



Twin Falls Development Impact Fee Advisory Committee & Improvement Reimbursement Commission Agenda

Thursday, April 29, 2021, 12:00 PM

Members: Tom Frank - Chairman, Kevin Grey - Vice Chair, Nathan Bishop, Andrew DiPietro, Jennifer Jensen, Colby Ricks, Josh Wallin, Gerardo Munoz

Council Liaison: Craig Hawkins

- 1) Confirmation of Quorum/Call Meeting to Order
- 2) Consent Calendar
 - a) **ACTION ITEM:** Approval of Minutes from the following meeting: March 25, 2021
- 3) Impact Fee Items
 - a) **ACTION ITEM:** Discussion and Potential Action on Impact Fee Capital Improvement Plan Update Recommendation to City Council.
- 4) Improvement Reimbursement Items
- 5) General Input/Announcements - Public/Staff
- 6) Upcoming Meeting
 - a) **INFORMATIONAL:** To Be Determined
- 7) Adjournment

Any person(s) needing special accommodations to participate in the above-noticed meeting could contact Lisa A. Strickland (208) 735-7267 at least two working days before the meeting. Si desea esta información en español, llame Leila Sanchez (208) 735-7287.

CITY OF TWIN FALLS

PLANNING & ZONING COMMISSION

Public Hearing Procedures for Zoning Requests

1. Prior to opening the first Public Hearing of the session, the Mayor or Chair shall review the public hearing procedures.
 2. Individuals wishing to testify or speak before the City Council or Planning & Zoning Commission shall wait to be recognized by the Mayor or Chair, approach the microphone/podium, state their name, and then proceed with their comments. Following their statements, they shall write their name and address on the record sheet(s) provided by the staff. The staff shall make an audio recording of the Public Hearing.
 3. A City Staff Report shall summarize the application and history of the request.
 4. The Applicant, or the spokesperson for the Applicant, will make a presentation on the application/request (request). No changes to the request may be made by the applicant after the publication of the Notice of Public Hearing. The presentation should include the following:
 - **A complete explanation and description of the request.**
 - **Why the request is being made.**
 - **Location of the Property.**
 - **Impacts on the surrounding properties and efforts to mitigate those impacts.**
 5. Applicant is limited to 15 minutes, unless a written request for additional time is received, at least 72 hours prior to the hearing, and granted by the Mayor or Chairman.
 6. The City Council or Planning & Zoning Commission may ask questions of staff or the applicant pertaining to the request.
 7. The general public will then be given the opportunity to provide their testimony regarding the request. The Mayor or Chair may limit public testimony to no less than two (2) minutes per person.
 - **Individuals are not permitted to give their time to other speakers.**
 - **However, five (5) or more individuals that received written notice of the public hearing may appoint, by written petition, a spokesperson. The written petition must be received at least 72 hours prior to the hearing and must be granted by the Mayor or Chair. The spokesperson shall be limited to 15 minutes.**
 - **Written comments, including e-mail, received by 12:00 p.m. on the date of the hearing shall be either read into the record or displayed to the public on the overhead projector.**
 8. Following the Public Testimony, the applicant is permitted five (5) minutes to respond.
 9. Following the Public Testimony and Applicant's response, Council or Commission members, as recognized by the Mayor or Chair, shall be allowed to question the Applicant, Staff or anyone who has testified. Responses shall be limited to answering the questions asked. The Mayor or Chair may limit the time permitted for the answer.
 10. The Mayor or Chair shall close the Public Hearing. The City Council or Planning & Zoning Commission shall deliberate on the request. Deliberations and decisions shall be based upon the information and testimony provided during the Public Hearing. Once the Public Hearing is closed, additional testimony from the staff, applicant or public is not allowed. Legal or procedural questions may be directed to the City Attorney.
- * Any person not conforming to the above rules may be prohibited from speaking. Persons refusing to comply with such prohibitions may be asked to leave the hearing and, thereafter removed from the room by order of the Mayor or Chairman.



Twin Falls Development Impact Fee Advisory Committee & Improvement Reimbursement Commission Minutes

Thursday, March 25, 2021, 12:00 PM

203 Main Avenue East
Twin Falls, ID 83301

COUNCIL CHAMBERS

Members: Tom Frank - Chairman, Kevin Grey - Vice Chair, Nathan Bishop, Andrew DiPietro, Jennifer Jensen, Colby Ricks, Josh Wallin, Gerardo Munoz

Council Liaison: Craig Hawkins

1) Confirmation of Quorum/Call Meeting to Order

Chairman Frank called the meeting to order at 12:05 PM

A quorum was present.

Members Present: Frank, Munoz, Bishop, DiPietro, Ricks, Hawkins (liaison)

Staff Present: Spendlove, Humble, Hart, Fehringer, Vitek, Holtzen, Chief Kingsbury, Chief Kenworthy, Howard, Ebersole

2) Consent Calendar

- a) Approval of minutes from the following meeting: February 25, 2021

MOTION:

Commissioner DiPietro made a motion to approve the consent calendar, as presented.
Commissioner Munoz seconded the motion.

Unanimously approved by a vote of 5-0.

Commissioner Bishop exited the meeting.

3) Impact Fee Items

- a) Discussion and Potential Action on Impact Fee Capital Improvement Plan Update Recommendation to City Council.

Consultant, Anne Wescott, continued to review the presentation of the impact Fee Update for Police, Fire, Parks, Streets. She reviewed the Capital Improvement Plans for each department and what items are impact fee eligible.

Discussion:

- Commissioner Ricks asked is considered in the park facility enhancements.
- Ms. Wescott clarified what is considered in the enhancements.

- Deputy City Manager Humble continued to clarify and what can and cannot be included in Impact Fees.
- Ms. Wescott clarified which expenses are eligible vs. non eligible for Impact Fees.
- Chairman Frank asked about the Blue Lakes Corridor Study and why is the study eligible to be paid for with impact fees.
- PZ Director Spendlove stated the study is for the north/south corridors, using the Blue Lakes name, but it is not exclusive to that road. He stated it will be renamed as the North/South Corridor study.
- Deputy City Manager Humble stated the plan may not include Blue Lakes Blvd. at all, but may impact the traffic on the road. He explained the in the last two Capital Improvement Plans, the city has accepted a decline in service with streets to keep the fees down. At this point, the city cannot continue to do that, so that is why there are new projects on this Capital Improvement Plan.
- Commissioner Ricks stated streets are tough as they are expensive.
- PZ Director Spendlove reviewed the Capital Improvement Plan summary.

Discussion:

- PZ Director Spendlove discussed the approval process with the commission.
- Another meeting will be needed to finalize plan and for a vote to recommend to City Council.

4) General Input/Announcements - Public/Staff

none

5) Upcoming Meeting(s)

a) As Needed

- Administrative Assistant, Kelli Ebersole, will send out a survey for dates in late April or early May for the next meeting.

6) Adjournment

The meeting adjourned at 1:00 pm.

DRAFT REPORT

April 5, 2021

**City of Twin Falls, Idaho
Impact Fee Study and
Capital Improvement Plans**

Prepared for

City of Twin Falls
203 Main Avenue East
Twin Falls, ID 83301

Prepared By

Galena Consulting
Anne Wescott
1214 South Johnson Street
Boise, Idaho 83705



Section I.

Introduction

This report regarding impact fees for the City of Twin Falls, Idaho is organized into the following sections:

- An overview of the report’s background and objectives;
- A definition of impact fees and a discussion of their appropriate use;
- An overview of land use and demographics;
- A step-by-step calculation of impact fees under the Capital Improvement Plan (CIP) approach;
- A list of implementation recommendations; and
- A brief summary of conclusions. Each section follows sequentially.

Background and Objectives

The City of Twin Falls, Idaho (City) hired Galena Consulting to calculate impact fees for the City’s Police, Fire, Parks and Streets Departments.

This document presents impact fees based on the City’s demographic data and infrastructure costs before credit adjustment; calculates the City’s monetary participation; examines the likely cash flow produced by the recommended fee amount; and outlines specific fee implementation recommendations. Credits can be granted on a case-by-case basis; these credits are assessed when each individual building permit is pulled.

Definition of Impact Fees

Impact fees are one-time assessments established by local governments to assist with the provision of Capital Improvements necessitated by new growth and development. Impact fees are governed by principles established in Title 67, Chapter 82, Idaho Code, known as the Idaho Development Impact Fee Act (Impact Fee Act) which specifically gives cities, towns and counties the authority to levy impact fees. The Idaho Code defines an impact fee as “... a payment of money imposed as a condition of development approval to pay for a proportionate share of the cost of system improvements needed to serve development.”¹

Purpose of impact fees. The Impact Fee Act includes the legislative finding that “... an equitable program for planning and financing public facilities needed to serve new growth and development is necessary in order to promote and accommodate orderly growth and development and to protect the public health, safety and general welfare of the citizens of the state of Idaho.”²

Idaho fee restrictions and requirements. The Impact Fee Act places numerous restrictions on the calculation and use of impact fees, all of which help ensure that local governments adopt impact fees that are consistent with federal law.³ Some of those restrictions include:

- Impact fees shall not be used for any purpose other than to defray system improvement costs incurred to provide additional public facilities to serve new growth;⁴
- Impact fees must be expended within 8 years from the date they are collected. Fees may be held in certain circumstances beyond the 8-year time limit if the governmental entity can provide reasonable cause;⁵
- Impact fees must not exceed the proportionate share of the cost of capital improvements needed to serve new growth and development;⁶
- Impact fees must be maintained in one or more interest-bearing accounts within the capital projects fund.⁷

¹ See Section 67-8203(9), Idaho Code. “System improvements” are capital improvements (i.e., improvements with a useful life of 10 years or more) that, in addition to a long life, increase the service capacity of a public facility. Public facilities include: parks, open space and recreation areas, and related capital improvements; and public safety facilities, including law enforcement, fire, emergency medical and rescue facilities. See Sections 67-8203(3), (24) and (28), Idaho Code.

