

CHAPTER 1 : INTRODUCTION AND PURPOSE

The City of Sandpoint, an established community located in northern Idaho, is anticipating consistent and sustained growth in coming decades. As this growth occurs, an increasing population will place heavier demands upon city services and infrastructure. To maintain current levels of service (LOS), and to ensure that future development pays an equitable portion of the cost for construction of future public facilities, the City of Sandpoint has elected to enact a development impact fee program to serve as its primary financial mechanism in paying for public facility improvements made necessary by new development. The Sandpoint City Council shall enforce the fee schedule created by this report through the passage of a Development Impact Fee Ordinance.



Specifically, this report identifies appropriate impact fees for the following (public) facilities:

- Park Facilities
- Police Facilities
- Fire Facilities
- Circulation Facilities

The Idaho Development Impact Fee Act is the state enabling legislation that allows for impact fees to be collected by a local jurisdiction and sets the parameters to ensure that the fees are fair and equitable. The required contents of the Development Impact Fee Report are outlined in Section 67-8206(2) of the Idaho Development Impact Fee Act. This act specifies that a Capital Improvements Plan (CIP) must be provided to allow for the collection of impact fees. The CIP must include the following information:

- A general description of existing facilities
- A commitment by the City to cure existing deficiencies
- An analysis of capacity and current level of use
- A description of land use assumptions
- An inventory of existing facilities
- A table establishing specific levels of use or consumption by service unit
- A description of all improvements and costs
- The total number of service units attributed to new development
- The projected demand for improvements
- Identification of funding sources
- A time schedule for the commencement and completion of improvements

This Development Impact Fee Program identifies build out projections for the City of Sandpoint and those areas outside the City limits that are within the City's Area of Impact. The build out projections are based on the land use designations of the City's Comprehensive Plan. These build out projections are used to determine the projected impacts to public facilities created by future development. The demand for facilities requires an analysis of the type and the extent of the needed facilities.

Once this is completed, a cost to meet the demand can then be determined. These costs are identified and utilized in the study as a part of the methodology to provide the necessary rational nexus and to make the proportionate share determination between the public facility improvement needs and the impact fee to be paid by future development.

Facilities Analysis

The *first step* of this study was to inventory land uses and existing facilities. The land use and facility inventories of the City were developed primarily from direct field observations supplemented by land use maps, existing reports, and consultation with the City of Sandpoint staff. The *next step* in the facilities analysis was to obtain build out projections. These projections, which provided an essential basis for the rest of the process, are explained in the Build Out Projections Chapter. *Step three* in the facilities analysis process was to establish Performance Standards for the facilities being studied. These standards indicate a measurement of the acceptable or appropriate level of service that the city intends to provide to its citizens. Once the performance standards were established, existing facility deficiencies, if any, were identified along with the projected need for additional facilities at build out. The *fourth step* in preparing the facilities analysis was to make cost estimates for the new or expanded facilities that will be needed at build out.

Development Impact Fee

The City Council has determined that development impact fees should be a primary funding mechanism to finance future public facilities improvements needed to serve new development. The facilities analysis provides the necessary information to establish a development impact fee program for the City of Sandpoint. There are provisions in the Idaho Development Impact Fee Act that allow for the modification and updating of the development impact fees. Additionally, the Act (Section 67-8208(2)) requires that all Capital Improvements Plans be updated every five years.

Based on the research conducted, the analysis of impacts to facilities and the costs associated with those impacts, a proportionate share determination must be made to ensure that the resulting development impact fee reasonably relates to the service demands and needs for future development. The proportionate share determination, in accordance with Idaho Code Section 67-8207 specifies a number of "considerations" that must be made by the City to ensure that the development impact is "based on a reasonable and fair formula or method..." Explanations for the proportionate share determinations are provided at the end of each chapter. The final result of the research, discussions, analysis, and re-analysis is a development impact fee study and ordinance that reflect both professional expertise and local experience.

The information provided in this report is intended to be as accurate as possible, and able to withstand close scrutiny, either legal or otherwise. Further, it is the intention of this report to be easily comprehended, without sacrificing necessary detail.