ORDINANCE NUMBER 955

AN ORDINANCE OF THE CITY OF KETCHUM, IDAHO, AMENDING KETCHUM MUNICIPAL CODE TITLE 15, BUILDINGS AND CONSTRUCTION, CHAPTER 15.12, DEVELOPMENT IMPACT FEE; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, Idaho Code § 67-8201 *et seq.* allows Idaho municipal corporations to enact ordinances allowing them to collect a development impact fee; and

WHEREAS, pursuant to Idaho Code § 67-8201 *et seq.*, the City of Ketchum enacted Ordinance No. 726 on August 3, 1998, now codified as Ketchum Municipal Code Title 15, Chapter 12 "Development Impact Fee", providing for the collection of such fees for development impacts on Ketchum's water and wastewater systems; and

WHEREAS, Idaho Code § 67-8201 *et seq.* allow such ordinances to collect development impact fees for the impacts of development upon public facilities including water supply production, treatment, storage and distribution facilities; wastewater collection, treatment and disposal facilities; roads, streets and bridges, including rights-of-way, traffic signals, landscaping and any local components of state or federal highways; storm water collection, retention, detention, treatment and disposal facilities, flood control facilities, and bank and shore protection and enhancement improvements; parks, open space and recreation areas, and related capital improvements; and public safety facilities, including law enforcement, fire, emergency medical and rescue and street lighting facilities; and

WHEREAS, Ketchum now desires to expand the categories of public facilities for which it collects development impact fees to include all permitted categories set forth in Idaho Code § 67-8201 *et seq.*

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Ketchum, Idaho:

SECTION 1. That Chapter 15.12, Development Impact Fee, of Title 15, Buildings and Construction of the Ketchum Municipal Code, Subsections 15.12.020 through 15.12.100 and 15.12.130 are hereby amended, altered and changed by adding thereto the words underlined and deleting the words with a strike through hereinbelow, to-wit:

15.12.020 Definitions.

As used in this chapter, the following words and terms shall have the following meanings, unless another meaning is plainly intended:

"Affordable housing" means housing affordable to families whose incomes do not exceed eighty percent (80%) of the median income for the service area or areas within the jurisdiction of the governmental entity.

"Appropriate" means to legally obligate by contract or otherwise commit to use by appropriation or other official act of the city.

"Building permit" means the permit required for foundations, new construction and additions pursuant to Ketchum Ordinance 714, codified as Chapter 15.04, as the same may be amended from time to time.

"Capital improvements" means improvements with a useful life of ten (10) years or more, by new construction or other action, which increases the service capacity of the public facility or service improvement.

"Capital improvement element" means a component of the comprehensive plan adopted pursuant to chapter 65, title 67, Idaho Code, which component meets the requirements of the capital improvements plan.

"Capital improvements plan" means a plan adopted and amended pursuant the provision of the Development Impact Fee Act, Idaho Code 67-8208, that identifies capital improvements for which development impact fees may be used as a funding source.

"City" means the city of Ketchum, a municipal corporation duly organized pursuant to the laws of the state of Idaho.

"Community Housing Guidelines" means the current Community Housing Guidelines prepared by the Blaine-Ketchum Housing Authority. Copies of the document and subsequent updates and changes are located in the Ketchum planning department.

"Developer" means any person or legal entity undertaking development including a party that undertakes the subdivision of property pursuant to sections 50-1301 through 50-1334, Idaho Code.

"Development" means any construction or installation of a building or structure, or any change in use of a building or structure, or any change in the use, character or appearance of land, which requires development approval or creates additional demand and need for public facilities or the subdivision of property that would permit any change in the use, character or appearance of land.

"Development approval" means any written duly authorized document from the city which authorizes the commencement of a development.

"Development impact fee" means a payment of money imposed as condition of development approval to pay for a proportionate share of the costs of system improvements needed to serve development. This term is also referred to as an impact fee in this chapter. The term does not include the following:

1. A charge or fee to pay the administrative plan review, or inspection cost associated with permits required for development;
2. Connection or hookup charges;
3. Availability charges for drainage, sewer, water or transportation charges for services provided directly to the development; or
4. Amounts collected from a developer in a transaction in which the city has incurred expenses in constructing capital improvements for the development if the owner or developer has agreed to be financially responsible for the instruction or installation of the capital improvements, unless a written agreement is made pursuant to Section 67-8209(3), Idaho Code, for credit or reimbursement.

"Development requirement" means a requirement attached to a developmental approval or other governmental action approving or authorizing a particular development project including, but not limited to, an annexation agreement, a rezoning, or a planned unit development, which requirement compels the payment, dedication or contribution of goods, services, land or money as condition of approval.

"Development subareas/service areas" means any defined geographic area identified by the city in the comprehensive plan including but not limited to the capital improvement plan, or intergovernmental agreement between the city and other governmental entity, in which specific public facilities provide service to development within the areas defined, on the basis of sound planning or engineering principles or both.

"Extraordinary costs" means those costs incurred as result of an extraordinary impact.

"Extraordinary impact" means an impact which is reasonably determined by the city to:

1. Result in the need for system improvements, the cost of which will significantly exceed the sum of the development impact fees to be generated from the project or the sum agreed to be paid pursuant to a development agreement as allowed by Section 67-8214(2), Idaho Code; or

2. Result in the need for system improvements which are not identified in the capital improvements plan; or

3. Have an impact which results in a lower than acceptable level of service.

"Fee administrator" means the official or designee appointed by the mayor with city council approval, to administer this chapter.

"Fee payer" means the person who pays or is required to pay a development impact fee.

Impact Fee. See "Development impact fee."

"Land use assumptions" means a description of the service area and projections of land uses, densities, intensities and population in the service area over at least a twenty (20) year period.

"Level of service" means a measure of the relationship between service capacity and service demand for public facilities.

"Manufactured/mobile home" means a structure, constructed according to HUD/FHA mobilehome construction and safety standards, transportable in one or more sections, which, in the traveling mode, is eight feet or more in width or is forty (40) body feet or more in length, or when erected on site, is three hundred twenty (320) or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to required utilities, and includes the plumbing, heating, air conditioning and electrical systems contained in such structure, except that such term shall include any structure which meets all the requirements of this subsection except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the Secretary of Housing and Urban Development and complies with the standards established under 42 U.S.C. 5401, et seq.

"Modular building" means any building or building component other than a manufactured/mobilehome, which is constructed according to the Uniform Building Code, as adopted or any amendments, which is of closed construction and is either entirely or substantially prefabricated or assembled at a place other than the building site.

"Present value" means the total current monetary value of past, present or future payments, contributions or dedications of goods, services, materials, construction or money.

"Project" means a particular development on an identified parcel of land.

"Project improvements," in contrast to system improvements, means site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary to the occupants or users of the project.

"Proportionate share" means that portion of the cost of system improvements determined pursuant to Section 67-8207, Idaho Code, which reasonably relates to the service demands and needs of the project.

"Public facilities" means those types of improvements described in Idaho Code 50-1703, including but not limited to the following:

1. Water supply production, treatment, storage and distribution facilities;

2. Wastewater collection, treatment and disposal facilities;

3. Roads, streets, bridges, sidewalks and bike paths, including rights-of-way, traffic signals, landscaping and any local components of state or federal highways;

4. Stormwater collection, retention, detention, treatment and disposal facilities, flood control facilities, and bank and shore protection and enhancement improvements;

5. Parks, open space and recreation areas, and related capital improvements; and

6. Public safety facilities, including law enforcement, fire, emergency medical and rescue and street lighting facilities.

"Public facilities planning area" means a designated area that is identified in a capital facilities plan where the need for public facilities has been determined using assumptions made in accordance with generally accepted planning and engineering standards.

"Recreational vehicle" means a vehicular type unit primarily designed as temporary quarters for recreational camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle.

