

MINUTES OF A CONTINUED MEETING OF THE
COEUR D'ALENE, IDAHO,
CITY COUNCIL HELD IN THE LIBRARY COMMUNITY ROOM
September 25, 2023, AT 12:00 P.M.

The City Council of the City of Coeur d'Alene met in continued session with the Planning Commission in the Library Community Room held at 12:00 P.M. on September 25, 2023, there being present the following members:

James Hammond, Mayor

Dan Gookin) Members of Council Present
Dan English)
Kiki Miller)
Amy Evans)
Christie Wood)
Woody McEvers) Member of Council Absent

Tom Messina) Members of the Planning Commission Present
Lynn Fleming)
Brinnon Mandel)
Sarah McCracken)
Peter Luttrupp)
Phil Ward)
Jon Ingalls) Member of Planning Commission Absent

STAFF PRESENT: Troy Tymesen, City Administrator; Randy Adams, City Attorney; Hilary Patterson, Community Planning Director; Sean Holm, Senior Planner; Stephanie Padilla, City Accountant; Ted Lantzy, Building Official; Thomas Greif, Fire Chief; Jeff Sells, Deputy Fire Chief; Bill Greenwood, Parks & Recreation Director; Lee White, Police Chief; David Hagar, Police Captain; Chris Bosley, City Engineer.

CALL TO ORDER: Mayor Hammond called the meeting to order and noted that the purpose of the meeting was to provide an opportunity for the Council and Planning Commission (acting as the Development Impact Fee Advisory Committee) to receive an update on the Development Impact Fee Study for Fire, Police, Parks, and Transportation, and to hear a briefing on Annexation fees.

STAFF REPORT: Senior Planner Sean Holm explained the City of Coeur d'Alene (City) was conducting a study to update both the development impact and annexation fees in accordance with Title 67, Chapter 82 of Idaho Code with the assistance of Welch Comer Engineers (overall project management, needs assessments, and Capital Improvement Plans), FCS Group (analysis alternatives, fee calculations, study), and Iteris (regional demand/traffic modeling). He said the existing development impact fee study was completed in 2004, and neither the fees nor study had been adjusted since. The annexation fee was last adopted by Resolution in 1998. He noted Impact

Fees represent the value of the proportional share of fire, police, park, and transportation system capacity that the new user, or redeveloping user, would utilize. Impact fees were a one-time fee for new development, not ongoing rates. Mr. Holm explained that the annexation fee represented the share of property tax-supported City functions. He mentioned for the needs assessment and Capital Improvement Plan (CIP) tasks, the following work had occurred:

- Welch Comer worked with both fire and police staff on a needs assessment and impact fee CIPs.
- Welch Comer and Iteris worked with engineering staff to assemble a roadway CIP based on data from multiple sources and vetting with the KMPO regional demand model.
- Welch Comer worked with engineering and parks staff to develop a non-motorized transportation CIP after gathering information from various existing planning documents.
- Welch Comer developed a parks CIP after gathering information from the City's parks master plan and working closely with parks department staff.
- Iteris pulled trip data from the KMPO regional demand model for use in the transportation impact fee calculations.
- FCS GROUP developed various alternatives for the impact fee and presented options to the Development Impact Fee Committee. They prepared a policy alternatives memo and the draft report.
- FCS GROUP also updated the annexation fee calculations based on the 1998 methodology.

Mr. Holm noted there had been two (2) workshops to date with the Planning and Zoning Commission, which acts as the Development Impact Fee Advisory Committee (Committee) for the City. The first workshop was on May 17, 2023, wherein they discussed growth assumptions, obtained input on fire and police CIPs, and received input from the Committee on alternatives. The second workshop held on July 18, 2023, was to obtain feedback from the Committee on the transportation and parks CIPs, present initial fee findings, and compare fees to other similarly sized or nearby communities in Idaho. He said the purpose of today's joint workshop was to provide the information to Council on the fee methodologies and draft fee calculations for the Impact Fee and Annexation Fee updates, and give them an opportunity to ask questions, gain understanding of methodology, and provide feedback in advance of the hearings to approve the CIPs, adopt the study, and update the fees. He explained the next steps would be conducting a hearing to adopt the CIPs, which was tentatively planned for November, and the hearing to adopt the study and update fees was tentatively scheduled for early December. He said that additionally, City staff and Welch Comer staff were scheduled to update the Executive Committee of the North Idaho Home Builders Association (NIBCA) on October 19.

