



AGENDA REPORT

City Council Meeting

TODAY'S DATE: June 12th, 2025

MEETING DATE: June 18th, 2025

TO: Mayor Grimm, members of the Sandpoint City Council

FROM: Jason Welker, Planning & Community Development Director

SUBJECT: Review of Development Impact Fee Results and Final DIF Study Report and Scheduling of Public Hearing for Adoption of Study - ***action item***

DESCRIPTION/BACKGROUND:

The purpose of this agenda item is for City Council to receive a presentation from TischlerBise, the City's contracted consultant, summarizing the results and recommendations of the Final 2025 Development Impact Fee (DIF) Study, and to consider scheduling a public hearing on July 9, 2025 for the formal adoption of the study and fee schedule by ordinance.

In 2024, the City of Sandpoint contracted with TischlerBise to conduct a comprehensive update of its development impact fees. The study evaluates the City's future capital needs for growth-related infrastructure across five service categories:

1. Parks & Recreation
2. Pathways
3. Roads
4. Police
5. Fire

The 2025 DIF Study fulfills the requirements of the Idaho Development Impact Fee Act (Idaho Code §67-8201 et seq.), which mandates that such fees must be proportionate to the impact of new development and cannot be used to fund existing deficiencies or maintenance.

This update builds on the City's 2024 adoption of its 20-year Comprehensive Plan, which emphasizes the need for infrastructure planning aligned with growth and the equitable allocation of public improvement costs to maintain the City's level of service for future residents and businesses.

SUMMARY OF FINAL STUDY RESULTS

The Development Impact Fee Advisory Committee (DIFAC) reviewed the draft study and recommended adoption of the maximum supportable fee schedule identified by TischlerBise at its June 9th, 2025 meeting.

TischlerBise's analysis employs established methodologies that calculate impact fees based on incremental expansion and/or plan-based improvements, depending on the facility type. Key findings include:

- Maximum Supportable Impact Fees are calculated for each land use and service area, representing new development's fair share of capital improvement costs.
- Fees are proposed to be assessed:
 - Residential: per square foot of dwelling unit (to address office/den loopholes in previous methodology).
 - Nonresidential: per square foot of floor area (for retail, office, institutional, and lodging uses).
- Each capital improvement plan includes a 10-year growth-related forecast and identifies both impact fee-eligible costs and other funding sources needed for the full implementation of capital projects.

Highlights from the CIP and fee analysis include:

- Parks & Recreation: \$23.5M in total CIP; \$7.4M growth-related and impact fee eligible.
- Pathways: \$4M in total CIP; \$1.4M growth-related.
- Roads: \$25.7M in total CIP; \$5M growth-related (plan-based method).
- Police: \$1.2M in total CIP; \$551K growth-related.
- Fire: \$3.6M in total CIP; \$908K growth-related.

Council retains authority to adopt fees at or below the maximum supportable levels. The DIFAC recommended full adoption of the maximum supportable fees, with possible consideration for phased implementation or exemptions for affordable housing.

STAFF RECOMMENDATION:

Staff recommends Council **schedule a public hearing for July 9, 2025**, at which time the Council may formally adopt the 2025 Development Impact Fee Study and associated ordinance amendments necessary to implement the updated fee schedule.

ACTION:

Council has three options this evening:

1. Schedule a public hearing for July 9, 2025 to consider adoption of the Final Development Impact Fee Study and associated ordinance;
2. Defer action, requesting additional information or revisions to the fee study prior to scheduling a public hearing;
3. Take no action at this time.

Recommended Action: Motion to schedule a public hearing for July 9, 2025 to consider adoption of the Final Development Impact Fee Study and associated implementing ordinance.

WILL THERE BE ANY FINANCIAL IMPACT? Y HAS THIS ITEM BEEN BUDGETED? Y

The updated fees will help offset costs of new development on City infrastructure. While a reduction in fee rates is allowed, any gap in revenue would require either:

- Additional general fund revenues,
- Reduction in CIP scope,
- Or reduced level of service.

ATTACHMENTS:

Final draft of Development Impact Fee Study by TischlerBise

TischlerBise DIF study presentation