² See Section 67-8202, Idaho Code.

³ As explained further in this study, proportionality is the foundation of a defensible impact fee. To meet substantive due process requirements, an impact fee must provide a rational relationship (or nexus) between the impact fee assessed against new development and the actual need for additional capital improvements. An impact fee must substantially advance legitimate local government interests. This relationship must be of “rough proportionality.” Adequate consideration of the factors outlined in Section 67-8207(2) ensure that rough proportionality is reached. See *Banbury Development Corp. v. South Jordan*, 631 P.2d 899 (1981); *Dollan v. City of Tigard*, 512 U.S. 374 (1994).

⁴ See Sections 67-8202(4) and 67-8203(29), Idaho Code.

⁵ See Section 67-8210(4), Idaho Code.

⁶ See Sections 67-8204(1) and 67-8207, Idaho Code.

⁷ See Section 67-8210(1), Idaho Code.

In addition, the Impact Fee Act requires the following:

- Establishment of and consultation with a development impact fee advisory committee (Advisory Committee);⁸
- Identification of all existing public facilities;
- Determination of a standardized measure (or service unit) of consumption of public facilities;
- Identification of the current level of service that existing public facilities provide;
- Identification of the deficiencies in the existing public facilities;
- Forecast of residential and nonresidential growth;⁹
- Identification of the growth-related portion of the Police, Fire, Parks and Streets Capital Improvement Plans;¹⁰
- Analysis of cash flow stemming from impact fees and other capital improvement funding sources;¹¹
- Implementation of recommendations such as impact fee credits, how impact fee revenues should be accounted for, and how the impact fees should be updated over time;¹²
- Preparation and adoption of a Capital Improvement Plan pursuant to state law and public hearings regarding the same;¹³ and
- Preparation and adoption of a resolution authorizing impact fees pursuant to state law and public hearings regarding the same.¹⁴

How should fees be calculated? State law requires the City to implement the Capital Improvement Plan methodology to calculate impact fees. The City can implement fees of any amount not to exceed the fees as calculated by the CIP approach. This methodology requires the City to describe its service areas, forecast the land uses, densities and population that are expected to occur in those service areas over the 10-year CIP time horizon, and identify the capital improvements that will be needed to serve the forecasted growth at the planned levels of service, assuming the planned levels of service do not exceed the current levels of service.

⁸ See Section 67-8205, Idaho Code.

⁹ See Section 67-8206(2), Idaho Code.

¹⁰ See Section 67-8208, Idaho Code.

¹¹ See Section 67-8207, Idaho Code.

¹² See Sections 67-8209 and 67-8210, Idaho Code.

¹³ See Section 67-8208, Idaho Code.

¹⁴ See Sections 67-8204 and 67-8206, Idaho Code.

Only those items identified as growth-related on the CIP are eligible to be funded by impact fees.¹⁵ This list and cost of capital improvements constitutes the capital improvement element to be adopted as part of the City’s individual Comprehensive Plan.¹⁶

The City intending to adopt an impact fee must first prepare a capital improvements plan.¹⁷ To ensure that impact fees are adopted and spent for capital improvements in support of the community’s needs and planning goals, the Impact Fee Act establishes a link between the authority to charge impact fees and certain planning requirements of Idaho’s Local Land Use Planning Act (LLUPA). The local government must have adopted a comprehensive plan per LLUPA procedures, and that comprehensive plan must be updated to include a current capital improvement element.¹⁸ This study considers the planned capital improvements for the ten-year period from 2021 to the end of 2030 that will need to be adopted as an element the City’s Comprehensive Plan.

Once the essential capital planning has taken place, impact fees can be calculated. The Impact Fee Act places many restrictions on the way impact fees are calculated and spent, particularly via the principal that local governments cannot charge new development more than a “proportionate share” of the cost of public facilities to serve that new growth. “Proportionate share” is defined as “. . . that portion of the cost of system improvements . . . which reasonably relates to the service demands and needs of the project.”¹⁹ Practically, this concept requires the City to carefully project future growth and estimate capital improvement costs so that it prepares reasonable and defensible impact fee schedules.

The proportionate share concept is designed to ensure that impact fees are calculated by measuring the needs created for capital improvements by development being charged the impact fee; do not exceed the cost of such improvements; and are “earmarked” to fund growth-related capital improvements to benefit those that pay the impact fees.

There are various approaches to calculating impact fees and to crediting new development for past and future contributions made toward system improvements. The Impact Fee Act does not specify a single type of fee calculation, but it does specify that the formula be “reasonable and fair.” Impact fees should take into account the following:

¹⁵ As a comparison and benchmark for the impact fees calculated under the Capital Improvement Plan approach, Galena Consulting also calculated the City’s current level of service by quantifying the City’s current investment in capital improvements for each impact fee category, allocating a portion of these assets to residential and nonresidential development, and dividing the resulting amount by current housing units (residential fees) or current square footage (nonresidential fees). By using current assets to denote the current service standard, this methodology guards against using fees to correct existing deficiencies.

¹⁶ See Sections 67-8203(4) and 67-8208, Idaho Code.

¹⁷ See Section 67-8208, Idaho Code.

¹⁸ See Sections 67-8203(4) and 67-8208, Idaho Code.

¹⁹ See Section 67-8203(23), Idaho Code.

- Any appropriate credit, offset or contribution of money, dedication of land, or construction of system improvements;
- Payments reasonably anticipated to be made by or as a result of a new development in the form of user fees and debt service payments;
- That portion of general tax and other revenues allocated by the City to growth-related system improvements; and
- All other available sources of funding such system improvements.²⁰

Through data analysis and interviews with the City and Galena Consulting identified the share of each capital improvement needed to serve growth. The total projected capital improvements needed to serve growth are then allocated to residential and nonresidential development with the resulting amounts divided by the appropriate growth projections from 2021 to 2031. This is consistent with the Impact Fee Act.²¹ Among the advantages of the CIP approach is its establishment of a spending plan to give developers and new residents more certainty about the use of the particular impact fee revenues.

Other fee calculation considerations. The basic CIP methodology used in the fee calculations is presented above. However, implementing this methodology requires a number of decisions. The considerations accounted for in the fee calculations include the following:

- Allocation of costs is made using a service unit which is “a standard measure of consumption, use, generation or discharge attributable to an individual unit²² of development calculated in accordance with generally accepted engineering or planning standards for a particular category of capital improvement.”²³ The service units chosen by the study team for every fee calculation in this study are linked directly to residential dwelling units and nonresidential development square feet.²⁴
- A second consideration involves refinement of cost allocations to different land uses. According to Idaho Code, the CIP must include a “conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, agricultural and industrial.”²⁵ In this analysis, the study team has chosen to use the highest level of detail supportable by available data and, as a result, in this study, every impact fee is allocated between aggregated residential (i.e., all forms of residential housing) and nonresidential development (all nonresidential uses including retail, office, agricultural and industrial).

²⁰ See Section 67-8207, Idaho Code.

²¹ The impact fee that can be charged to each service unit (in this study, residential dwelling units and nonresidential square feet) cannot exceed the amount determined by dividing the cost of capital improvements attributable to new development (in order to provide an adopted service level) by the total number of service units attributable to new development. See Sections 67-8204(16), 67-8208(1)(f) and 67-8208(1)(g), Idaho Code.

²² See Section 67-8203(27), Idaho Code.

²³ See Section 67-8203(27), Idaho Code.

²⁴ The construction of detached garages alongside residential units does not typically trigger the payment of additional impact fees unless that structure will be the site of a home-based business with significant outside employment.

²⁵ See Section 67-8208(1)(e), Idaho Code.

Current Assets and Capital Improvement Plans

The CIP approach estimates future capital improvement investments required to serve growth over a fixed period of time. The Impact Fee Act calls for the CIP to “. . . project demand for system improvements required by new service units . . . over a reasonable period of time not to exceed 20 years.”²⁶ The impact fee study team recommends a 10-year time period based on the City’s best available capital planning data.

The types of costs eligible for inclusion in this calculation include any land purchases, construction of new facilities and expansion of existing facilities to serve growth over the next 10 years at planned and/or adopted service levels.²⁷ Equipment and vehicles with a useful life of 10 years or more are also impact fee eligible under the Impact Fee Act.²⁸ The total cost of improvements over the 10 years is referred to as the “CIP Value” throughout this report. The cost of this impact fee study is also impact fee eligible for all impact fee categories. Each fee category was charged its pro-rated percentage of the cost of the impact fee study.