Mr. Holm introduced Melissa Cleveland, Senior Project Manager with Welch-Comer who gave an overview of the information they would be presenting. She said the purpose of the study was to update Impact and Annexation Fees, examine the fee methodology and alternatives, update fee basis, and recommend new fees. Todd Chase, FCS Group said Impact Fees were calculated by the eligible cost of planned capacity increasing facilities, divided by growth in system capacity, minus the existing Fund Balance, which equaled the Impact Fee charge per unit of capacity. Fees were based on projected facilities. He noted key considerations were the applicable customer base which included existing customers, the planning period (which must match the CIP numerator which was 10 years for the study), location, and units of growth. He mentioned Impact Fees were one-time fees for net new development, and not ongoing fees. The fee represented the value proportional share of system capacity that the new user (or redeveloping user) would utilize. He said Development Fees for capital investments, which increase system capacity, were Parks, Fire and Police Facilities, and Transportation (roadways and bicycles/pedestrian facilities). He said their draft study was 90% completed and they had been asked by the Committee to make a few amendments and scale fees by residential home size, consider parks fees for both residential and non-residential uses, eliminate quadrants in the transportation fee, simplify land use categories, reduce the Julia Street overpass in the CIP to include only pre-engineering/planning, and consider specific Assisted Living Facilities in public safety fees. He noted that after researching relevant data, the Parks Impact Fees CIP was \$16.9 million which equated to \$983 per customer unit, the Transportation Impact Fees CIP without the overpass equaled \$89 million and equated to \$3,421 for a single-family dwelling unit (SFDU), or with the overpass \$91 million which would be \$3,659 for a SFDU. The Police and Fire CIP was estimated at \$8.4 million for Police (\$6 million of eligible costs), which equaled \$1,207 per residential dwelling, and Fire at \$9.2 million which would be \$1,151 for residential dwellings. He noted they did an analysis of incident responses by police and 62% were to residential dwellings, 3% to Assisted Living Facilities, and 35% to all other building types. He mentioned the defensible impact fee scaling would amount to \$3.87 per square foot for residential purposes. Multi-family at \$4.41 per square foot, Assisted Living Facility at \$7.94 per square foot, and Hotels/Motels \$4,559 per unit. He mentioned the fees were shown before credits such as existing site improvements.

Mr. Chase said Annexation Fees were currently \$750 per dwelling unit for property outside of City limits and was based on property tax supported City functions. He said after growth data was measured the proposed Annexation Fee, which was indexed to July 2024, would be \$1,133.

DISCUSSION: Councilmember English noted the Julia Street overpass was a high priority project and suggested keeping engineering in the fees. He also suggested assisted living facilities be analyzed by their non-profit or for-profit criteria.

Councilmember Gookin said a legal description of what the law allowed in regard to Impact Fees was needed and should include how they were calculated and how to justify their use. He asked if park projects were listed in the Parks Master Plan, with Parks Director Bill Greenwood responding they were. Mr. Greenwood explained non-developed park space such as Tubbs Hill were not included in the plan as it contained already developed park space. Councilmember Gookin said he had concerns with the single-family home equation. He noted Urban Renewal was supposed to be doing the Julia Street overpass project and had concerns with it being included in the Impact Fees. He requested projections be provided on growth, current fees, and include