"Reports" means and includes, but is not limited to, the Blaine-Ketchum Housing Authority's Community Housing Guidelines 2004-2005 and as the same may be amended from time to time, theKetchum Community Housing Guidelines and all other documents adopted by the Ketchum city council in the form of a resolution, as a component of the Ketchum community housing documentation. Copies of the document and subsequent updates and changes are located in the Ketchum planning and building department.

Service Area. See "Development subareas/service areas."

"Service unit" means a standardized measure of consumption, use, generation or discharge attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards for a particular category of capital improvements.

"System improvements," in contrast to project improvements, means capital improvements to public facilities which are designed to provide service to a service area/subarea including, without limitation, the type of improvements described in Section 50-1703, Idaho Code.

"System improvements costs" means costs incurred for construction or reconstruction of system improvements, including design, acquisition, engineering and other costs, and also including, without limitation, the type of costs described in Section 50-1702(h), Idaho Code, to provide additional public facilities needed to service new growth and development. For clarification, system improvement costs do not include:

1. Construction, acquisition or expansion of public facilities other than capital improvements identified in the capital improvements plan;

2. Repair, operation or maintenance of existing or new capital improvements;

3. Upgrading, updating, expanding or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental or regulatory standards;

4. Upgrading, updating, expanding or replacing existing capital improvements to provide better service to existing development;

5. Administrative and operating costs of the city unless such costs are attributable to development of the capital improvements plan, as provided in Section 67-8208, Idaho Code;

6. Principal payments and interest or other finance charges on bonds or other indebtedness except financial obligations issued by or on behalf of the city to finance capital improvements identified in the capital improvements plan.

"Unit(s) of development" means a quantifiable increment of development activity measured in terms of dwelling units, or other appropriate measurements contained in the impact fee schedule. (Ord. 812 §§ 1, 2, 1999; Ord. 726 § 2, 1998)

15.12.030 Application and exemptions.

A. The provisions of this chapter shall apply uniformly to those who benefit from new growth and development except as provided below.

B. The provision of this chapter shall not apply to the following:

1. Rebuilding the same amount of floor space of a structure which is destroyed by fire or other catastrophe, providing the structure is rebuilt and ready for occupancy within two years of its destruction;

2. Remodeling or repairing a structure which does not increase the number of service units;

3. Replacing a residential unit, including a modular building or manufactured/mobilehome, with another residential unit on the same lot; provided that, the number of service units does not increase;

4. Placing a temporary construction trailer or office on a lot;

5. Constructing an addition on a residential structure which does not increase the number of service units;

6. Adding uses that are typically accessory to residential uses, such as tennis courts, etc., unless there is an increase in the number of service units;

7. Upon demonstration by fee payer by documentation such as utility bills and tax records, to a modular building, manufactured/mobilehome or recreational vehicle legally in place on the lot or space prior to the effective date of the development impact fee ordinance; or

8. Upon demonstration by fee payer by documentation such as utility bills and tax records, to the installation of a modular building, manufactured/mobilehome or recreational vehicle on that same lot or space for which a development impact fee has been paid previously, and as long as there is no increase in service units.

C. Developments determined by the city council to be consistent with the intent of the comprehensive plan and that provide community or employee housing as defined in this chapter, may be exempt from the impact fee requirement, to the extent that such housing will be supplied; provided that, the exempt development's proportionate share of system improvements is funded through a revenue source other than development impact fees.

1. Current Blaine-Ketchum Housing Authority Community Housing Guidelines shall be used to determine whether housing units in the development qualify as community or employee housing units.

2. Community or employee housing developments are required to demonstrate that all or part of units provided will be made available to qualified households based on current Blaine-Ketchum Housing Authority Community Housing Guidelines.

3. Providers of community or employee housing must demonstrate a long-term commitment to provide community or employee housing for a period of not less than twenty-five (25) years. This commitment shall be in a form acceptable to the Ketchum city council. The probable means for demonstrating such a commitment is deed-restricting a community or employee housing unit to limit appreciation for at least a twenty-five (25) year period.

D. An exemption must be claimed by the fee payer upon application for a building permit. Any exemption not so claimed shall be deemed waived by the fee payer. Applications for exemption shall be submitted to and determined by the fee administrator within ninety (90) days. Appeals of the fee administrator's determination shall be made under the provisions of Section 15.12.110, Appeals. (Ord. 812 § 3, 1999; Ord. 726 § 3, 1998)

15.12.040 Collection of impact fee.

A. The development impact fees, shall be paid at the time of issuance of the building permit or as may be agreed upon in writing between the developer and the city.

B. No water hookup application or sewer hookup application shall be accepted by the City for development unless all development impact fees fees have been paid.

C. A manufactured/mobile unit may not locate on a manufactured/mobilehome site unless the impact fee is paid on a previous manufactured/mobilehome unit on the same site.

D. In the event payment is dishonored, late or not paid in full, the city may exercise all remedies available at law or in equity including, without limitation, specific performance , thewithholding of utility services, the withholding of the building permit or other city approvals, adding interest to the total development impact fee (not merely the portion dishonored, late or not paid in full) at the legal rate provided for in Idaho Code § 28-22-104 plus 5% (five percent) beginning on the date at which the payment of the development impact fee was due until paid in full, the imposition of reasonable penalties but in any event not less than 1% (one percent) of the total development impact fee (not merely the portion dishonored, late or not paid in full) per day beginning on the date at which the payment of the development impact fee was due until paid in full, the imposition of liens pursuant Chapter 5, Title 45, Idaho Code, the withholding of other city approvals required for the development of other properties owned by the fee payer, and the issuance of stop work orders, and the revocation or suspension of the building permit. (Ord. 726 § 4, 1998)

15.12.050 Capital/system improvement projects.

The capital/system improvement projects to be financed by the impact fees are those as listed in the capital improvements plan, Addenda A, B and C hereto, and the reports, incorporated in this chapter by reference along with all footnotes, exhibits, appendices, and other attachments referenced in such reports Additional information, including without limitation studies and memoranda used to prepare the capital improvements plan, Addenda A, B, and C, and the reports shall be available to the public according to applicable law. (Ord. 726 § 5, 1998)

15.12.060 Calculation of impact fee.

A. The city shall calculate the amount of the impact fee due for each building permit by the procedure set forth in the reports, and the studies and memoranda used to prepare Addenda A, B and Cwithin thirty (30) days of submittal of complete permit plans for residential development or submission of an application for a water or sewer hookup and within sixty (60) days of submittal of complete permit plans for commercial development.

B. The calculation of a development impact fee shall be in accordance with generally accepted accounting principles. A development impact fee shall not be deemed invalid because payment of the fee may result in an incidental benefit to owners or developers within the service area other than the person paying the fee.

C. A development impact fee shall be calculated on the basis of levels of service for public facilities adopted in this chapter and the reports that are applicable to existing development as well as new growth and development. The construction, improvement, expansion or enlargement of new or existing public facilities for which a development impact fee is imposed must be attributable to the capacity demands generated by the new development.

D. If the development for which a building permit is sought contains a mix of uses, the impact fee will be calculated for each type of development based on the required service units.

E. Certification. Prior to making an application for a building permit, a prospective applicant may request in writing a written certification of the development impact fee schedule or individual assessment for a particular project which shall establish the development fee so long as there is no material change to the particular project as identified in the individual assessment application, or the impact fee schedule. The certification shall include an explanation of facilities considered under Idaho Code § 67-8207. The certification shall specify the system improvement(s) for which the impact fee is intended to be used.

F. Individual Assessment. Individual assessment of impact fees is permitted in situations where the fee payer can demonstrate by clear and convincing evidence that the established impact fee is inappropriate.