The forward-looking 10-year CIPs for Twin Falls’ Police, Fire, Parks and Streets Departments each include some facilities that are only partially necessitated by growth (e.g., facility expansion). The study team met with the City to determine a defensible metric for including a portion of these facilities in the impact fee calculations. A general methodology used to determine this metric is discussed below. In some cases, a more specific metric was used to identify the growth-related portion of such improvements. In these cases, notations were made in the applicable section.

Fee Calculation

In accordance with the CIP approach described above, we calculated fees for each department by answering the following seven questions:

1. **Who is currently served by the City?** This includes the number of residents as well as residential and nonresidential land uses.
2. **What is the current level of service provided by the City?** Since an important purpose of impact fees is to help the City *achieve* its planned level of service²⁹, it is necessary to know the levels of service it is currently providing to the community.
3. **What current assets allow the City to provide this level of service?** This provides a current inventory of assets used by the City, such as facilities, land and equipment. In addition, each asset’s replacement value was calculated and summed to determine the total value of the Police, Fire, Parks and Streets current assets.

²⁶ See Section 67-8208(1)(h).

²⁷ This assumes the planned levels of service do not exceed the current levels of service.

²⁸ The Impact Fee Act allows a broad range of improvements to be considered as “capital” improvements, so long as the improvements have useful life of at least 10 years and also increase the service capacity of public facilities. See Sections 67- 8203(28) and 50-1703, Idaho Code.

²⁹ This assumes that the planned level of service does not exceed the current level of service.

4. **What is the current investment per residential and nonresidential land use?** In other words, how much of each service provider's current assets' total value is needed to serve current residential households and nonresidential square feet?
5. **What future growth is expected in the City?** How many new residential households and nonresidential square footage will the City serve over the CIP period?
6. **What new infrastructure is required to serve future growth?** For example, how many new engines will be needed by the City of Twin Falls Fire Department within the next ten years to achieve the planned level of service of the City?³⁰
7. **What impact fee is required to pay for the new infrastructure?** We calculated an apportionment of new infrastructure costs to future residential and nonresidential land- uses for the City. Then, using this distribution, the impact fees were determined.

Addressing these seven questions, in order, provides the most effective and logical way to calculate impact fees for the City. In addition, these seven steps satisfy and follow the regulations set forth earlier in this section.

Growth Relation

In Twin Falls, as in any local government, not all capital costs are associated with growth. Some capital costs are for repair and replacement of facilities e.g., standard periodic investment in existing facilities such as roofing. These costs *are not* impact fee eligible. Some capital costs are for betterment of facilities, or implementation of new services (e.g., development of an expanded training facility). These costs *are generally not entirely* impact fee eligible. Some costs are for expansion of facilities to accommodate new development at the current level of service (e.g., purchase of new fire station to accommodate expanding population). These costs *are* impact fee eligible.

Because there are different reasons why the City invests in capital projects, the study team categorized all projects listed in each CIP:

- **Growth.** To determine if a project is solely related to growth, we asked “Is this project designed to maintain the current level of service as growth occurs?” and “Would the City still need this capital project if it weren't growing at all?” Growth projects are only necessary to maintain the City's current level of service as growth occurs. It is thus appropriate to include 100 percent of their cost in the impact fee calculations.
- **Repair & Replacement.** We asked “Is this project related only to fixing existing infrastructure?” and “Would the City still need it if it weren't growing at all?” Repair and Replacement projects have nothing to do with growth. It is thus not appropriate to include any of their cost in the impact fee calculations.

³⁰ This assumes the planned level of service does not exceed the current level of service.

- **Upgrade.** We asked, “Would this project improve the City’s current level of service?” and “Would the City still do it even if it weren’t growing at all?” Upgrade projects have nothing to do with growth. It is thus not appropriate to include any of their cost in the impact fee calculations.
- **Mixed.** Mixed projects by their very definition are partially necessitated by growth, but also include an element of repair, replacement and/or upgrade. In this instance, a cost amount between 0 and 100 percent should be included in the fee calculations. Although the need for these projects is triggered by new development, they will also benefit existing residents.

Projects that are 100 percent growth-related were determined by our study to be necessitated solely by growth. Alternatively, some projects can be determined to be “mixed,” with some aspects of growth and others aspects of repair and replacement. In these situations, only a portion of the total cost of each project is included in the final impact fee calculation.

It should be understood that growth is expected to pay only the portion of the cost of capital improvements that are growth-related. The City will need to plan to fund the pro rata share of these partially growth-related capital improvements with revenue sources other than impact fees within the time frame that impact fees must be spent. These values will be calculated and discussed in Section VII of this report.

Exhibits found in Sections III through VI of this report detail all capital improvements planned for purchase over the next ten years by the City.

Section II. Land Uses

As noted in Section I, it is necessary to allocate capital improvement plan (CIP) costs to both residential and nonresidential development when calculating impact fees. The study team performed this allocation based on the number of projected new households and nonresidential square footage projected to be added from 2021 through 2031 for the City. These projections were based on current growth estimates from the U.S. Census and the American Community Survey; the 2016 Twin Falls Comprehensive Plan; building permit history; and recommendations from City Staff.

The study team also gathered growth projections for the boundaries of the City combined with the boundaries of the Twin Falls Rural Fire District based on parcel data by tax code from the Twin Falls County Assessor's Office. This data and its purpose will be explained further in Section IV regarding fire impact fees.

Demographic and land-use projections are some of the most variable and potentially debatable components of an impact fee study, and in all likelihood the projections used in our study will not prove to be 100 percent correct. The purpose of the Advisory Committee's annual review is to account for these inconsistencies. As each CIP is tied to the City's land use growth, the CIP and resulting fees can be revised based on actual growth as it occurs.

The following Exhibit II-1 presents the current and future population for the City.

Exhibit II-1. Population, Twin Falls, Idaho

	2021	2031	Net Increase	Percentage Increase
City Population	52,152	62,583	10,430	20%

Twin Falls currently has approximately 52,152 persons residing within the existing City limits. Over the next ten years, we expect the City to grow by approximately 10,430 persons, or by 20 percent.

The following Exhibit II-2 presents the current and future number of residential units and nonresidential square feet for the City. We expect the City to have 23,886 residential households and 11.2 million nonresidential square feet by 2031 based on existing growth rates.

Exhibit II-2.
Current and Future Land Uses, Twin Falls, Idaho

	2021	2031	Net Growth	Net Growth in Square Feet ⁽¹⁾	Percent of Total Growth in SF
Population	52,152	62,583	10,430		
Residential (in units)	19,905	23,886	3,981	6,887,266	76%
<i>Single-Family</i>	16,920	19,826	2,906	5,812,375	64%
<i>Multi-Family</i>	2,986	4,061	1,075	1,074,891	12%
Nonresidential (in square feet)	8,960,000	11,157,218	2,197,218	2,197,218	24%
<i>Retail</i>	2,240,000	2,789,305	549,305	549,305	6%
<i>Office</i>	1,792,000	2,231,444	439,444	439,444	5%
<i>Industrial</i>	3,763,200	4,686,032	922,832	922,832	10%
<i>Institutional</i>	1,164,800	1,450,438	285,638	285,638	3%
			Total Square Footage Growth =	9,084,484	100%

As shown above, Twin Falls is expected to grow by approximately 3,981 residential units and 2,197,218 nonresidential square feet over the next ten years. Seventy-six percent of this growth is attributable to residential land uses, while the remaining twenty-four percent is attributable to nonresidential growth. These growth projections will be used in the following sections to calculate the appropriate impact fees for the City.

Section III. Police Department

In this section, we calculate impact fees for the City of Twin Falls Police Department following the seven-question method outlined in Section I of this report.

1. Who is currently served by the City of Twin Falls Police Department?

As shown in Exhibit II-2, the Police Department currently serves 19,905 residential units and approximately 8.96 million square feet of nonresidential land use found within Twin Falls.

2. What is the current level of service provided by the Police Department?

The Twin Falls Police Department currently provides a level of service of 1.48 sworn officers per 1,000 Twin Falls residents. This was calculated by dividing 77 current officers by the current population of 52,152/1,000. As the City grows, additional infrastructure and equipment will be needed to achieve the Department's planned level of service.

3. What current assets allow the Twin Falls Police Department to provide this level of service?

The following Exhibit III-1 displays the current assets of the Twin Falls Police Department.

Exhibit III-1. Current Assets – Twin Falls Police Department

Type of Capital Infrastructure	Square Feet	Replacement Value
Facilities		
Main Admin	11,598	\$ 2,319,600
Operations	15,628	\$ 3,125,600
Gun Range - 2 acres		\$ 1,500,000
Storage at Airport	3,800	\$ 380,000
Evidence Storage	2,900	\$ 435,000
Communications Center - Police share	1,998	\$ 299,700
Vehicles		
SWAT Vehicle		\$ 105,000
Bomb Trailer		\$ 400,000
Traffic Trailer		\$ 12,000
Radar Trailer		\$ 20,000
Radar Equipment		\$ 25,000
Equipment		
2 Robots		\$ 600,000
Weaponry- sidearms		\$ 46,200
Weaponry - rifles		\$ 25,000
Weaponry - Shotguns		\$ 1,500
Radios		\$ 202,745
Dispatch - 2 communications towers		\$ 1,116,000
Dispatch - 6 phone console stations		\$ 556,620
Servers		\$ 139,247
	24,326	\$ 8,989,612
Plus Impact Fee Study		\$ 8,000
Plus Impact Fee Fund Balance		\$ (44,698)
TOTAL CURRENT INVESTMENT		\$ 8,952,914

As shown above, the Police Department currently owns approximately \$9 million of eligible current assets. These assets are used to provide the Department’s current level of service.