annexation fees. He noted an Impact Fee Study had been completed 6-7 years ago and requested the previous study be presented to Council. Councilmember Wood asked how the calls for service assessment was done. She noted there were over 60,000 and why was the City not allowed to charge for all calls, with Mr. Chase responding they could; however, they would need to be listed. Councilmember Wood asked about the data on calls for the Fire Department, with Fire Chief Tom Greif responding they would provide it. Councilmember Wood noted accurate data was needed for the Fire Department calls for service, industrial uses should be divided by categories, and noted she was okay with the Parks Master Plan and the difference between developed and non-developed parks space. Councilmember Evans noted Mr. Holm's staff report included the code section related to Impact Fee law. She asked for the difference between an accessory dwelling unit and short-term rentals, with Ms. Cleveland responding it was difficult to capture the short-term rental as the data available was supplied at the time the building permit was acquired. Mr. Chase said accessory dwelling units added to the property would capture the fee, yet an existing house converted to a short-term rental may be missed as Ms. Cleveland had explained the fee was captured at the time of the building permit. Councilmember Miller noted the parks assessment fee didn't change for multi-family and asked why, with Ms. Cleveland responding the fee had changed and was included in the square foot calculations. Councilmember Miller asked if when analyzing the growth comparisons, were demographics reviewed when looking at Impact Fees for Assisted Living Facilities. Ms. Cleveland said the issue had come up in prior workshops, yet Fire had a large number of calls to Assisted Living Facilities which is why the facilities were included. Councilmember Miller asked if call for service to hotels/motels/bars were captured in the commercial numbers, with Ms. Cleveland responding they were. Mr. Holm noted calls for service to motels were discussed during early planning and it was decided to categorize them in with commercial uses. Councilmember Miller noted there were park system expansions listed in the plan, with Mr. Greenwood responding they had a large list of parks in the Parks Master Plan and had looked at the priorities over the next 10 years in order to include them in the Impact Fee Study. Ms. Cleveland noted impact dollars would have to be spent on the Impact Fee CIP, yet the CIP could be modified as needed with Council approval. Councilmember Wood asked why there was such a difference between the City's and Post Fall's Impact Fees, with Ms. Cleveland responding Post Falls had just updated their impact fees. Councilmember Gookin asked for clarification on modifying the CIP, and mentioned Impact Fees had been used for a signal on Wilbur and Ramsey Avenues, in which he did not recall Council modifying the CIP in order to use impact fees for the signal. Mayor Hammond said in his experience Impact Fees could only be used for items identified in the CIP and not for past projects. He said he would like additional data on fees based on square footage, and stressed they should not delay the implementation as fees had not been looked at in many years. He would like to see a stepped approach in implementation of the new fees and felt they were comparable with nearby cities. Councilmember Gookin asked if it was feasible to base fees on house cost or by number of bedrooms instead of size, with Mr. Chase responding they would need to look at nexus of comparable data. Ms. Cleveland noted it may be problematic to base fees by house cost or number of bedrooms as there were many instances of rooms being used as studies and offices. She said it was advisable to base fees by square footage. Councilmember Gookin asked if additional square footage was added to a dwelling unit could it be charged the Impact Fees, with Ms. Cleveland responding it could if the fee was based by square footage. Councilmember Gookin noted the cost of housing had increased greatly and why hadn't the fee increased at the same amount, with Ms. Cleveland responding the figures were based on water/sewer use fees. Councilmember Gookin asked if increased operating costs were included in

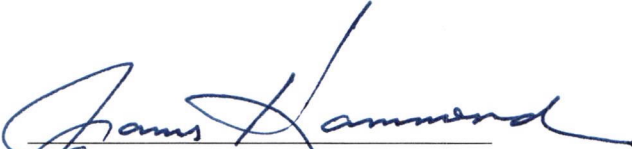
amounts, with Ms. Cleveland responding they were. Councilmember Gookin asked how much annexation may be expected in the next ten years, with Ms. Patterson responding there were small pockets throughout the City. Councilmember Wood asked if the Annexation Fee would constantly inflate, with Mr. Chase responding it could if it were adopted by Resolution or Ordinance to include an escalated fee based on the Consumer Price Index (CPI). Mayor Hammond said the Impact Fees and Annexation Fee needed to move forward, and that the Planning Commission had been working on the Plan for a while. Commissioner McCracken noted the Fire Department calls for service data was still needed, and noted that in the past, the City had been challenged on its Impact Fees so it was important to base them on numbers which could be justified. Commissioner Fleming said the quadrants should be removed and the uses shouldn't be broken down too much. She said the study felt heavy handed in regard to elder care facilities and the approach should be to spread out the fees more evenly. She noted additional hotel rooms were also needed and the fee should be more accommodating to that use. She said overall, the numbers were good and mentioned that hotels, motels, and STRs were used as staging for medical workers. Ms. Cleveland said the largest change to fees for hotels and motels was adding the Parks Impact Fees. Councilmember English noted daycares were needed in the community as well. He said Fire/EMS were obligated to respond to some calls. Mr. Chase mentioned if fees were reduced in some areas, they would need to be adjusted onto other uses. Commissioner Coppess noted baseline cost of services were used for fees and he was unsure fees could be broken down by demographics. Mr. Chase concurred it would be difficult to base fees on demographics.


ADJOURN: Motion by Luttrupp, seconded by Fleming, that there being no further business of the Planning Commission, this meeting is adjourned. **Motion carried.**

MOTION: by Gookin, seconded by English, that there being no further business of the City Council, this meeting is adjourned. **Motion carried.**

The meeting adjourned at 1:33 p.m.

ATTEST:


James Hammond, Mayor


Sherrie L. Badertscher
Executive Assistant