1. Individual assessments of development impact fees may be made by application in writing by the developer to the fee administrator prior to receiving building permits or other necessary approvals from the city in instances where building permits are not required. Late applications for individual assessments may be considered for a period of thirty (30) days after the receipt of a building permit only if the fee payer makes a showing that the facts supporting such application were not known or discoverable prior to receipt of a building permit and that undue hardship would result if such application is not considered. The individual assessment process shall permit consideration of studies, data, and any other relevant information submitted by the developer to adjust the amount of the fee. The decision by the city on an application for an individual assessment.

2. The fee administrator shall evaluate such individual assessments under the guidelines provided for in subsection F4 of this section. If the guidelines are met, the individual assessment shall be approved by the fee administrator and forwarded to the city council within thirty (30) days of receiving such application.

3. The fee administrator shall render a written decision regarding the individual assessment and forward it to the city council within thirty (30) days of the date a complete application is submitted. The decision of the fee administrator shall establish the impact fee for the project in question for a period of one year from the date such decision becomes final. The decision shall include an explanation of the calculation of the impact fee, including an explanation of factors considered under section 67-8207, Idaho Code, and shall specify the system improvement(s) for which the impact fee is intended to be used

4. The fee administrator shall evaluate an application for individual assessment and may approve the same if fee payer has shown by clear and convincing evidence that the established impact fee is inappropriate and that the following facts and conditions exist:

a. Exceptional or extraordinary circumstances or conditions apply to the development that do not apply generally to other properties in the subarea or the vicinity of the development.

b. An individual assessment is necessary for the reasonable and acceptable development of the property.

c. The approval of the individual assessment will not be materially detrimental to the public welfare or injurious to property in the vicinity in which the development is located.

d. The approval of the individual assessment will not adversely affect the capital improvement plan of the city.

5. Appeals of the fee administrator determination of individual assessment shall be made to the city council by the filing of an appeal with the city clerk within thirty (30) days of the date of mailing, faxing, or personal delivery of written notice of the decision of the fee administrator. Final determination regarding individual assessments shall be made by the city council. The council may affirm, reject or revise the determination of the fee administrator providing written findings of facts and conclusions of law. (Ord. 726 § 6, 1998)

15.12.070 General methodology for calculation.

A. The amount of the impact fee shall be calculated using the methodology contained in the reports, Addenda A, B and C and in the studies and memoranda used to prepare Addenda A, B and C.

B. A development impact fee shall not exceed a proportionate share of the cost of system improvements determined in accordance with Idaho Code § 67-8207. Development impact fees shall be based on actual system improvement costs or reasonable estimates of such costs.

C. A developer shall have the right to elect to pay a project's proportionate share of system improvement costs by payment of development impact fees according to the fee schedule as full and complete payment of the development project's proportionate share of system improvement costs, except as provided in Idaho Code § 67-8207 The schedule of development impact fees for various developers shall be as set forth in Addenda A, B and C.

D. Proportionate Share Determination.

1. All development impact fees shall be based on a reasonable and fair formula or method under which the development impact fee imposed does not exceed a proportionate share of the costs incurred or to be incurred by the city in the provision of system improvements to serve the new development. The proportionate share is the costs attributable to the new development after the city considers the following:

a. Any appropriate credit, offset or contribution of money, dedication of land or construction of system improvements;

b. Payments reasonably anticipated to be made by or as a result of a new development in the form of user fees, debt service payments or taxes which are dedicated for system improvements for which development impact fees would otherwise be imposed; and

c. All other available sources of funding such system improvements.

2. In determining the proportionate share of the cost of system improvements to be paid by the developer, the following factors shall be considered by the city:

a. The costs of existing system improvements within the service area or areas;

b. The means by which existing system improvements have been financed;

c. The extent to which the new development will contribute to the cost of system improvements through taxation, assessments, or developer or landowner contributions, or has previously contributed to the cost of system improvements through developer or landowner contributions;

d. The extent to which the new development is required to contribute to the cost of existing system improvements in the future;

e. The extent to which the new development should be credited for providing system improvements, without charge to other properties within the service area or areas;

f. Extraordinary costs, if any, incurred in serving the new development;

g. The time and price differential inherent in a fair comparison of fees paid at different times; and

h. The availability of other sources of funding system improvements including, but not limited to, user charges, general tax levies, intergovernmental transfers and special taxation. The city shall develop a plan for alternative sources of revenue, which shall include but not necessarily by limited to plans generated during the city's annual budget process, lobbying efforts, tax increment financing, implementation of user fees and various forms of utilities. (Ord. 726 § 7, 1998)

15.12.080 Administration of impact fee.

A. Transfer of Funds to Fee Administrator. Upon receipt of impact fees, the fee administrator shall be responsible for placement of such funds into separate accounts as specified in this chapter. All such funds shall be deposited in interest-bearing accounts, within the capital projects fund, in a bank authorized to receive deposits of city funds or the state of Idaho Local Government Investment Pool. Interest earned by each account shall be credited to that account and

shall be used solely for the purposes specified for funds of such account, and not funds subject to section 57-127, Idaho Code, and shall be subject to all restrictions placed on the use of development impact fees under the provisions of this chapter..

B. Establishment and Maintenance of Accounts. The fee administrator shall establish separate accounts and maintain records for each account where impact fees collected can be segregated.

C. Maintenance of Records. The fee administrator shall maintain and keep accurate financial records for each such account that shall show the source and disbursement of all revenues, that shall account for all moneys received, that shall ensure that the disbursement of funds from each account shall be used solely and exclusively for the provisions of projects specified in the capital improvements plan, and that shall provide an annual accounting for each impact fee account showing the source and amount of all funds collected and the projects that were funded.

D. Development impact fees shall only be spent for the category of system improvements for which the fees are collected and either within or for the benefit of the service area in which the project is located as shown by the capital improvements plan and as authorized in the Idaho Development Impact Fee Act. Development impact fees shall not be used for any purpose other than system improvement costs to create additional improvements to serve new growth. The expenditure of development impact fees is prohibited except in accordance with the requirements of section 67-8210, Idaho Code.

E. Review and Modification. Unless the city council deems some other period is appropriate, the city shall at least once every five years commencing from the date of the original adoption of the capital improvements plan, review the development potential and update the capital improvements plan in accordance with the procedures set forth in Idaho Code § 67-8206. The city may make any updates as are deemed necessary as a result of (1) development occurring in the prior year; (2) capital improvements actually constructed; (3) changing facility needs; (4) inflation; (5) revised cost estimates for capital improvements; (6) changes in the availability of other funding projects; and (7) such other factors as may be relevant.

F. The city shall annually adopt a capital budget.

G. As part of its annual audit process, the city shall prepare an annual report describing the amount of all development impact fees collected, appropriated or spent during the preceding year by category of public facility and service area; and describing the percentage of tax and revenues other than impact fees collected, appropriated or spent for system improvements during the preceding year by category of public facility and service area.

H. All other requirements of Idaho Code 67-8210, regarding earmarking and expenditure of collected development impact fees, shall apply. (Ord. 726 § 8, 1998)

15.12.090 Credits and reimbursement.A.In the calculation of development impact fees for a particular project, credit or reimbursement shall be given for the present value of any construction of system improvements or contribution or dedication of land or money required by the city from a developer for system improvements of the category for which the development impact fee is being collected, including such system improvements paid for pursuant to a local improvement district. Credit or reimbursement shall not be given for project improvements.

B. In the calculation of development impact fees for a particular project, credit shall be given for the present value of all tax and user fee revenue generated by the developer, within the service area where the impact fee is being assessed and used by the city for system improvements of the category for which the development impact fee is being collected. If the amount of credit exceeds the proportionate share for the particular project, the developer shall receive a credit on future impact fees for the amount in excess of the proportionate share. The credit may be applied by

the developer as an offset against future impact fees only in the service area where the credit was generated.