4. What is the current investment per residential unit and nonresidential square foot for the Twin Falls Police Department?

The City has already invested \$362 per residential unit and \$0.17 per nonresidential square foot in order to provide the current level of service. This figure is derived by allocating the value of the Police Department’s current assets between the current number of residential units and nonresidential square feet.

We will compare our final impact fee calculations with these figures to determine if the two results will be similar; this represents a “check” to see if future residents will be paying for infrastructure at a level commensurate with what existing residents have invested in infrastructure.

5. What future growth is expected in Twin Falls?

As shown in Exhibit II-2, the City of Twin Falls is expected to grow by 10,430 people, 3,981 residential units and 2.2 million square feet of nonresidential land use over the next ten years.

6. What new infrastructure is required to serve future growth?

The following Exhibit III-2 displays the capital improvements needed to support growth by the Twin Falls Police Department over the next ten years.

**Exhibit III-2.
Twin Falls Police Department CIP 2021-2030**

Type of Capital Infrastructure	Square Feet	CIP Value	Growth Portion	Amount to Include in Fees	Amount from Other Sources
Facilities					
Remodel Fire Station #1 for Police growth needs	13,400	\$ 2,100,000	50%	\$ 1,050,000	\$ 1,050,000
Vehicles					
Replace SWAT vehicle		\$ 105,000	0%	\$ -	\$ 105,000
Additional Radar Trailer		\$ 20,000	100%	\$ 20,000	\$ -
Additional Patrol Vehicles for Growth		\$ 325,000	0%	\$ -	\$ 325,000
Replace patrol vehicles		\$ 2,340,000	0%	\$ -	\$ 2,340,000
Equipment					
Replacement of weaponry		\$ 71,200	0%	\$ -	\$ 71,200
Replacement of radios		\$ 262,500	0%	\$ -	\$ 262,500
Weaponry for additional officers- sidearms		\$ 4,800	100%	\$ 4,800	\$ -
Weaponry for additional officers - rifles		\$ 3,000	100%	\$ 3,000	\$ -
Weaponry for additional officers - shotguns		\$ 300	100%	\$ 300	\$ -
Radios - one for officer and 1 for every 10 vehicles		\$ 13,500	100%	\$ 13,500	\$ -
	SUBTOTAL	\$ 5,245,300		\$ 1,091,600	\$ 4,153,700
Plus Cost of Capital-Related Research					
Impact Fee Study		\$ 8,000	100%	\$ 8,000	\$ -
Minus Current Impact Fee Fund Balance					
		\$ (44,698)		\$ (44,698)	\$ -
	TOTAL	\$ 5,297,998		\$ 1,144,298	\$ 4,153,700

If the Twin Falls Police Department were to continue the current level of service through 2031, an additional 15 officers would need to be hired. As the City has determined that it will not likely have sufficient General Fund revenues to fund these 15 positions, a more conservative assumption of 8 officers has been identified.

As shown above, the total cost of the Twin Falls Police Department’s Capital Improvement Plan from 2021-2030 is approximately \$5.2 million. \$1.1 million of this amount is directly related to supporting the 8 new officer positions and related support staff need to continue the current level of service of 1.48 officers per 1,000 residents. This includes office space, parking, and ancillary equipment. The cost of impact fee-related research is impact-fee eligible according to statute and is added to the total cost of the growth-related CIP. The current balance in the existing Police Impact Fee Fund is a negative amount and must be repaid to the General Fund.

The remaining \$4.2 million in the CIP is the price for the Police Department to replace existing vehicles and equipment, and purchase patrol vehicles for additional growth-related officers. Patrol vehicles do not last 10 years in the Twin Falls Police Department and therefore are not impact-fee eligible. The Police Department will therefore have to use other sources of revenue including all of those listed in Idaho Code 67-8207(I)(iv)(2)(h).

7. What impact fee is required to pay for the new capital improvements?

The following Exhibit III-3 takes the projected future growth from Exhibits II-2 and the growth-related CIP from Exhibit III-2 to calculate impact fees for the Twin Falls Police Department.

**Exhibit III-3.
Twin Falls Police Department Fee Calculation**

Impact Fee Calculation	
Amount to Include in Fee Calculation	\$1,144,298
Distribution of Future Land Use Growth	
Residential	76%
Nonresidential	20%
Future Assets by Land Use	
Residential	\$ 867,532
Nonresidential	\$ 228,860
Future Land Use Growth	
Residential (total dwelling units)	3,981
Nonresidential (total square feet)	2,197,218
Impact Fee per Unit	
Residential (per dwelling unit)	\$ 218
Nonresidential (per square foot)	\$ 0.10

As shown above, we have calculated impact fees for the Twin Falls Police Department at \$218 per residential unit and \$0.10 per nonresidential square foot. Fees not to exceed these amounts are recommended for the Department. The Department cannot assess fees greater than the amounts shown above. The Department may assess fees lower than these amounts, but would then experience a decline in service levels unless the Department used other revenues to make up the difference.

Section IV. Fire Department/Rural Fire District

The Twin Falls Fire Department not only provides services within the City’s boundaries, it also provides its services on contract to the Twin Falls Rural Fire District. The Department and the District utilize the same capital infrastructure for response and a decision has been made by the City of Twin Falls and the Twin Falls Rural Fire District Commission to analyze the assessment of impact fees to new development within the District at the same rate as that which is assessed to new development in the City so that growth in the City is not subsidizing costs created by growth in the District.

The Legislature gave taxing districts the authority to collect impact fees in an amendment to State Statute several years ago. Because Districts do not issue building permits, however, they were given the authority to have the City or County collect on their behalf. In the case of the Twin Falls Fire District, development permits are issued by Twin Falls County.

Therefore, this section refers to the projected growth and capital needs for the combined Twin Falls Fire Department/Twin Falls Rural Fire District following the seven-question method outlined in Section I of this report.

1. Who is currently served by the Twin Falls Fire Department/Twin Falls Rural Fire District?

As shown below, the Twin Falls Fire Department and Twin Falls Rural Fire District currently serve 55,875 people; 21,326 residential units and approximately 9.3 million square feet of nonresidential land use within their combined boundaries.

Exhibit IV-1. Current and Future Land Uses – Twin Falls Fire Department/Twin Falls Rural Fire District

	2021	2031	Net Growth	Net Growth in Square Feet	Percent of Growth in Square Feet
Population	55,875	67,050	11,175		
Residential (in dwelling units)	21,326	25,592	4,265	8,530,557	67%
Nonresidential (in square feet)	9,260,000	13,388,662	4,128,662	4,128,662	33%
			Total Square Footage Growth =	12,659,219	100%

2. What is the current level of service provided by the Twin Falls Fire Department/Twin Falls Rural Fire District?

Twin Falls’ Fire Department provides a level of service of a 90 percent fractile response time of 6 minutes to its residents and the residents of the Twin Falls Rural Fire District. As the City and unincorporated area grows, additional infrastructure and equipment will be needed to sustain the Department’s current level of service.

3. What current assets allow the Twin Falls Fire Department/Twin Falls Rural Fire District to provide this level of service?

The following Exhibit IV-2 displays the current assets of the Twin Falls Fire Department/Twin Falls Rural Fire District.

**Exhibit IV-2.
Current Assets – Twin Falls Fire Department/Twin Falls Rural Fire District**

Type of Capital Infrastructure	Square Feet	Replacement Value
Facilities		
Fire Command Station #1	13,400	\$ 10,720,000
Fire Substation #2	3,500	\$ 2,800,000
Fire Substation #3	3,132	\$ 2,505,600
Fire Station #4 (ARFF)	2,959	\$ 2,367,200
Land for Station #2 -2 acres		\$ 150,000
Land for Station #5 - 2.29 acres		\$ 165,163
Communications Center - Fire share	222	\$ 32,412
Apparatus/Vehicles		
5 Engines		\$ 3,000,000
1 Rescue Truck		\$ 175,000
1 Ladder Truck		\$ 1,500,000
4 Brush Trucks		\$ 720,000
2 Tenders		\$ 580,000
Staff/Command Vehicles		\$ 140,000
1 Aid Car		\$ 200,000
Equipment		
SCBAs		\$ 312,000
HazMat Trailer		\$ 12,000
Public Education Trailer		\$ 12,000
Mako breathing air module		\$ 32,000
Trench Rescue Kit		\$ 17,170
Trench Rescue Trailer		\$ 8,000
	23,213	\$ 25,448,545
Plus Impact Fee Study		\$ 8,000
Plus Impact Fee Fund Balance		\$ 2,955,212
TOTAL CURRENT INVESTMENT		\$ 28,411,757

As shown above, the Twin Falls Fire Department/Twin Falls Rural Fire District currently owns approximately \$28.4 million of eligible current assets. These assets are used to provide the current level of service.

4. What is the current investment per residential unit and nonresidential square foot?

The Twin Falls Fire Department/Twin Falls Rural Fire District has already invested \$1,095 per residential unit and \$0.55 per nonresidential square foot. This figure is derived by allocating the value of the Fire Department and District’s current assets between the current number of residential units and nonresidential square feet.

