
FINAL REPORT

March 1, 2016

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

Prepared for

City of Nampa
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Section I.

Introduction

This report regarding impact fees for the City of Nampa, 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 Nampa, Idaho (City) hired Galena Consulting to calculate impact fees for the City's Police, Fire, Parks and Public Works (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

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.

levels of service do not exceed the current levels of service.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 Only those items identified as growth-related on the CIP are eligible to be funded by impact fees.

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 2009 the end of 2018 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 2009 to 2018. 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 Nampa’s 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 Nampa 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.

“GRUM” Analysis

In Nampa, 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 conducted a “GRUM” analysis on all projects listed in each CIP:

- **Growth.** The “G” in GRUM stands for growth. To determine if a project is solely related to growth, we ask “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?” “G” 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.** The “R” in GRUM stands for repair and replacement. We ask, “Is this project related only to fixing existing infrastructure?” and “Would the City still need it if it weren’t growing at all?” “R” 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.** The “U” in GRUM stands for upgrade. We ask, “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?” “U” projects have nothing to do with growth. It is thus not appropriate to include any of their cost in the impact fee calculations.
- **Mixed.** The “M” in GRUM stands for mixed. It is reserved for capital projects that have some combination of G, R and U. “M” 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 VI 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 2015 through 2025 for the City. These projections were based on current growth estimates from COMPASS as well as recommendations from City Staff.

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-I: Current and Future Population in the City of Nampa, Idaho

	2015	2025	Net Growth	Annual Growth Rate
Population	84,821	97,301	12,480	1.5%

Source: COMPASS

Nampa currently has approximately 84,821 persons residing within the existing City limits. Over the next ten years, we expect the City to grow by approximately 12,480 persons, or at an annual growth rate of 1.5 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 34,553 residential households and 11.9 million nonresidential square feet by 2025 based on existing growth rates.

**Exhibit II-2.
Current and Future Land Uses, Nampa, Idaho**

	2015	2025	Net Growth	Net Growth in Square Feet ⁽¹⁾	Percent of Total Growth in SF
Population	84,821	97,301	12,480		
Residential (in units)	29,458	34,553	5,095	7,934,015	83%
<i>Single-Family</i>	25,039	28,679	3,640	6,624,236	69%
<i>Multi-Family</i>	4,419	5,874	1,455	1,309,779	14%
Nonresidential (in square feet)	10,248,776	11,894,123	1,645,347	1,645,347	17%
<i>Retail</i>	4,406,974	5,229,647	822,673	822,673	9%
<i>Office</i>	1,434,829	1,763,898	329,069	329,069	3%
<i>Industrial</i>	4,406,974	4,900,578	493,604	493,604	5%
			Total Square Footage Growth =	9,579,362	100%

Note: (1) Based on assumed 1,820 square feet per single-family residential unit and 900 square feet per multi-family residential unit

Source: City of Nampa Impact Fee Study 2009, revised based on conversations with City staff and local realtors in 2015, and data from COMPASS and the 2012 American Community Survey

As shown above, Nampa is expected to grow by approximately 5,095 residential units and 1,645,347 nonresidential square feet over the next ten years. Eight-three percent of this growth is attributable to residential land uses, while the remaining seventeen percent is attributable to nonresidential growth. In total, this equates to a 10-year growth rate in square feet of approximately 17 percent. 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 Nampa Police Department following the seven question method outlined in Section I of this report.

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

As shown in Exhibit II-2, the Police Department currently serves 29,458 residential units and approximately 10.2 million square feet of nonresidential land use found within Nampa.

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

The Nampa Police Department currently provides a level of service of 1.3 sworn officers per 1,000 Nampa residents.³² As the City grows, additional infrastructure and equipment will be needed to achieve the Department's planned level of service. Based on conversations with City Staff, our current understanding is that the planned level of service is equal to the current level of service (i.e., 1.3 sworn officers per 1,000 residents).

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

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

³² This was calculated using the following formula – 113 full-time sworn officers / 84,821 current residents * 1,000 = 1.3 sworn officers per 1,000 residents.