C. If a developer is required to construct, fund or contribute system improvements in excess of the development project's proportionate share of system improvement costs, including such system improvements paid for pursuant to a local improvement district, the developer shall receive a credit on future impact fees or be reimbursed at the developer's choice for such excess construction, funding or contribution from development impact fees paid by future development which impacts the system improvements constructed, funded or contributed by the developer(s) or fee payer.

D. If credit or reimbursement is due to the developer pursuant to this section, the city shall enter into a written agreement, with the fee payer, negotiated in good faith, prior to the construction, funding or contribution. The agreement shall provide for the amount of credit or the amount, time and form of reimbursement.

E. No credits shall be given for the construction of local on-site facilities, structures, improvements, or other project improvements required by zoning, subdivision or other city regulations unless the improvement is identified in the reports as a system improvement.

F. Any person requesting such credit or reimbursement shall submit their request in writing on a form provided by the city and present documentation of costs or payments for facilities for the fee administrator for use in determining the amount of credit or reimbursement to be given. Requests for credit or reimbursement shall be submitted to the fee administrator prior to issuance of a building permit. The determination shall be made no more than forty-five (45) days after complete documentation is submitted to the fee administrator. Any appeal from such a determination by the fee administrator shall be pursuant to Section 15.12.110. (Ord. 726 § 9, 1998)

15.12.100 Refunds.

A. The current owner of record of property on which an impact fee has been paid may request a refund of such fee if:

1. Service is available but never provided;

2. The city, after collecting the fee when service is not available, has failed to appropriate and expend the collected development impact fees pursuant to Idaho Code § 67-8210(4);. 3. The fee payer pays a fee under protest and a subsequent review of the fee paid or the completion of an individual assessment determines that the fee paid exceeded the proportionate share to which the city was entitled to receive.

A. The request for refund must be in writing and submitted to the fee administrator on a form provided by the city for such purpose. The owner shall provide such documentation as the fee administrator may require to prove such satisfaction, reconveyance or releases from contract sellers, mortgagees, lienholders, and/or others having an interest in the real property for which an impact fee has been paid.

B. A request for refund must be filed within the time allowed by law.

C. Within ninety (90) days of the date of receipt of such written request for refund, the fee administrator must provide the owner, in writing, with a decision on the refund request including the reasons for the decision. If a right to refund exists, the city is required to send the refund to the owner of record within ninety (90) days after it is determined that a refund is due. A refund shall include a refund of interest at one-half (1/2) the legal rate provided for in Idaho Code § 28-22-104 from the date on which the fee was originally paid.

D. Owner may appeal the determination of the fee administrator to the city council pursuant to the provisions in Section 15.12.110. (Ord. 726 § 10, 1998)

15.12.130 Addendum A,Addendum B and Addendum C.

Addendum A entitled the "Schedule of Development Impact Fees", Addendum B entitled "Water Impact Fee Schedule" and Addendum C entitled "Waste Water Impact Fee Schedule" are attached hereto and incorporated herein by this reference as if set forth in full, along with all footnotes, exhibits, appendices, and other attachments referenced including but not limited to the city comprehensive plan,. A description of acceptable levels of service for system improvements are described in these reports. All studies, materials, data and memoranda used to establish the fees set forth in Addenda A, B, and C shall be made available the public pursuant to applicable law. (Ord. 726 § 13, 1998)

SECTION 2. SAVINGS AND SEVERALBILITY CLAUSE. It is hereby declared to be the legislative intent that the provisions and parts of this Ordinance shall be severable. If any paragraph, part, section, subdivision, sentence, clause or phrase of this Ordinance is for any reason held to be invalid for any reason by a Court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 3. REPEALER CLAUSE. All City of Ketchum ordinances or resolutions or parts thereof, which are in conflict herewith, are hereby repealed.

SECTION 4. EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage, approval and publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF KETCHUM, IDAHO and APPROVED by the Mayor this day of July 6, 2005.

CITY OF KETCHUM, IDAHO

EDWARD SIMON, Mayor

ATTEST:

Sandra Cady, CMC
City Clerk/Treasurer

APPROVED AS TO FORM
AND CONTENT:

BENJAMIN W. WORST
City Attorney

Publish: Idaho Mountain Express
July 13, 2005

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MEMORANDUM

TO: Planning Commission
Impact Fee Advisory Committee

FROM: Andy Belknap and Richard Caplan
Management Partners, Inc.

DATE: February 28, 2005

SUBJECT: Development Impact Fees

This memorandum provides the Planning Commission with proposed development impact fees as part of the proposal by the Ketchum City Council to adopt development impact fees for the purpose of helping to defray capital improvement costs in the City of Ketchum. These impact fees are related to parks, streets, fire and police services provided to future residents of the City of Ketchum and associated impact areas. Idaho State statute requires the appointment of an Impact Fee Advisory Committee to review and approve fees prior to adoption of these fees by the City Council. A proposed schedule of fees based on the city's current capital improvement plans and buildout projections for twenty years is presented in table 1 which follows:

Table 1
Recommended Schedule of Development Impact Fees

Type of Development	Impact Fee for Residential Dwelling $/Unit	Impact Fee for Commercial/ Industrial ($/5000 sq.ft.)	Impact Fee for Commercial/ Industrial ($/10,000 sq.ft.)
Park Lands	$2,172	No impact fee	No impact fee
Streets and Traffic	$945	$1,575	$3,151
Fire Protection	$1,710	$2,850	$5,700
Law Enforcement	$105	$170	$340
Total	$4,932	$4,595	$9,191

These fees represent a maximum supportable fee calculation based on the current five year capital plans the City has prepared for each of the four service areas shown in the table above. The calculation for these fees uses these five year capital project costs projected for twenty years into the future. It needs to be understood from an Idaho law standpoint and a fee equity standpoint that these capital project plans must be updated at least every five years.

Because the City does not have a full capital plan to build-out, assumptions have been applied to estimate the costs which will eventually be incurred. In view of the fact that the fees and underlying capital plan must be reviewed at minimum every five years this is considered to be a reasonable planning assumption. In addition, a conservative approach has been taken to establishing the proportion of total costs which new development will bear, such that it has been assumed that existing development has or will pay for its proportionate share of all improvements. Less comprehensive assumptions (e.g. basing fees exclusively on the current level of service or assuming the current capital plan will be satisfactory to buildout) will result in lower impact fees. The

full range of options will be reviewed within the context of adoption of the impact fee ordinance, and associated public hearing.

Development Fee Advisory Committee

The Planning Commission has been requested to serve as the Development Impact Fee Advisory Committee required to consider and recommend a fee structure to the City Council. Staff and the consultants will work with the Advisory Committee to develop a final report and recommendations for the City Council's consideration. State law provides the following instructions regarding the creation and functioning of this advisory group.

(1) Any governmental entity which is considering or which has adopted a development impact fee ordinance, shall establish a development impact fee advisory committee.

(2) The development impact fee advisory committee shall be composed of not fewer than five (5) members appointed by the governing authority of the governmental entity. Two (2) or more members shall be active in the business of development, building or real estate. An existing planning or planning and zoning commission may serve as the development impact fee advisory committee if the commission includes two (2) or more members who are active in the business of development, building or real estate; otherwise, two (2) such members who are not employees or officials of a governmental entity shall be appointed to the committee.

(3) The development impact fee advisory committee shall serve in an Advisory capacity and is established to:

(a) Assist the governmental entity in adopting land use assumptions;

(b) Review the capital improvements plan, and proposed amendments, and file written comments;

(c) Monitor and evaluate implementation of the capital improvements plan;

(d) 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

(e) Advise the governmental entity of the need to update or revise land use assumptions, capital improvements plan and development impact fees.

The City Council has appointed the Planning Commission to serve in this capacity.