We will compare our final impact fee calculations with these figures to determine if the two results will be similar; this represents a “check” to see if future residents will be paying for infrastructure at a level commensurate with what existing residents have invested in infrastructure.

5. What future growth is expected in the Twin Falls Fire Department/Twin Falls Rural Fire District?

As shown in Exhibit IV-1, the City of Twin Falls and Twin Falls Rural Fire District is expected to grow by approximately 4,265 residential units and 4.1 million square feet of nonresidential land use over the next ten years.

More important than the number of new development units is their location. Fire stations are sited to ensure travel times are within desired service levels. As areas outside of the core of the city grow, additional stations are added to fill the service response gaps.

6. What new infrastructure is required to serve future growth?

The following Exhibit IV-3 displays the capital improvements planned for purchase by the Twin Falls Fire Department/Twin Falls Rural Fire District over the next ten years.

**Exhibit IV-3.
Twin Falls Fire Department/Twin Falls Rural Fire District CIP 2021-2030**

Type of Capital Infrastructure	Square Feet	CIP Value	Growth Portion	Amount to Include in Fees	Amount from Other Sources
Facilities					
Replace and Expand Fire Station #1 on new site	18,026	\$ 11,419,476	0%	\$ -	\$ 11,419,476
Relocate Station #2 on new site for growth (have land)	10,500	\$ 7,600,000	100%	\$ 7,600,000	\$ -
Replace Station #3 on current site	10,500	\$ 6,000,000	0%	\$ -	\$ 6,000,000
Apparatus/Vehicles					
Additional Engine for growth		\$ 750,000	100%	\$ 750,000	
Replacement of Existing Apparatus/Vehicles		\$ 2,900,000	0%	\$ -	\$ 2,900,000
Equipment					
Additional SCBAs for growth		\$ 58,500	100%	\$ 58,500	\$ -
		SUBTOTAL		\$ 8,408,500	\$ 20,319,476
Plus Cost of Capital-Related Research					
Impact Fee Study		\$ 8,000	100%	\$ 8,000	\$ -
Facility Siting Study		\$ 50,000	100%	\$ 50,000	\$ -
		Minus Current Impact Fee Fund Balance		\$ (2,955,212)	\$ -
		TOTAL		\$ 25,830,764	\$ 20,319,476

As shown above, the Twin Falls Fire Department/Twin Falls Rural Fire District plans to purchase approximately \$28.7 million in stations, apparatus and equipment over the next ten years, \$8.4 million of which is impact fee eligible. The cost of impact fee-related research is impact-fee eligible according to statute and is added to the total cost of the growth-related CIP. The current balance in the existing Fire Impact Fee Fund is subtracted from the total growth-related CIP, leaving \$5.5 million to be collected from impact fees over the next ten years.

These new assets will allow the Twin Falls Fire Department/Twin Falls Rural Fire District to sustain the current level of service in the future. The commencement and completion dates for the Fire Department’s growth-related capital infrastructure depend on the timing and pace of the projected growth. If growth occurs at a faster pace than anticipated, an additional station and ladder truck will need to be added to the CIP.

The remaining approximately \$20.3 million is the price for the non-growth portion of the new Station #1 and Station #3, as well as the cost to replace existing apparatus, vehicles and other equipment. Replacement of existing capital is not eligible for inclusion in the impact fee calculations. The Department will therefore have to use other sources of revenue including all of those listed in Idaho Code 67- 8207(iv)(2)(h).

7. What impact fee is required to pay for the new capital improvements?

The following Exhibit IV-4 takes the projected future growth from Exhibit IV-1 and the growth-related CIP from Exhibit IV-3 to calculate impact fees for the Twin Falls Fire Department/Twin Falls Rural Fire District.

**Exhibit IV-4.
Twin Falls Fire Department/Twin Falls Rural Fire District Fee Calculation**

Impact Fee Calculation	
Amount to Include in Fee Calculation	\$5,511,288
Distribution of Future Land Use Growth	
Residential	67%
Nonresidential	33%
Future Assets by Land Use	
Residential	\$ 3,713,843
Nonresidential	\$ 1,797,445
Future Land Use Growth	
Residential (total dwelling units)	4,265
Nonresidential (total square feet)	4,128,662
Impact Fee per Unit	
Residential (per dwelling unit)	\$ 871
Nonresidential (per square foot)	\$ 0.44

As shown above, we have calculated impact fees for the Twin Falls Fire Department at \$871 per residential unit and \$0.44 per nonresidential square foot. Fees not to exceed these amounts are recommended for the Department/District. The Department/District cannot assess fees greater than the amounts shown above. The Department/District may assess fees lower than these amounts, but would then experience a decline in service levels unless the Department/District used other revenues to make up the difference.

Section V. Parks Department

In this section, we calculate impact fees for the Twin Falls Parks Department following the seven-question method outlined in Section I of this report.

1. Who is currently served by the Twin Falls Parks Department?

As shown in Exhibit II-2, the Parks Department currently serves 19,905 residential units. More importantly for the Parks Department, Twin Falls currently serves 52,152 residents.

2. What is the current level of service provided by the Twin Falls Parks Department?

Twin Falls' Parks Department currently provides a level of service of 4.7 acres of developed parks per 1,000 population.

3. What current assets allow the Twin Falls' Parks Department to provide this level of service?

The following Exhibit V-1 displays the current assets of the Twin Falls' Parks Department.

Exhibit V-1.
Current Assets – Twin Falls Parks Department

Type of Capital Infrastructure	Size of Park (acres)	Replacement Value
Paths & Trails (\$250,000 per acre)		
Trails and Small Open Space	15.45	\$ 3,862,500
<i>subtotal</i>	15.45	\$ 3,862,500
Neighborhood & Pocket Parks (\$250,000 per acre in land and development costs)		
Ascension	8	\$ 2,000,000
Blue Lakes Rotary	4	\$ 1,000,000
Cascade	4	\$ 1,000,000
Clyde Thomsen	13	\$ 3,250,000
Drury Park	1	\$ 250,000
Fairway Estates	2	\$ 500,000
Harrison	2	\$ 500,000
Harry Barry	3	\$ 750,000
Morning Sun	3	\$ 750,000
Northern Ridge	4	\$ 1,000,000
Pierce Street Tennis Court	0.5	\$ 125,000
Sunrise	2	\$ 500,000
Vista Bonita	8.5	\$ 2,125,000
Willow Lane	0.5	\$ 125,000
Benno's Point	2	\$ 500,000
South Park	3	\$ 750,000
Morning Sun Trail Park	0.5	\$ 125,000
<i>subtotal</i>	61	\$ 15,250,000
Community Parks (\$250,000 per acre in land and development costs)		
City Park	5.5	\$ 1,375,000
Frontier Field	19	\$ 4,750,000
Harmon	25	\$ 6,250,000
Oregon Trail Youth Complex	20.5	\$ 5,125,000
Sunway Soccer Complex	44.0	\$ 11,000,000
<i>subtotal</i>	114	\$ 28,500,000
Large Regional Parks		
Auger Falls	681	\$ 34,050,000
Dierkes Lake	197.5	\$ 9,875,000
Rock Creek Canyon Parkway	46.5	\$ 2,325,000
Shoshone Falls	218	\$ 10,900,000
<i>subtotal</i>	1143	\$ 57,150,000
Special Use Park Facilities		
Twin Falls Golf Club	116	\$ 934,800
Municipal Swimming Pool	0	\$ 3,000,000
Sawtooth Softball Fields	0	leased
Baxter's Park	2.5	\$ 250,000
Courtney Conservation Park	1	\$ 100,000
Dennis Bowyer Pocket Park	0.25	\$ 200,000
<i>subtotal</i>	119.75	\$ 4,484,800
Undeveloped Parks (\$15,000 per acre land cost only)		
Russet/All Street	2	\$ 30,000
Rock Creek Canyon Properties	27	\$ 405,000
Community Garden	3	\$ 45,000
Jumpsite Trail Head	1.5	\$ 22,500
<i>subtotal</i>	33.5	\$ 502,500
Vehicles and Equipment		\$ 1,241,279
		\$ 110,991,079
Plus Impact Fee Study		\$ 8,000
Plus Impact Fee Fund Balance		\$ 885,315
TOTAL CURRENT INVESTMENT		\$ 111,884,394

As shown above, the Twin Falls’ Parks Department currently owns approximately \$111.8 million of eligible current assets. These assets are used to provide the Department’s current level of service.

4. What is the current investment per residential unit and nonresidential square foot?

The Twin Falls Parks Department has already invested \$5,621 per residential unit based on the value of the current assets divided by the number of existing residential units. Parks assets are only allocated to residential land uses since they are the primary users of Parks infrastructure.

We will compare our final impact fee with this figure to determine if the two results will be similar; this represents a “check” to see if future City residents will be paying for infrastructure at a level commensurate with what existing City residents have invested in infrastructure.

5. What future growth is expected in the Twin Falls Parks Department?

As shown in Exhibit II-2, the City of Twin Falls is expected to grow by approximately 10,400 residents and 3,969 residential units over the next ten years.

6. What new infrastructure is required to serve future growth?

The following Exhibit V-2 displays the capital improvements planned for purchase by the Twin Falls Parks Department over the next ten years.

