in structure from Table B25033, American Community Survey, 2005-2009.
- (4) Vehicle trips ends based on persons using formulas from Trip Generation (ITE 2008). For single family housing (ITE 210), the fitted curve equation is $EXP(0.91 * LN(\text{persons}) + 1.52)$. To approximate the average population of the ITE studies, persons were divided by 9 and the equation result multiplied by 9. For multifamily housing (ITE 220), the fitted curve equation is $(3.47 * \text{persons}) - 64.48$.
- (5) Vehicle trip ends based on vehicles available using formulas from Trip Generation (ITE 2008). For single family housing (ITE 210), the fitted curve equation is $EXP(0.99 * LN(\text{vehicles}) + 1.81)$. To approximate the average number of vehicles in the ITE studies, vehicles available were divided by 15 and the equation result multiplied by 15. For multifamily housing (ITE 220), the fitted curve equation is $(3.94 * \text{vehicles}) + 293.58$.
- (6) Housing units from Table B25024, American Community Survey, 2005-2009.

As shown, a single family detached unit has an average daily trip rate of 7.30 per unit (compared to 9.57 from ITE) and a multifamily unit has an average daily trip rate of 6.20 trips per unit (compared to 6.65 per unit from ITE). Using this data, average daily trips in the City can be derived.

As shown in Figure A10 there is an average of 47,807 vehicle trips generated by existing development in Sandpoint on an average weekday. As the table indicates, residential development is estimated to generate 16,478 vehicle trips (34 percent) compared to 31,329 vehicle trips (65 percent) generated by nonresidential development. An example of the calculation is as follows for single family detached units: 2,655 single family units x 7.30 vehicle trips per day per unit x 59% adjustment factor = 11,435 total vehicle trips per day from single family units in the City. The same calculation is done for each land use type.

Figure A10. Average Daily Trips from Existing Development in City of Sandpoint

Residential Vehicle Trips on an Average Weekday (2011)			
Residential Units	<i>Assumptions</i>		
Single Family Detached	2,655		
Multifamily	1,379		
Average Weekday Vehicle Trip Ends per Unit*	<i>Trip Rate</i>	<i>Trip Factor</i>	
Single Family Detached	7.30	59%	
Multifamily	6.20	59%	
Residential Vehicle Trip Ends of an Average Weekday			
Single Family	11,435		
Multifamily	5,043	<i>% of total</i>	
Total Residential Trips	16,478	34%	
Nonresidential Vehicle Trips on an Average Weekday (2011)			
Nonresidential Gross Floor Area (1,000 sq. ft.)	<i>Assumptions</i>		
Commercial/Retail	863		
Office/Institutional	2,348		
Industrial/Flex	2,259		
Average Weekday Vehicle Trips Ends per 1,000 Sq. Ft.**	<i>Trip Rate</i>	<i>Trip Factor</i>	
Commercial	42.94	38%	
Office/Institutional	11.01	50%	
Industrial/Flex	3.82	50%	
Nonresidential Vehicle Trips on an Average Weekday			
Commercial	14,089		
Office/Institutional	12,926		
Industrial/Flex	4,314		
Total Nonresidential Trips	31,329	66%	
TOTAL TRIPS	47,807	100%	

*Trip rates are customized for City of Sandpoint. See accompanying tables and discussion.

**Trip rates are from the Institute of Transportation Engineers (ITE) Trip Generation Manual (2008)

DEMAND INDICATORS BY SIZE OF DETACHED HOUSING

As part of the impact fee effort for the City of Sandpoint, we further analyzed demographic data in an effort to potentially refine the impact fee schedule to be more progressive for residential development. This can be done by developing fees by size of housing unit by bedroom count. Household size and vehicle trip rates can be derived using custom tabulations of demographic data by bedroom range from survey responses provided by the U.S. Census Bureau in files known as Public Use Micro-data Samples (PUMS). TischlerBise used American Community Survey (ACS) 5-Year 2005-2009 data to derive persons per housing unit by number of bedrooms as well as number of vehicle trips per unit by number of bedrooms. Because PUMS data are only available for areas of roughly 100,000 persons, the City of

Sandpoint is in Idaho Public Use Micro-data Area (PUMA) 00100, which covers the counties of Benewah, Bonner, Boundary, Kootenai, and Shoshone. Data is first analyzed for the PUMA area and then calibrated to conditions in the City of Sandpoint.

As shown in Figure A11, TischlerBise derived trip generation rates and average persons, by bedroom range, using the number of persons and vehicles available. Recommended multipliers were scaled to make the average value by type of housing for Idaho PUMA 00100 match the average value derived from ACS data specific to Sandpoint. As shown, as number of bedrooms increases, trip ends and persons per unit increase as well.