BACKGROUND

An impact fee is similar to a user fee in that the development project subject to the fee is creating at least a portion of the demand for public facilities the fee will help to fund. These impact fees contribute to financing public improvements such as new roads, sidewalks, parks and recreation, and public safety facilities, and water and sewer facilities. By imposing the same fee on all developers, there is more equity in their costs and a better understanding of infrastructure plans that affect those developments. Impact fees allow local government the ability to link parcels of land into the City services network and provide a planning mechanism for insuring that adequate public facilities are in place to meet the demands associated with new growth. The use of

some certainty that the City will be able to provide a continued level and quality of service, and benefit both existing and new residents.

There are currently 22 states in the U.S. that have passed legislation enabling local governments to impose impact fees. This approach to financing public infrastructure has gained in popularity because of limits on the ability of local governments to levy property taxes and because these fees offer an approach of having new development "pay its way" as opposed to being financed by the existing resident tax base.

DISCUSSION

Impact Fee Practices in the Western United States and Idaho

There are wide ranges of practices adopted by resort cities across the west related to impact fee collection. Ski resort municipalities in Colorado (Vail) and Jackson, Wyoming impose impact fees and exactions on new development and redevelopment, but do not have fixed impact schedules. With the exception of set affordable housing requirements, they practice a negotiated approach for other fees and exactions for each development depending on the land use, size and particular location within the community. For example, Steamboat Springs defines their impact fee as an "excise tax" applied equally to the value of all new construction. Table 2 summarizes key differences in selected state's enabling legislation.

A review of practices in Idaho in comparison to California, Colorado and New Mexico, reveal the following:

- Many states in the region allow local jurisdictions to impose impact fees.
- Impact fees imposed in Idaho are obligated to be tied to specific municipal functions while California and Colorado allow unrestricted public use of the impact fees.
- Idaho has a more flexible limit on spending collected impact fees.
- Idaho and New Mexico require expenditures to be tied to cities' Capital Improvement Plan.
- Idaho law is the most demanding and specific in terms of the requirements necessary to adopt and maintain impact fees.

Among those resort or Idaho municipalities that have enacted impact fees, the most commonly collected fees are ear marked to support parks, police and fire services and street and roadway funding. However, as Table 3 indicates, the range of impact fees enacted for local services in California and New Mexico is far reaching.

Table 2
Impact Fee Summary

STATE	IDAHO			COLORADO	CALIFORNIA		
Jurisdiction / Fee Area	Coeur d'Alene	Post Falls	Rexburg	*Steamboat Springs*	South Lake Tahoe	Mammoth Lakes	Taos Ski Valley
Parks	Yes	Yes	Yes	*Excise*	Yes	Yes	Yes
Fire	Yes	Yes	Yes		--	Yes	Yes
Police	Yes	Yes	Yes	Tax	--	Yes	Yes

Streets / Parking	Yes	Yes	--		--	Yes	Yes
Affordable Housing	--	--	--	*For*	Yes	Yes	--
Storm Drains	--	--	--		--	Yes	Yes
Libraries	--	--	--	*All*	--	Yes	--
General Facilities	--	--	--		--	Yes	Yes
Other Impact Fees:	--	--	--	*Services*	Schools, Air and Water Quality	Schools, Airport	EMS

Source: City managers or community development directors; Tahoe Regional Planning Agency.

Impact Fees in Idaho

To date, four Idaho cities have enacted impact fees, and two other cities have held preliminary discussions on the subject. Of the two cities that have not adopted fees, the City of McCall expects to further study the matter later this year, and the City of Twin Falls is no longer considering the issue. Table 3 summarizes the status of the cities in Idaho that have enacted or addressed impact fees and describes the areas in which fees have been adopted or are being considered.

Table 3
Idaho Cities Impact Fee Status

Idaho City	2002 Population	Impact Fee Status	Impact Fee Requirements
Coeur d'Alene	35,259	Adopted	Streets, Police, Fire, Parks
Eagle	13,659	Adopted	Parks only
McCall	2,110	Under discussion; will consider in 2005	None
Post Falls	18,738	Adopted	Roads, Parks, Public Safety
Rexburg	17,558	Adopted	Fire, Police, Parks
Twin Falls	35,633	Considered but not adopted	None

The basis for cities to set development impact fees includes one or more of the following factors:

- Land use type.

- Geographic location within the community,
- Amount of square footage,
- Value of the building,
- Number of dwelling units in the building,
- Number of vehicles trips generated by the land use.

Total Impact fees costs for these jurisdictions are shown in table 4 below.

Table 4
Idaho Cities Adopted Impact Fees

Idaho City	Residential per dwelling unit	Commercial/Industrial for 1,000 sq. ft.
Coeur d' Alene	$1,756 to $1,844	$98.70
Post Falls	$1,025	$1,136
Rexburg	$948 (parks only)	NA

Impact Fee Requirements in Idaho

The State of Idaho has requirements related to the collection and use of impact fee funds which must to met prior to the levy of these fees. The State of Idaho has among the strictest regulatory specifications for the levy of impact fees found in any state. Most importantly, Idaho law circumscribes the type and nature of public facilities that can be funded with impact fee revenues. Impact fees may be levied only for the following types of public facilities.

a. Water supply production, treatment, storage and distribution Facilities;
b. Wastewater collection, treatment and disposal facilities;
c. Roads, streets and bridges, including rights-of-way, traffic signals, Landscaping and any local components of state or federal highways;
d. Storm water collection, retention, detention, treatment and disposal facilities, flood control facilities, and bank and shore protection and enhancement improvements;
e. Parks, open space and recreation areas, and related capital improvements
f. Public safety facilities, including law enforcement, fire, emergency medical and rescue and street lighting facilities.

This listing presents several issues for Ketchum, because it does not include certain public facilities that will in fact be impacted by growth and development within the City. Of most concern is the fact that general purpose governmental facilities such as a city hall are not explicitly authorized. Another issue is that the definition of road and street improvements does not include transit based circulation system improvements, which are a key part of Ketchum's overall planning in this area. Affordable housing – which in

Ketchum is very much an issue associated with new growth - is also not a type of facility contemplated in the existing statute. Although not explicitly excluded, Ketchum and other cities in Idaho may want to propose amending the Impact fee legislation to clarify affordable housing and public transportation impact issues. Finally, the regulations do not address the type of situation whereby one jurisdiction impacts another with the effects of development, as is the case between Sun Valley and Ketchum with regard to circulation system, infrastructure and other community facilities.

In the discussion that follows, we will address our preliminary approach to shaping an impact fee structure for Ketchum that works within the existing statues while addressing Ketchum's unique needs to the maximum extent possible.

The basic requirements for a supportable impact fee structure and the approach that we are taking to address these requirements are summarized in table 6 below. Care has been taken to make assumptions that insure that new development is not called on to pay more than its' fair share, as this is the legislative intent behind much of the impact fee law.

Table 5
Idaho Impact Fee Requirements – Ketchum Approach

Section	Requirement	Approach
67-8204 (1)	Costs to new development shall not exceed a not exceed a proportionate share.	New growth is expected to pay only a proportionate share of improvements which benefit existing as well as new residents. Service expansion, which is exclusively and conclusively due to capacity demand from new growth, shall be funded 100% from impact fees.
67-8204 (2)	Costs are attributable to capacity demands only	Any improvements that could be termed non-capacity in nature are shared proportionately between existing residents and new growth. Capacity driven capital improvements necessary to maintain existing service levels as development occurs are exclusively funded from impact fees.
67-8208 (1)	CIP must be in Comprehensive Plan	The Ketchum Comprehensive Plan will either be amended to include the development impact fee report or the City Council will be asked to make a finding of consistency
67-8208 (1) a	Cost to cure deficiencies	New growth will not be expected to fund any existing service deficiencies, nor be expected to buy in to any existing surplus capacity. When new and existing populations are assumed to benefit equally from improvements the costs are shared proportionately between existing City revenue sources and impact fee revenues.
67-8208 (1) a	Plan to develop funding resources	On an annual basis the City budget will discuss and identify funding resources that could be used in lieu of development impact fee funding.
67-8208 (1) b	Commitment to use other resources to cure deficiencies	Discussed in above assumptions. New growth is expected only not to make existing deficiencies worse.