**Exhibit V-2.
Twin Falls Parks Department CIP 2021-2030**

Type of Capital Infrastructure	acres	CIP Value	Growth Portion	Amount to Include in Fees	Amount from Other Sources
New Park Acreage					
Growth-Related Park Acres (\$250,000 per acre land and development)	27.0	\$ 6,750,000	100%	\$ 6,750,000	\$ -
Parks Amenities - New/Expanded					
Purchase Auger Falls Property		\$ 80,000	100%	\$ 80,000	\$ -
Parks Improvements/Maintenance					
Sunway-1st Federal Park		\$ 100,000	0%	\$ -	\$ 100,000
Baxter's Park - curb, gutter and sidewalk		\$ 55,000	0%	\$ -	\$ 55,000
Auger Falls Facility Enhancement/Maintenance-\$5k per year		\$ 50,000	0%	\$ -	\$ 50,000
Clyde Thomsen Park Trail Repair/Maintenance		\$ 220,000	0%	\$ -	\$ 220,000
Canyon Rim Trails - Rebuild Breckenridge Estates		\$ 135,000	0%	\$ -	\$ 135,000
Canyon Rim Trail Maintenance - \$30,000 per year		\$ 300,000	0%	\$ -	\$ 300,000
Parking Lot Maintenance-\$250,000 per year		\$ 2,500,000	0%	\$ -	\$ 2,500,000
Tennis Court Maintenance		\$ 53,000	0%	\$ -	\$ 53,000
Facility Enhancements		\$ 4,000,000	0%	\$ -	\$ 4,000,000
Dierkes Park Improvements - Parking, ADA, Dock Access		\$ 300,000	0%	\$ -	\$ 300,000
City Park Restroom Replacement		\$ 350,000	0%	\$ -	\$ 350,000
Equipment and Vehicles					
Equipment and Vehicle Replacement		\$ 430,500	0%	\$ -	\$ 430,500
		SUBTOTAL		\$ 6,830,000	\$ 8,493,500
Plus Cost of Capital-Related Research					
Impact Fee Study		\$ 8,000	100%	\$ 8,000	\$ -
Parks Standards and Specifications Update		\$ 15,000	100%	\$ 15,000	\$ -
Rock Creek - Blue Lakes Master Plan		\$ 50,000	100%	\$ 50,000	\$ -
Master Plan Updates - \$15,000 per year		\$ 150,000	0%	\$ -	\$ 150,000
Minus Current Impact Fee Fund Balance					
		\$ (885,315)		\$ (885,315)	
		TOTAL		\$ 6,017,685	\$ 8,643,500

As shown above, the Twin Falls Parks Department plans to purchase approximately \$15.3 million in capital improvements over the next ten years, \$6.8 million of which is impact fee eligible. The cost of impact fee-related research is impact-fee eligible according to statute and is added to the total cost of the growth-related CIP. The current balance in the existing Parks Impact Fee Fund is subtracted from the total growth-related CIP, leaving \$6 million to be collected from impact fees over the next ten years.

To continue the current level of service 47 new acres of parks would need to be developed. This number is unsustainable from a maintenance perspective, however. At the City’s direction, the primary use of impact revenues will be to develop 27 acres of park facilities, and purchase the Auger Falls property. The commencement and completion dates for the Parks Department’s growth-related capital infrastructure depend on the timing and pace of the projected growth.

The remaining approximately \$8.6 million is the price for the Department to make facility and park upgrades and replacements. None of these capitals are eligible for inclusion in the impact fee calculations. The Department will therefore have to use other sources of revenue including all of those listed in Idaho Code 67- 8207(iv)(2)(h).

7. What impact fee is required to pay for the new capital improvements?

The following Exhibit V-3 takes the projected future growth from Exhibit II-2 and the growth-related CIP from Exhibit V-2 to calculate impact fees for the Twin Falls Parks Department.

Exhibit V-3. Twin Falls Parks Department Fee Calculation

Impact Fee Calculation	
Amount to Include in Fee Calculation	\$ 6,017,685
Distribution of Future Land Use Growth	
Residential	100%
Nonresidential	0%
Future Assets by Land Use	
Residential	\$ 6,017,685
Nonresidential	\$ -
Future Land Use Growth	
Residential (total dwelling units)	3,981
Nonresidential	-
Impact Fee per Unit	
Residential (per dwelling unit)	\$ 1,512
Nonresidential (per sf)	\$ -

As shown above, we have calculated impact fees for the Twin Falls Parks Department at \$1,512 per residential unit. The Department cannot assess fees greater than the amounts shown above. The Department may assess fees lower than these amounts, but would then experience a decline in service levels unless the Department used other revenues to make up the difference.

We are pleased to report the fees displayed in Exhibit V-3 are significantly lower than the current investment of \$5,598 identified earlier in this section. This indicates future growth is only paying its proportionate share of future infrastructure purchases.

Section VI.

Streets, Bridges and Intersections

In this section, we calculate impact fees for the Twin Falls Streets Department following the seven-question method outlined in Section I of this report.

1. Who is currently served by the Twin Falls Streets Department?

As shown in Exhibit II-2, the Streets Department currently serves 52,152 residents. These residents live in 16,920 single-family units averaging 2,000 square feet each, and 2,986 multifamily units averaging 1,000 square feet each. In addition, the City's streets system serves almost 9 million square feet of nonresidential land use.

Unlike police, fire, and parks fee calculations in which fees are calculated for residential units and nonresidential square feet, roadway fees are calculated for residential and nonresidential land uses based on street and facility usages generated by each land use type. Exhibit VI-1 below shows the specific allocation of existing and projected square feet for Twin Falls by land use type over the next ten years.

Exhibit VI-1.
Twin Falls Growth Projections by Square Feet and Land Use – 2021-2030

	2021	2031	Net Growth	Net Growth in Square Feet	Percent of Total Growth in Square Feet
Population	52,152	62,583	10,430		
Residential (dwelling units)	19,905	23,886	3,981	6,887,266	76%
<i>Single-Family</i>	16,920	19,826	2,906	5,812,375	64%
<i>Multi-Family</i>	2,986	4,061	1,075	1,074,891	12%
Nonresidential (square feet)	8,960,000	11,157,218	2,197,218	2,197,218	24%
<i>Retail</i>	2,240,000	2,789,305	549,305	549,305	6%
<i>Office</i>	1,792,000	2,231,444	439,444	439,444	5%
<i>Industrial</i>	3,763,200	4,686,032	922,832	922,832	10%
<i>Institutional</i>	1,164,800	1,450,438	285,638	285,638	3%
			Total Square Footage Growth =	9,084,484	100%

Based on this distribution of square feet, we calculate trip generation based on rates from the Institute of Transportation Engineers' *Trip Generation Manual*. The trip generation rates estimate the number of p.m. peak hour trips generated by particular land uses. Peak hour trips are appropriate for this calculation because street infrastructure is sized to provide a specific level of service during peak usage hours. Since peak hour trips will be used to distribute infrastructure costs, peak hour estimates should be employed.

Exhibit VI-2 below presents trip generation rates for land uses in the City of Twin Falls.

**Exhibit VI-2.
Trip Generation Rates by Land Use Category**

Land Use
Residential
Single Family Units (*1.43)
Multi-Family Units (*0.76)
Nonresidential per 1,000 sf
Retail/Commercial (*3.16)
Office (*1.88)
Industrial (*0.58)
Institutional (*0.35)

Notes:

Reflects weekday traffic generation patterns, weekday p.m. peak hour trip rate formula.

Source: International Transportation Engineering *Trip Generation Manual, 10th Edition*, supplemented by current trip generation factors utilized by the City of Nampa and the Ada County Highway District.

2. What is the current level of service provided by the Twin Falls Streets Department?

Twin Falls’ street system currently operates at a level of service “C”, which means that while many streets are increasingly congested, they are not yet at capacity. Additional streets infrastructure is needed to sustain and not worsen the current level of service as growth occurs and vehicle trips increase.

3. What current assets allow Twin Falls’ Streets Department to provide this level of service?

The following Exhibit VI-3 displays the current assets of the Twin Falls’ Streets Department.

**Exhibit VI-3.
Current Assets – Twin Falls Streets Department**

Type of Capital Infrastructure	Replacement Value
Roadways - 556 lane miles	\$ 722,800,000
Victory Bridge	\$ 6,000,000
Signalized/Roundabout Intersections - 50 intersections	\$ 25,000,000
Equipment and Vehicles	\$ 7,054,000
Maintenance Facility	\$ 4,368,251
	\$ 765,222,250
Plus Impact Fee Study	\$ 8,000
Plus Impact Fee Fund Balance	\$ 2,565,054
TOTAL CURRENT INVESTMENT	\$ 767,795,304

As shown above, Twin Falls’ Streets Department currently owns approximately \$768 million of eligible current assets. These assets are used to provide the Department’s current level of service.

4. What is the current investment per residential unit and nonresidential square foot?

By dividing the total replacement value of the current capital assets of the Twin Falls Streets Department by the number of current households and non-residential square feet whose owners have invested in these assets, we can determine that the City has invested \$27,760 per existing single-family residential unit; \$14,861 per existing multi-family residential unit; \$61.58 per retail square foot; \$36.59 per office square foot; \$11.22 per industrial square foot; and \$6.88 per institutional square foot.

We will compare our final impact fee with this figure to determine if the two results will be similar; this represents a “check” to see if future City residents will be paying for infrastructure at a level commensurate with what existing City residents have invested in infrastructure.