Figure A11. Average Persons and Trip Ends by Bedroom Range in City of Sandpoint

	Persons (1)	Trip Ends (2)	Vehicles Available (1)	Trip Ends (3)	Average Trip Ends	Housing Units (1)	Recommended Multipliers for Sandpoint (4)	
							Trip Ends per Housing Unit	Persons per Housing Unit
Single Family 0-2 Bdrms	2,093	6,205	1,130	6,613	6,409	1,416	5.83	1.52
Single Family 3 Bdrms	4,413	12,234	1,811	10,548	11,391	1,975	7.43	2.29
Single Family 4 Bdrms	2,011	5,984	671	3,947	4,965	735	8.71	2.81
Single Family 5+ Bdrms	830	2,674	236	1,403	2,039	254	10.35	3.35
<i>Single Family Subtotal</i>	<i>9,347</i>	<i>27,098</i>	<i>3,848</i>	<i>22,511</i>	<i>24,804</i>	<i>4,380</i>	<i>7.30</i>	<i>2.19</i>
<i>Multifamily Subtotal</i>	<i>757</i>	<i>2,562</i>	<i>425</i>	<i>1,968</i>	<i>2,265</i>	<i>481</i>	<i>6.20</i>	<i>2.12</i>
GRAND TOTAL	10,104	29,660	4,273	24,479	27,070	4,861		

- (1) American Community Survey, Public Use Microdata Sample for ID PUMA 00100 (unweighted data for 2005-2009).
- (2) Vehicle trips ends based on persons using formulas from Trip Generation (ITE 2008). For single family housing (ITE 210), the fitted curve equation is $EXP(0.91 * LN(persons) + 1.52)$. To approximate the average population in the ITE studies, persons were divided by 17 and the equation result multiplied by 17.
- (3) Vehicle trip ends based on vehicles available using formulas from Trip Generation (ITE 2008). For single family housing (ITE 210), the fitted curve equation is $EXP(0.99 * LN(vehicles) + 1.81)$. To approximate the average number of vehicles in the ITE studies, vehicles available were divided by 15 and the equation result multiplied by 15.
- (4) Recommended multipliers are scaled to make the average value by type of housing for ID PUMA 00100 match the average value for Sandpoint, derived from American Community Survey 2005-2009 data, with persons adjusted to the Citywide average of 2.19 persons per housing unit.

SUMMARY

Annual demographic and development projections for the study are summarized in Figure A12 below. Demographic data estimates for 2011 are used in the impact fee calculations. The development *projections* are used for the purpose of having an understanding of the future pace of service demands and cash flows resulting from revenues and expenditures associated with those service demands.

As analysis continues on the impact fees, additional demographic analysis may need to occur particularly for the Area of City Impact (ACI). This memo will be revised as such to reflect this additional information if necessary and will be included in the final report as an Appendix.