Section	Requirement	Approach
67-8208 (1) c	Capacity analysis Total capacity	Will use standards of capacity necessary to serve population at build out. There is no documented excess

	Level of current use Commitments for capacity	capacity, however if the application of standards implies such a surplus new development will not be expected to buy some share of existing surplus.
67-8208 (1) d	Land use assumptions used to estimate service demand and new development must be documented in the CIP	Based on land capacity analysis that was basis for Comprehensive Plan. Use of Ketchum Land Capacity Study data.
67-8208 (1) e	Amount of capacity used per unit of development	Units of development are residential dwelling units, and commercial/industrial square footage.
67-8208 (1) e	Common factor for all land uses	All units have been converted into square footage to compare dwelling units and commercial/industrial equitably.
67-8208 (1) f	Capital costs attributable to new development to maintain services at the level designated in development fee ordinance	DIF report discusses estimated service level assumptions. Given limited information available a conservative assumption is used such that existing development and new development are assumed to benefit equally from new improvements, which cannot be conclusively linked to service demand associated with new growth.
67-8208 (1) g	Total number of units of new development planned	The land capacity study estimates 3939 additional new residential dwelling and 2,961,300 additional commercial/industrial square footage.
67-8208 (1) h	Projected demand for service improvements over not more than 20 years	Using straight-line projection for total build-out over 20 years to 2024. Apply 05-10 CIP to anticipated growth in that window only with assumption of update to DIF's
67-8208 (1) i	Identification of all sources and amounts of non-impact fee revenues available for the financing of system improvements	Non-impact fee funding will have to be used to fund share to existing development. Exact sources not yet identified, but new development will only pay a proportionate share
67-8208 (1) j	The share of new improvements that will take place on State Highways or other agencies infrastructure	No improvements to the State Highway system, except for capital to support additional mass transit, are proposed. Impact from Sun Valley is considered in infrastructure costs and an intergovernmental agreement to share costs will be proposed.
67-8208 (1) k	Schedule for capital improvements	Included in annual City Budget
67-8205	The CIP must be prepared in consultation with a Development Impact Fee Advisory Committee	Impact Fee Advisory Committee is in place
67-8208	CIP must be updated every 5 years and the jurisdiction must adopt an annual capital spending plan.	Covered in the annual City budget

DEVELOPMENT IMPACT FEE PROGRAM

It is assumed that the City of Ketchum would collect development impact fees at the time a development project is brought to the building department for permitting. This fee would be collected with other fees that the building department charges when an application is made for a permit. The issuance of a building permit would be contingent on the payment of this and other fees. The money collected as a development impact fee must be accounted for in such a way as to assure its use is limited to capital improvement associated with this additional development. Separate accounts and careful tracking of these funds will be required to assure correct application of these fees for their intended purpose. The specific areas for improvements for which the fee was charged cannot be used for other purposes including other development related projects. Impact fees collected for parks must be charged only to residential projects and must be used for that purpose only.

The impact fee analysis in the report will present existing City facilities for Parks, Streets and Traffic, Fire and Law Enforcement. Identification of service levels and the deficiency of facilities will be determined in each of these areas as well. Funding from current city population revenue will need to fund the correction of any deficits from non impact fee revenues. Identification of other funding sources that may be available will be included in the capital costs. Finally, the expected facilities required for a build out of the City will be determined and the associated costs will provide the basis for the calculation of development impact fees. New development will fund, via impact fees, the costs necessary to maintain adherence to the present service standard until build out is reached.

Basic Data

The following tables 6, 7, and 8 present the basic data for the current and future population and residential and commercial industrial space projected to be completed upon buildout. Buildout is considered to be in twenty years. These data provide the numbers needed to calculate reliable fees for Parks, Streets, Fire and Police. These numbers were obtained from established sources including the Ketchum Land Capacity Study and the wastewater facilities plan for Ketchum.

Table 6
City of Ketchum and Impact Areas
Current and Buildout Average Annual Population

Population Group	Current Population Ketchum	Estimated Buildout Population Ketchum	Estimated Buildout Population Impact Areas	Totals
Permanent Residents	2,980	8,050	1,570	9,620
Second Home Residents	460	930	180	1,110
Tourists	1,390	1,730	170	1,900
Average Annual Totals	4,830	10,710	1,920	12,630
Average Annual Equivalents*	4,550	10,360	1,880	12,240

*equivalents de-rate the tourist population by a factor of 0.8.

Table 7
Residential Units
Current and Buildout Data

Area	Existing Dwelling Units (DU)	Total Buildout (DU)	Total New Dwelling Units
City of Ketchum	2,961	5,252	2,291
Zone of Impact Areas	315	1,963	1,648
Entire Study Area	3,276	7,215	3,939

Table 8
Commercial/Industrial Square Footage (C/I sq.ft.)
Current and Buildout Data

Area	Existing Square Footage (sq.ft.)	Total Buildout (sq. ft.)	Total new C/I sq. ft.
City of Ketchum	1,877,400	3,788,900	1,911,500
Zone of Impact Areas	56,900	1,106,700	1,049,800
Entire Study Area	1,934,300	4,895,600	2,961,300

A more thorough explanation of these data will be presented in the final impact fee report. Other data presented in the final report includes an inventory of existing park, streets, fire and police facilities, deficiencies in those facilities and service levels. A discussion of this data and the complete analysis of the fee calculation will be included in the final report.

Fee Calculation for Parks, Streets, Fire and Police Service Areas

The impact fees are calculated using the facilities and capital needs of each of four service areas separately. These service areas include parks, streets, fire and police. The impact fees calculated for each of these service areas is included in Table 1 of this memo and also following the discussion of each of the service areas. The capital projects for each service area are also included in the individual service sections with the associated costs and impact fees.

Table 9
Summary Capital Cost Data

Service Area	Five year Capital Project Costs	20 Year Capital Project Costs
Parks	$2,139,310	$8,557,240
Streets	$4,657,160	$20,628,640
Fire	$2,132,035	$8,528,140
Police	$128,712	$514,848
Total	$9,413,717	$39,654,868

Parks

Park facilities need to increase as the City population increases to maintain the existing level of service. Blaine County prepared a Recreation, Parks and Open Space Master Plan in the 1992. The Blaine County standard for parks is 12 acres of neighborhood and community parks per thousand population. The existing service level for parks in the City of Ketchum is 5.8 acres per 1000 population. The parkland development component of the impact fee will be based on the existing City standard. Park facility improvements as shown in the City's current capital plan are assumed to benefit both existing and new development on a proportional basis. This component of the fee will need to be updated for inflation on an annual basis.