5. What future growth is expected in the Twin Falls Streets Department?

As shown in Exhibit II-2, the City of Twin Falls is expected to grow by approximately 2,906 single-family residential units; 1,075 multifamily residential units; 549,305 square feet of retail square feet; 439,444 square feet of office square feet; and approximately 922,832 industrial square feet.

6. What new infrastructure is required to serve future growth?

Exhibit VI-4 identifies the capital improvement plan for the Twin Falls Streets Department for the next ten years.

**Exhibit VI-4.
Twin Falls Streets Department CIP 2021-2030**

	Total Cost	Percent Attributed to Growth	Contributions & Exactions	Amount from Impact Fees	Amount from Other City Sources
Roadway Projects					
Eastland - Longbow to Addison	\$ 750,000	100%	\$ -	\$ 750,000	\$ -
Filer Ave - Grandview Dr. to Martin St.	\$ 800,000	90%	\$ 800,000	\$ -	\$ -
Fillmore - North College to Falls	\$ 3,500,000	100%	\$ -	\$ 3,500,000	\$ -
Grandview Drive - Canyon Rim Road to Fieldstone	\$ 2,800,000	40%	\$ 2,800,000	\$ -	\$ -
Martin St - Filer Avenue to Addison Avenue	\$ 700,000	100%	\$ 700,000	\$ -	\$ -
Pole Line Rd - Bridgeview Blvd to Mountain View Drive	\$ 2,800,000	69%	\$ 2,800,000	\$ -	\$ -
North College Road - Fillmore to Blue Lakes	\$ 750,000	90%	\$ -	\$ 675,000	\$ 75,000
Falls Ave - Blue Lakes to Locust	\$ 900,000	100%	\$ -	\$ 900,000	\$ -
Intersection Projects (could be roundabout or signal; priorities may change based on warrant analysis)					
Intersections as warranted; 1 every two years	\$ 3,100,000	100%	\$ -	\$ 3,100,000	\$ -
Equipment					
Additional equipment for growth	\$ 475,000	100%	\$ -	\$ 475,000	\$ -
Replacement of existing equipment	\$ 2,479,500	0%	\$ -	\$ -	\$ 2,479,500
SUBTOTAL					
	\$ 19,054,500		\$ 7,100,000	\$ 9,400,000	\$ 2,554,500
Plus Cost of Capital-Related Research					
Impact Fee Study	\$ 8,000	100%	\$ -	\$ 8,000	\$ -
Transportation Master Plan Update	\$ 250,000	100%	\$ -	\$ 250,000	\$ -
North-South Corridor Study	\$ 500,000	100%	\$ -	\$ 500,000	\$ -
Minus Current Impact Fee Fund Balance					
	\$ (2,565,054)			\$ (2,565,054)	
TOTAL					
	\$ 17,247,446		\$ 7,100,000	\$ 7,592,946	\$ 2,554,500

Of a list of 8 roadway projects, 5 intersection projects and equipment purchases totaling almost \$19.1 million, \$7.1 million will be funded by State and other grants; \$9.4 million is impact fee eligible; and the remaining \$2.6 million will come from revenue sources from all city taxpayers. The cost of impact fee-related research is impact-fee eligible according to statute and is added to the total cost of the growth-related CIP. The current balance in the existing Streets Impact Fee Fund is subtracted from the total growth-related CIP, leaving \$7.6 million to be collected from impact fees over the next ten years.

7. What impact fee is required to pay for the new capital improvements?

As noted above, the calculation of roadway impact fees is based on the projected number of trips each land-use type will generate in the next ten years. Using the current land use by square foot within Twin Falls found in Exhibit VI-1, and the trip generation figures from Exhibit VI-2, total current trips can be distributed to each land use. Exhibit VI-5 below displays the projected trip generation distribution.

**Exhibit VI-5.
Twin Falls New Trip Distribution by Weighted Trip Generation**

Land Use	New Development	Weighted Trip Generation Factor	Percent Distribution
Residential			
Single Family Units (*1.43)	2,906	4,145	51%
Multi-Family Units (*0.76)	1,075	821	10%
Nonresidential per 1,000 sf			
Retail/Commercial (*3.16)	549	1,738	22%
Office (*1.88)	439	826	10%
Industrial (*0.58)	923	532	7%
Institutional (*0.35)	286	101	1%
Total		8,062	100%

As shown above, the number of daily trips in Twin Falls is expected to increase by approximately 8,062 trips by 2031. 51% of those trips will be for single-family residential uses; 10% will be for multi-family residential uses; 22% will be for retail uses; 10% will be for office uses; 7% will be for industrial uses; and 1% will be for institutional uses.

Exhibit VI-6 below uses the growth-related CIP from Exhibit VI-4 and the weighted trip generation figures from Exhibit VI-5 to calculate streets impact fees for the City of Twin Falls.

**Exhibit VI-6.
Twin Falls Streets Department Fee Calculation**

Impact Fee Calculation	
Capital Improvement Plan Value	\$7,592,946
Future Land Use Percentages	
Single Family	51%
Multifamily	10%
Retail	22%
Office	10%
Industrial	7%
Institutional	1%
Allocated Value by Land Use Category	
Single Family	\$3,903,962
Multifamily	\$773,014
Retail	\$1,636,969
Office	\$778,101
Industrial	\$500,900
Institutional	\$95,111
10-Year Growth	
Single Family (total dwelling units)	2,906
Multifamily (total dwelling units)	1,075
Retail (total square feet)	549,305
Office (total square feet)	439,444
Industrial (total square feet)	922,832
Institutional (total square foot)	285,638
Impact Fee by Land Use (rounded)	
Single Family (per dwelling unit)	\$1,343
Multifamily (per dwelling unit)	\$719
Retail (per square foot)	\$2.98
Office (per square foot)	\$1.77
Industrial (per square foot)	\$0.54
Institutional (per square foot)	\$0.33

The impact fees in each land use category are significantly less than what existing users have paid into the asset inventory.

Section VII. Summary

The following Exhibit VII-1 summarizes the calculated Impact Fees for the City of Twin Falls.

Exhibit VII-1. City of Twin Falls Impact Fee Summary

TOTAL IMPACT FEE		Current Fees	% Change	\$ Change
Police Fees				
Residential (per dwelling unit)	\$ 218	\$ 312	-30%	\$ (94)
Nonresidential (per sf)	\$ 0.10	\$ 0.16	-35%	\$ (0.06)
Fire Fees				
Residential (per dwelling unit)	\$ 871	\$ 694	25%	\$ 177
Nonresidential (per sf)	\$ 0.44	\$ 0.35	24%	\$ 0.09
Parks Fees				
Residential (per dwelling unit)	\$ 1,512	\$ 644	135%	\$ 868
Nonresidential (per sf)	\$ -	\$ -		\$ -
Streets Fees				
Single-Family (per dwelling unit)	\$ 1,327	\$ 550	141%	\$ 777
Multi-Family (per dwelling unit)	\$ 710	\$ 361	97%	\$ 349
Retail (per sf)	\$ 2.94	\$ 2.63	12%	\$ 0.31
Office (per sf)	\$ 1.75	\$ 0.81	116%	\$ 0.94
Industrial (per sf)	\$ 0.54	\$ 0.58	-8%	\$ (0.04)
Institutional (per sf)	\$ 0.33	\$ 0.16	106%	\$ 0.17
TOTAL IMPACT FEE			% Change	\$ Change
Single-Family (per dwelling unit)	\$ 3,927	\$ 2,200	78%	\$ 1,727
Multi-Family (per dwelling unit)	\$ 3,310	\$ 2,011	65%	\$ 1,299
Retail (per sf)	\$ 3.48	\$ 3.14	11%	\$ 0.34
Office (per sf)	\$ 2.29	\$ 1.32	73%	\$ 0.97
Industrial (per sf)	\$ 1.08	\$ 1.09	-1%	\$ (0.01)
Institutional (per sf)	\$ 0.87	\$ 0.67	30%	\$ 0.20

A comparison of the proposed fees to similar fees in Boise, Nampa, Caldwell, Meridian, Middleton, Eagle, Star, Kuna and Emmett is provided in Exhibit VII-2:

**Exhibit VII-2.
Impact Fee Comparisons**

	City of Twin Falls <i>draft</i>	City of Boise <i>being updated</i>	City of Nampa/ Nampa Rural Fire	City of Caldwell/ Caldwell Rural Fire	City of Middleton/ Middleton Rural Fire District	City of Meridian/ Meridian Rural Fire District	City of Eagle/ Eagle Fire District	City of Star/ Star Fire District	City of Kuna/ Kuna Fire District	City of Emmett
Police										
per Residential Unit	\$ 218	\$ 289	\$ 359	\$ 97	\$ 367	\$ 152	\$ 111	\$ -	\$ 90	\$ 731
per Non-Residential sf	\$ 0.10	\$ 0.16	\$ 0.21	\$ 0.05	\$ 0.15	\$ 0.24	\$ 0.04	\$ -	\$ 0.04	\$ 0.39
Fire										
per Residential Unit	\$ 871	\$ 619	\$ 560	\$ 649	\$ 849	\$ 693	\$ 897	\$ 829	\$ 824	\$ 1,956
per Non-Residential sf	\$ 0.44	\$ 0.21	\$ 0.28	\$ 0.32	\$ 0.42	\$ 0.64	\$ 0.36	\$ 0.39	\$ 0.41	\$ 0.99
Parks										
per residential unit	\$ 1,512	\$ 1,723	\$ 1,699	\$ 1,190	\$ 2,204	\$ 2,098	\$ 1,446	\$ 2,050	\$ 939	\$ -
	\$ -									
Streets										
per single-family residential unit	\$ 1,327	\$ 2,904	\$ 2,841	exacted	\$ 2,572	\$ 2,904	\$ 2,904	\$ 2,904	\$ 2,904	\$ 2,218
per multi-family residential unit	\$ 710	\$ 1,683	\$ 1,648	exacted	\$ 2,572	\$ 1,683	\$ 1,683	\$ 1,683	\$ 1,683	\$ 1,188
per retail/commercial sf	\$ 2.94	\$ 7.87	\$ 6.85	exacted	\$ 2.32	\$ 7.87	\$ 7.87	\$ 7.87	\$ 7.87	\$ 4.92
per office sf	\$ 1.75	\$ 4.23	\$ 4.24	exacted	\$ 2.32	\$ 4.23	\$ 4.23	\$ 4.23	\$ 4.23	\$ 4.14
per industrial sf	\$ 0.54	\$ 1.58	\$ 1.52	exacted	\$ 0.09	\$ 1.58	\$ 1.58	\$ 1.58	\$ 1.58	\$ 2.92
TOTAL										
per single-family residential unit	\$ 3,927	\$ 5,535	\$ 5,459	\$ 1,936	\$ 5,992	\$ 5,847	\$ 5,358	\$ 5,783	\$ 4,757	\$ 4,905
per multi-family residential unit	\$ 3,310	\$ 4,314	\$ 4,266	\$ 1,936	\$ 5,992	\$ 4,626	\$ 4,137	\$ 4,562	\$ 3,536	\$ 3,875
per retail/commercial sf	\$ 3.48	\$ 8.24	\$ 7.34	\$ 0.37	\$ 2.89	\$ 8.75	\$ 8.27	\$ 8.26	\$ 8.32	\$ 6.30
per office sf	\$ 2.29	\$ 4.60	\$ 4.73	\$ 0.37	\$ 2.89	\$ 5.11	\$ 4.63	\$ 4.62	\$ 4.68	\$ 5.52
per industrial sf	\$ 1.08	\$ 1.95	\$ 2.01	\$ 0.37	\$ 0.66	\$ 2.46	\$ 1.98	\$ 1.97	\$ 2.03	\$ 4.30
^ ACHD fees are calculated on a general average for the purpose of the comparison; actual fees will vary										
# Roadway impact is collected via exaction for Streets improvements in Caldwell; no street impact fees are assessed; costs vary by development										

City Participation

Because not all the capital improvements listed in the CIPs are 100 percent growth-related, the City would assume the responsibility of paying for those portions of the capital improvements that are not attributable to new growth. These payments would come from other sources of revenue including all of those listed in Idaho Code 67-8207(iv)(2)(h).

To arrive at this participation amount, the expected impact fee revenue and any shared facility amount need to be subtracted from the total CIP value. Exhibit VII-3 divides the City’s participation amount into two categories: the portion of purely non-growth-related improvements, and the portion of growth-related improvements that are attributable to repair, replacement, or upgrade, but are not impact fee eligible.

It should be noted that the participation amount associated with purely non-growth improvements is discretionary. The City can choose not to fund these capital improvements (although this could result in a decrease in the level of service if the deferred repairs or replacements were urgent). However, the non-growth-related portion of improvements that are impact fee eligible *must* be funded in order to maintain the integrity of the impact fee program.

Exhibit VII-3.

City of Twin Falls Participation Summary, 2021-2030

	Required	Discretionary	Total	
Police	\$ 1,050,000	\$ 3,103,700	\$ 4,153,700	Required: non-growth portion remodel of FS#1; Discretionary: vehicle/equip replacement
Fire	\$ -	\$ 20,319,476	\$ 20,319,476	Discretionary: Replace and Expand FS#1 on new site replace FS#3, vehicle replacement
Parks	\$ -	\$ 8,643,500	\$ 8,643,500	Discretionary: Facility and Park Improvements, Equipment Replacement
Streets	\$ -	\$ 2,554,500	\$ 2,554,500	Discretionary: growth portion of North College Road, equipment replacement
TOTAL	\$ 1,050,000	\$ 34,621,176	\$ 35,671,176	

\$ 105,000 <-- Annual amount required over 10-year CIP period

\$ 3,567,118 <-- Annual amount required and discretionary over 10-year CIP period

The total amount the City would be *required* to contribute over 10 years, should the City adopt fees at the calculated amount, will be approximately \$1 million for police facility improvements. The City could also choose to fund the discretionary infrastructure of \$34.6 million for additional capital improvements over the 10-year period. While City has the option to fund these capital improvements over the 10-year period, these payments are not required.

Implementation Recommendations

As City Council evaluates whether or not to adopt the Capital Improvement Plans and impact fees presented in this report, we also offer the following information for your consideration. Please note that this information will be included each individual impact fee enabling ordinance.

Capital Improvements Plan. Should the Advisory Committee recommend this study to City Council and should City Council adopt the study, the City should revise its existing Capital Improvement Plans using the information in this study. A revised capital improvement plan would then be presented to the City for adoption as an element of the Comprehensive Plan pursuant to the procedures of the Local Land Use Planning Act.

Impact Fee Ordinance. Following adoption of the Capital Improvement Plan, City Council should review the proposed Impact Fee Ordinance for adoption as reviewed and recommended by the Advisory Committee.

Advisory Committee. The Advisory Committee is in a unique position to work with and advise City Council to ensure that the capital improvement plans and impact fees are routinely reviewed and modified as appropriate.

Impact fee service area. Some municipalities have fee differentials for various city zones under the assumption that some areas utilize more or less current and future capital improvements. The study team, however, does not recommend the City assess different fees by dividing the areas into zones. The capital improvements identified in this report inherently serve a system-wide function.

Specialized assessments. If permit applicants are concerned they would be paying more than their fair share of future infrastructure purchases, the applicant can request an individualized assessment to ensure they will only be paying their proportional share. The applicant would be required to prepare and pay for all costs related to such an assessment.

Donations. If the City receives donations for capital improvements listed on the CIP, they must account for the donation in one of two ways. If the donation is for a non- or partially growth-related improvement, the donation can contribute to the City's General Fund participation along with more traditional forms, such as revenue transfers from the General Fund. If, however, the donation is for a growth-related project in the CIP, the donor's impact fees should be reduced dollar for dollar. This means that the City will either credit the donor or reimburse the donor for that portion of the impact fee.

Grants. If a grant is expected and regular, the growth-related portion of that grant amount should be reflected upfront in the fee calculations, meaning that the impact fees will be lower in anticipation of the contribution. If the grant is speculative or uncertain, this should not be reflected up-front in the fee calculations since the entity cannot count on those dollars as it undergoes capital planning.

The rational nexus is still maintained because the unexpected higher fund balance, due to the receipt of a grant, is deducted from the calculations as a "down payment on the CIP" when the fee study is updated.

Credit/reimbursement. If a developer constructs or contributes all or part of a growth-related project that would otherwise be financed with impact fees, that developer must receive a credit against the fees owed for this category or, at the developer's choice, be reimbursed from impact fees collected in the future.³⁷ This prevents "double dipping" by the City.

The presumption would be that builders/developers owe the entirety of the impact fee amount until they make the City aware of the construction or contribution. If credit or reimbursement is due, the governmental entity must enter into an agreement with the fee payer that specifies the amount of the credit or the amount, time and form of reimbursement.³⁸

Impact fee accounting. The City should maintain Impact Fee Funds separate and apart from the General Fund. All current and future impact fee revenue should be immediately deposited into this account and withdrawn only to pay for growth-related capital improvements of the same category. General Funds should be reserved solely for the receipt of tax revenues, grants, user fees and associated interest earnings, and ongoing operational expenses including the repair and replacement of existing capital improvements not related to growth.

Spending policy. The City should establish and adhere to a policy governing their expenditure of monies from the Impact Fee Fund. The Fund should be prohibited from paying for any operational expenses and the repair and replacement or upgrade of existing infrastructure not necessitated by growth. In cases when *growth-related capital improvements are constructed*, impact fees are an allowable revenue source as long as only new growth is served. In cases when new capital improvements are expected *to partially replace existing capacity and to partially serve new growth*, cost sharing between the General Fund or other sources of revenue listed in Idaho Code 67-8207(I)(iv), (2)(h) and Impact Fee Fund should be allowed on a pro rata basis.

Update procedures. The City is expected to grow rapidly over the 10-year span of the CIPs. Therefore, the fees calculated in this study should be updated annually as the City invests in additional infrastructure beyond what is listed in this report, and/or as the City's projected development changes significantly. Fees can be updated on an annual basis using an inflation factor for building material from a reputable source such as McGraw Hill's Engineering News Record. As described in Idaho Code 67-8205(3)(c)(d)(e), the Advisory Committee will play an important role in these updates and reviews.

³⁷ See Section 67-8209(3), Idaho Code.

³⁸ See Section 67-8209(4), Idaho Code.