Figure A12. Annual Demand Projections, 2011-2031, City of Sandpoint

Year=>	Base Yr 2011	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021	11 2022	12 2023	13 2024	14 2025	15 2026	20 2031	Five-Year Increments ==			
																		Cumulative Increase 2011-2031	Avg. Ann. Increase 2011-2031		
SUMMARY OF DEMAND PROJECTIONS (City Limits)																					
TOTAL POPULATION	8,737	8,868	9,001	9,136	9,273	9,412	9,553	9,697	9,842	9,990	10,140	10,292	10,446	10,603	10,762	10,923	11,767	3,030	152		
TOTAL HOUSING UNITS	4,034	4,094	4,155	4,218	4,281	4,345	4,410	4,477	4,544	4,612	4,681	4,751	4,823	4,895	4,968	5,043	5,433	1,399	70		
TOTAL JOBS	6,016	6,103	6,192	6,282	6,373	6,465	6,559	6,654	6,751	6,848	6,948	7,048	7,151	7,254	7,359	7,466	8,023	2,007	100		
TOTAL POPULATION AND JOBS	14,753	14,971	15,193	15,418	15,646	15,877	16,112	16,351	16,593	16,838	17,087	17,340	17,597	17,857	18,121	18,390	19,791	5,038	252		
Jobs to Population Ratio	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.68	0.68	0.68	0.68	0.68	0.68				
RESIDENTIAL DEVELOPMENT																					
Population	8,737	8,868	9,001	9,136	9,273	9,412	9,553	9,697	9,842	9,990	10,140	10,292	10,446	10,603	10,762	10,923	11,767	3,030	152		
Housing Units																					
Single Family Detached	Unit Mix 66%	2,655	2,695	2,735	2,776	2,818	2,860	2,903	2,947	2,991	3,036	3,081	3,127	3,174	3,222	3,270	3,319	3,576	921	46	
Multifamily	34%	1,379	1,399	1,420	1,442	1,463	1,485	1,507	1,530	1,553	1,576	1,600	1,624	1,648	1,673	1,698	1,723	1,857	478	24	
TOTAL		4,034	4,094	4,155	4,218	4,281	4,345	4,410	4,477	4,544	4,612	4,681	4,751	4,823	4,895	4,968	5,043	5,433	1,399	70	
NONRESIDENTIAL DEVELOPMENT																					
Nonres Floor Area (1,000 SF)	% of ttl																				
Commercial (1,000 SF)	16%	863	876	889	902	915	928	941	955	969	983	997	1,012	1,026	1,041	1,056	1,072	1,152	288	14	
Office/Insttit (1,000 SF)	43%	2,348	2,382	2,417	2,452	2,487	2,523	2,560	2,597	2,635	2,673	2,712	2,751	2,791	2,831	2,872	2,914	3,131	783	39	
Industrial/Flex (1,000 SF)	41%	2,259	2,292	2,325	2,359	2,393	2,427	2,463	2,498	2,535	2,571	2,609	2,646	2,685	2,724	2,763	2,803	3,013	754	38	
TOTAL		5,470	5,550	5,630	5,712	5,795	5,879	5,964	6,050	6,138	6,227	6,317	6,409	6,502	6,596	6,692	6,789	7,296	1,825	91	
Employment By Type																					
Commercial/Retail	21%	1,275	1,293	1,312	1,331	1,350	1,370	1,390	1,410	1,430	1,451	1,472	1,493	1,515	1,537	1,559	1,582	1,700	425	21	
Office/Institutional	58%	3,467	3,517	3,568	3,620	3,672	3,725	3,779	3,834	3,890	3,946	4,003	4,061	4,120	4,180	4,241	4,302	4,623	1,157	58	
Industrial/Flex	21%	1,275	1,293	1,312	1,331	1,350	1,370	1,390	1,410	1,430	1,451	1,472	1,493	1,515	1,537	1,559	1,582	1,700	425	21	
TOTAL		6,016	6,103	6,192	6,282	6,373	6,465	6,559	6,654	6,751	6,848	6,948	7,048	7,151	7,254	7,359	7,466	8,023	2,007	100	
VEHICLE TRIPS																					
Residential Trips	Trip Rates Adj. %																				
Single Family Detached	7.30 59%	11,435	11,607	11,781	11,958	12,137	12,319	12,504	12,691	12,882	13,075	13,271	13,470	13,672	13,877	14,085	14,297	15,402	3,966	198	
Multifamily	6.20 59%	5,043	5,118	5,195	5,273	5,352	5,432	5,514	5,597	5,681	5,766	5,852	5,940	6,029	6,120	6,211	6,305	6,792	1,749	87	
TOTAL Residential Trips		16,478	16,725	16,976	17,231	17,489	17,751	18,018	18,288	18,562	18,841	19,123	19,410	19,701	19,997	20,297	20,601	22,193	5,715	286	
Nonresidential Trips																					
Commercial (1,000 SF)	42.94 38%	14,089	14,293	14,500	14,711	14,924	15,140	15,360	15,583	15,809	16,038	16,270	16,506	16,746	16,988	17,235	17,485	18,790	4,701	235	
Office/Insttit (1,000 SF)	11.01 50%	12,926	13,113	13,304	13,496	13,692	13,891	14,092	14,296	14,504	14,714	14,927	15,144	15,363	15,586	15,812	16,041	17,239	4,313	216	
Industrial/Flex (1,000 SF)	3.82 50%	4,314	4,377	4,440	4,505	4,570	4,636	4,704	4,772	4,841	4,911	4,982	5,055	5,128	5,202	5,278	5,354	5,754	1,440	72	
TOTAL Nonresidential Trips		31,329	31,784	32,244	32,712	33,186	33,667	34,156	34,651	35,153	35,663	36,180	36,705	37,237	37,777	38,325	38,880	41,782	10,453	523	
GRAND TOTAL Trips		47,807	48,509	49,220	49,943	50,675	51,419	52,173	52,939	53,716	54,504	55,303	56,115	56,938	57,774	58,621	59,482	63,976	48,241	2,412	
ANNUAL INCREASES (City Limits)																					
Population		131	133	135	137	139	141	143	145	148	150	152	154	157	159	161	174	152			
Housing Units		61	61	62	63	64	65	66	67	68	69	70	71	72	73	75	80	70			
Jobs		87	88	90	91	92	94	95	96	98	99	101	102	104	105	107	115	100			
Nonres Floor Area (1,000 SF)		79	80	82	83	84	85	86	88	89	90	92	93	94	96	97	104	91			

Figure A13. Annual Demand Projections Chart, 2011-2031