Table 10

PARKS, RECREATION, TRAILS AND CULTURAL RESOURCES
Five-Year Capital Projects

Parks & Recreation Projects	Cost	Currently Designated Funding Availability	Impact Fee Eligibility YES/NO	Cost Eligible for Impact Fee Inclusion	Proportional cost subject to Impact fee 62% of total
Skatepark					
Phase 3 (expands beginner bowl)	$125,000	20% of cost through donations	YES	$100,000.	$62,000
Landscaping (develop picnic areas)	$40,000	0	YES	$40,000	$24,800
Restrooms	$42,000	0	YES	$42,000	$26,040
Skate Park Phase II	$253,000	$199,000 from the City plus donations.	YES	$54,000	$33,480
Atkinson Park					
Climbing wall/backboard (replacement of existing tennis backboard)	$10,000	0	YES	$10,000	$6,200
Miniature putting course (artificial grass)	$35,000	0	YES	$35,000	$21,700
Spray pad water park (800 sq. ft.)	$50,000	0	YES	$50,000	$31,000
Playground expansion (possible school partnering)	$28,000	0	YES	$28,000	$17,360

New maintenance building (off-site)	$562,000	0	YES	$562,000	$348,440
Expand recreation center (use vacated maintenance garage)	$30,000	0	YES	$30,000	$18,600
Replace irrigation system	$200,000	0	YES	$200,000	$124,000
Refurbish lower soccer field	$150,000	0	YES	$150,000	$93,000
Upper Softball Field Rest Rooms	$28,000	$15,000 from donations	YES	$13,000	$8,060
Tennis Courts rebuild	$100,000	0	YES	$100,000	$62,000
Rotary Park					
Playground (Add infant features)	$2,000	0	YES	$2,000	$1,240
Little Park					
Playground (Add infant features)	$2,000	0	YES	$2,000	$1,240
Big Wood River Northwood (6 ac.)					
Picnic tables & sign access to BLM Land	$7,500	0	YES	$7,500	$4,650
Rienheimer Ranch Barn/Farmhouse (20 ac.)					
Preservation of structures	$55,000	0	YES	$55,000	$34,100
Parks and Trails					
Bridges and trails to annex areas.	$300,000/mi. 5 mi. $1,500,000	0	YES	$1,500,000	$93,000
Future Park					
Land Acquisition	$1,500,000	0	YES	$1,500,000	$930,000
Active recreation Facilities	$200,000	0	YES	$200,000	$124,000
Landscaping	$60,000	0	YES	$60,000	$37,200
Pocket Parks					
Pocket Parks	$60,000	0	YES	$60,000	$37,200
				Total	$2,139,310

With the City's current estimates of five year capital improvements, the impact fee for parks services funding required to build-out can be determined. The total twenty year capital costs for park land and facilities is $8,557,240. Using 3939 dwelling units anticipated to be built in the next twenty years, the impact fee is $2,172 per dwelling unit. This component of the fee will need to be updated as the City Capital Improvement Plan for general benefit park capital facility improvements is updated.

Because it is assumed that park and recreation facilities do not benefit commercial or industrial land uses, only residential land uses are assessed a park impact fee. It is also expected that the demand for Park facilities will be significantly impacted by growth in the neighboring City of Sun Valley that does not provide public park and recreation services. An intergovernmental agreement on the sharing of such costs should be pursued.

Streets and Public Transportation:

Ketchum's 2005-2010 CIP contains a number of projects designed to insure that circulation continues to meet existing standards as growth occurs in the area. The Ketchum Transportation Study prepared by Earth Tech in April 30, 2004, provides information for evaluating circulation system impacts due to growth. The City currently lacks a traffic model that can precisely link development with the need for improvements to maintain a specified level of service. In addition the City does not yet have a master plan with cost estimates for circulation system improvements that would insure the City can maintain standards as growth occurs. Finally, some of the public transit improvements the City seeks to make in order to preserve capacity in the road system are not recognized as eligible improvement in the regulations covering the development of impact fees.

The table below shows the street capital improvement projects proposed in the 2005-2010 period.

Table 11
STREETS AND TRAFFIC
Five-Year Capital Projects

Projects	Cost	Currently Designated Funding Availability	Impact Fee Eligibility YES/NO	Cost Eligible for Impact Fee Inclusion	Proportional Cost subject to Impact Fee 62% of total
Replacement of hazardous sidewalks	$100,000	$0	NO	$0	$0
Infill sidewalks	$90,000	$0	YES	$90,000	$55,800
Pedestrian Lighting-Central Core	$30,000	$0	YES	$30,000	$18,600
Sidewalk from Saddle Road to 10th	$50,000	$0	YES	$50,000	$31,000
Pavement Management	$150,000	$0	NO	$150,000	$93,000
Long Term Snow	$1,423,000	$0	YES	$1,423,000	$882,260

storage-explore geothermal					
Eliminate Direct Driveway Access Hwy 75	$60,000	$0	YES	$60,000	$37,200
Phase I	$200,000	$0	NO	$200,000	$124,000
Phase II Alley East of Main (behind casino)	$200,000	$0	NO	$200,000	$124,000
Phase III Alley West Main	$200,000	$0	NO	$200,000	$124,000
Main St. Traffic Signals at 2nd and 4th st.	$447,000	$0	YES	$447,000	$277,140
SH-75 Bottleneck Relief, Hospital Dr. to Trail Creek	$500,000	$0	YES	$500,000	$310,000
Warm Springs Rd. Traffic Signals at 10th and Lewis	$390,000	$0	YES	$390,000	$241,800
2nd Ave. Operations Upgrade, Serenade Lane to 8th	$578,000	$0	YES	$578,000	$358,360
Hwy 75 Corridor Improvements	$100,000	$0	YES	$100,000	$62,000
Increase capacity of Main Street	$150,000	$0	YES	$150,000	$93,000
Construction of parking deck or garage	$3,750,000	$0	YES	$3,750,000	$2,325,000
				Total	$5,157,160

State law specifies that the City off-set development impact fee costs by the amount of dedicated funding it will already have received for such purposes. It is estimated that the City receives approximately $500,000 in such funding from several State subventions. Therefore the net need over the 5 year period is estimated at $4,657,160.

In calculating the development impact fee, these costs are allocated on a proportional basis to existing development and anticipated new development over the 2005-2010 period. While it might be argued that these improvements are necessitated only by growth, the strict State standards and lack of a traffic model based nexus, limit the ability of the City to confidently levy 100% of the costs on new development.

Fire

With the City's current estimates of capital improvements for fire services covering the period 2005-2010, the impact fee associated with capital project funding required to build-out can be determined. The total twenty year capital costs for fire facilities and equipment is $8,528,140. Using 3939 dwelling units anticipated to be built in the next twenty years, and 2,961,300 square feet of commercial/industrial space, the impact fee is $1,710 per dwelling unit and $570 per 1000 square feet commercial/industrial. This component of the fee will need to be updated as the City Capital Improvement Plan for general benefit fire capital facility improvements is updated.

Table 12
FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES
Five Year Capital Projects and Equipment Requirements

Facility and Square Footage	Cost $150 /sq.ft.	Currently Designated Funding Availability	Impact Fee Eligibility YES/NO	Cost Eligible for Impact Fee Inclusion	Proportional cost subject to Impact fee 62% of total
No. 1: City Hall 5,644	$846,600	NA	NO	$0	$0
Deficit 310	$46,500		NO	$0	$0
5 Yr. 7,777	$1,166,550	0	YES	$1,166,550	$732,261
Emergency Communications Center					
Deficit 0	NA	0	NO	$0	$0
5 Yr. 2,916	$437,400	0	YES	$437,400	$271,188
Greenhorn (South Station) 14,716					
Deficit 0	NA	0	NO	$0	$0
5 Yr. 1,400	$210,000	0	YES	$210,000	$130,200
Griffin Butte (North Station) 10,200					
Deficit 0	NA	0	NO	$0	$0
5 Yr. 2,800	$420,000	0	YES	$420,000	$260,400
Triumph					

0					
5 Yr. 25% of 2,700	$101,250	0	YES	$101,250	$62,775
Warm Springs Area					
Deficit					
5 Yr. 25% of 2,700	$101,250	0	YES	$101,250	$62,775
Ohio Gulch Training Center Classroom					
Deficit 0	0	0	NO	0	0
5 Yr. 25% of 1,000	$37,500	0	YES	$37,500	$23,250
35 ft. Training Tower	$100,000	0	YES	$100,000	$62,000
Total					
New Equipment	Cost				
Audio Visual Equipment	$10,000	0	YES	$10,000	$6,200
Heavy Rescue/Haz-Mat Response Vehicle	$250,000	0	YES	$250,000	$155,000
Fire Marshall Vehicle	$8,700	0	YES	$8,700	$5,394
Technical Rescue Vehicle	$8,700	0	YES	$8,700	$5,394
Support Vehicle Pick-up truck	$8,700	0	YES	$8,700	$5,394
*Reserve Vehicle	$27,500	0	YES	$27,500	$17,050
Consolidated 911 emergency communications equipment	$100,000	0	YES	$100,000	$62,000
Greehorn					
Class A/Type 1 Engine with CAFS system**	$81,250		YES	$81,250	$50,375
Support vehicle	$8,700		YES	$8,700	$5,394
Interface Engine	$62,500		YES	$62,500	$38,750
Griffin Butte					
Ambulance	$27,500		YES	$27,500	$17,050
Triumph					
Engine	$62,500		YES	$62,500	$38,750

Engine	$62,500		YES	$62,500	$38,750
All Station Apparatus					
Self-Contained Breathing Apparatus Phase I	$20,000	funded by grant money	YES	0	$6,200
Self-Contained Breathing Apparatus Phase II	$20,000	funded by grant money	YES	0	$6,200
Self-Contained Breathing Apparatus Phase IIII	$20,000	funded by grant money	YES	0	$6,200
Structural Gear	$15,000	0	YES	$15,000	$9,300
Wildland Gear	$22,500	0	YES	$22,500	$13,950
Rescue Tools	$17,950	0	YES	$17,950	$11,129
Other Equipment	$37,500	0	YES	$37,500	$23,250
Mobile Data Terminal	$8,800	0	YES	$8,800	$5,456
				Total	$2,132,035

* Used for front line service while other engines are being repaired.
**CAFS is Compressed Air Foam System.

Police

With the City's current estimates of capital improvements for police services covering the period 2005-2010, the impact fee associated with capital project funding required to build-out can be determined. The total twenty year capital costs for fire facilities and equipment is $514,848 Using 3939 dwelling units anticipated to be built in the next twenty years, and 2,961,300 square feet of commercial/industrial space, the impact fee is $105 per dwelling unit and $34 per 1000 square feet commercial/industrial. This component of the fee will need to be updated as the City Capital Improvement Plan for general benefit fire capital facility improvements is updated. It is important to note that the entire cost of a communications center is included under the fire capital plan and some portion of that center will be used by the police.

Table 13
LAW ENFORCEMENT
Five-Year Capital Projects And Equipment Requirements

Facility and Square Footage	Cost $150 /sqft	Currently Designated Funding Availability	Impact Fee Eligibility YES/NO	Cost Eligible for Impact Fee Inclusion	Proportional cost Subject to Impact Fee 62% of total
Ketchum Police Station 1 4,280	$642,000	0	NO	$0	$0
Deficit Sq. ft	$990,000	0	NO	$0	$0

6,600					
5 Yr Sq. ft. 734	$110,100	0	YES	$110,100	$68,262
New Equipment	Cost				
1 K-9 Unit (car)	$35,000	0	YES	$35,000	$21,700
2 Community Service vehicles (pick ups)	$60,000	0	YES	$60,000	$37,200
5 bicycles @500/each	$2,500	0	YES	$2,500	$1,550
				Total	$128,712

The major capital need for the Ketchum police department is an adequately sized and outfitted police station. The development impact fee for police will be designed to insure that new development contributes a fair share to the costs of building a station which will provide adequate services to the community at build out. It is important to note that police services has identified a large deficit in their facilities. This deficit needs to be funded by the existing residents with non impact fee revenue.

For capital planning purposes police facilities are normally sized based on the number of sworn and support staff they must provide for. To estimate the eventual size of a police department in a growing area for facility planning purposes it is customary to use a service standard based on personnel per 1000 population served. In order to get a valid estimate for Ketchum, the police forces in other ski resort communities were surveyed.

Table 14
Police Staffing Service Levels in Ski Towns

		Police	Police
Ski Town	2003 population	Sworn Officers	Officers / 1,000
Breckenridge, CO	2,670	24	9.0
Vail, CO	4,603	32	7.0
Telluride, CO	2,321	15	6.5
Ketchum, ID	3,003	**12**	**4.0**
Snowmass, CO	1,791	10	5.6
Aspen, CO	5,850	28	4.8
Crested Butte, CO	1,505	6	4.0
Park City, UT	7,854	24	3.1
Steamboat Springs, CO	9,390	27	2.9
Mammoth Lakes, CA	7,304	21	2.9
Jackson, WY	8,825	23	2.6
South Lake Tahoe, CA	23,912	45	1.9
Average			***4.50***

As discussed above the State statutes do not specifically provide for a development impact fee to support the development of general government infrastructure such as the new Ketchum City Hall, which has an estimated cost of $11,000,000. Some portion of the City Hall construction will be covered by the facilities required by the Fire and Police Departments. Since it is not possible to link all City Hall costs to new development, nor to services for which a development impact fee is not authorized, the City should expect to receive only some fraction of the total funding needed from impact fee revenues to fund the construction of City Hall square footage that is unrelated to Fire and Police services.

Affordable Housing

Ketchum's Comprehensive Plan and the goal of the BKHA is to expand the supply of affordable housing choices in Ketchum. The impact fee may be used as a means to support these objectives. Since it is neither desirable nor appropriate to increase the cost of additional affordable housing, development impact fees would be waived for new affordable housing units. This waiver could apply to all mandatory required and constructed affordable housing. The wavier would not apply if the developer chooses to pay into the affordable housing in-lieu fund.

Water and Wastewater Fees

A wastewater development impact fee report was completed in July 1998 and approved by the City for the collection of impact fees associated with capital projects related to new development. These impact fees are already in place. The Facilities impact fees for Water and Wastewater is being revised and the updated fees will be considered for approval by the Advisory Committee and City Council.

Conclusions

The fees presented in this memo represent the best effort to accurately calculate future costs of parks, streets, fire and police services for the City of Ketchum and associated impact areas to build out, with the understanding that these capital projects and costs and associated fees will be revised at a minimum, every five years. There is always a degree of uncertainty when calculating fees for the future, and as such, care needs to be taken to properly account for the fees collected and the funding provided for future projects in these four service areas. The levy of a development impact fee of the nature described in this memo, will provide the City of Ketchum with additional funding to meet the needs of their growing community.

2005 Water and Wastewater
Proposed Impact Fee Schedule
June 20, 2005

Water B

Impact Fee Based on Meter Size

Meter Size	Capacity Ratio	Proposed Impact Fee
1" Service Meter	1.00	$ 3,400
1 1/2" Service Meter	2.25	$ 7,650
2" Service Meter	4.00	$ 13,600
3" Service Meter	9.00	$ 30,600
4" Service Meter	16.00	$ 54,400
6" Service Meter	36.00	$ 122,400
8" Service Meter	64.00	$ 217,600
10" Service Meter	100.00	$ 340,000

Wastewater C

Use	Equivalent Connection	Proposed Impact Fee
Single Family Dwelling Unit	1.00	$ 2,400
Hotel (per room)	0.50	$ 1,200
Studio Apartments, Condos, Duplexes (per unit)	0.50	$ 1,200
1 Bedroom Apartments, Condos, Duplexes (per unit)	0.75	$ 1,800
2 Bedroom Apartments, Condos, Duplexes (per unit)	1.00	$ 2,400
3 Bedroom Apartments, Condos, Duplexes (per unit)	1.25	$ 3,000
Bars, Restaurants (1,000 sf)	2.50	$ 6,000
Office, Retail, Light Industrial or other Commercial (3,000 sf)	1.50	$ 3,600
Laundry Facilities (500 sf)	2.00	$ 4,800
Warehouse (6,000 sf)	0.50	$ 1,200
Swimming Pool (4,000 sf)	2.00	$ 4,800
Gymnasium (6,000 sf)	3.00	$ 7,200
Tennis Court (20,000 sf)	1.50	$ 3,600
Public Bunk House (6,000 sf)	3.00	$ 7,200