**Exhibit III-1.
Current Assets – Nampa Police Department**

Type of Capital Infrastructure	Square Feet	Replacement Value
Facilities		
Police Administration/Main Station	48,000	\$ 12,560,000
West Substation	2,000	\$ 360,000
Stampede Substation plus 1 acre land	2,000	\$ 410,000
Family Justice Center plus .64 acres land	1,080	\$ 226,400
Ridgecrest antenna/repeater site plus land	240	\$ 102,500
SIU Office Space (rented)	1,500	\$ -
Vehicles		
Mobile Command Vehicle		\$ 250,000
1998 Winnebago TRT "Bus"		\$ 50,000
2012 Armored Vehicle		\$ 200,000
Equipment		
RADAR trailer and equipment		\$ 10,000
Bomb trailers and equipment		\$ 1,000,000
Drug Lab Trailer		\$ 5,000
Weaponry and Riot Gear		\$ 125,000
AFIX (2)		\$ 25,000
Communications System/dispatch		\$ 1,500,000
Total Infrastructure	54,820	\$ 16,823,900
Plus Impact Fee study		\$ 6,188
Plus Fund Balance		\$ 806,825
TOTAL CURRENT INVESTMENT		\$ 17,636,913

As shown above, the Police Department currently owns approximately \$17.6 million of eligible current assets. These assets are used to provide the Department's current level of service.

From a per officer perspective, the Nampa Police Department currently owns approximately 485 square feet of police station and administration facility space per Nampa officer. This ratio will be used in Exhibit III-2 below to calculate the amount of new police facility square footage required to support new officers needed to support growth.

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

The City has already invested \$496 per residential unit and \$0.29 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 Nampa?

As shown in Exhibit II-2, the City of Nampa is expected to grow by approximately 5,095 residential units and 1.6 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 Nampa Police Department over the next ten years.

**Exhibit III-2.
Nampa Police Department CIP 2015-2025**

Type of Capital Infrastructure	Square Footage	CIP Value	Growth Portion	Amount to Include in Fees	Amount from Other Sources
Facilities					
Space/vehicles for 17 additional officers needed to support growth		\$ 2,158,032	100%	\$ 663,138	\$ -
Vehicles					
TRT Bus Replacement		\$ 50,000	0%	\$ -	\$ 50,000
Negotiation Command Vehicle		\$ 250,000	0%	\$ -	\$ 250,000
Mobile Command Unit - additional for growth		\$ 250,000	50%	\$ 125,000	\$ 125,000
Total Infrastructure		\$ 2,708,032		\$ 788,138	
Plus Impact Fee Study		\$ 6,188	100%	\$ 6,188	\$ -
Plus Standard of Cover Analysis		\$ 25,000	50%	\$ 12,500	\$ 12,500
Minus Fund Balance		\$ 806,825		\$ 806,825	
TOTAL GROWTH RELATED CIP		\$ 1,932,395		\$ -	\$ 437,500

Source: City of Nampa Police Department

As shown above, in order to support new growth the Nampa Police Department would need approximately \$2.7 million in capital improvements over the next ten years, approximately \$2.3 million of which is impact fee eligible. However, Mayor Bob Henry and Chief Huff will accommodate the 17 additional officers necessary to support growth over the next ten years in leased or existing space in order to contain future costs. It is proposed to fund these costs with existing fund balance in the amount of \$663,138. Fund balance would also be used to fund vehicles needed to accommodate the new officers (all vehicles with a useful life of more than 10 years), the growth-related portion of the additional mobile command unit, the impact fee study, and the growth-related portion of the Standard of Cover analysis which is necessary to help guide future service delivery and capital planning decisions.

The remaining \$437,500 in the CIP is the price for the Police Department to replace the existing TRT Bus and Negotiation Command vehicle, as well as the non-growth portion of the additional mobile command unit and Standard of Cover analysis. These items are not eligible for inclusion in the impact fee calculations. 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?

As the Mayor and Chief of Police have proposed utilizing existing fund balance to fund the growth-related capital expenditures for the Police Department over the next ten years, it is proposed the City discontinue collecting a police impact fee until further notice. The Department would utilize existing fund balance to fund its projected growth-related capital needs.

Therefore, total impact fees for a residential unit would decrease by the current \$283. Total impact fees for a non-residential square foot would decrease by \$0.13 per square foot.

Section IV. Fire Department

In this section, we calculate impact fees for the Nampa Fire Department following the seven question method outlined in Section I of this report.

1. Who is currently served by the Nampa Fire Department?

As shown in Exhibit II-2, the Fire Department currently serves 29,458 residential units and approximately 10.2 million square feet of nonresidential land use found within Nampa.

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

Nampa's Fire Department provides a level of service of a 90 percent fractile response time of 5 minutes and 26 seconds. As the City grows, additional infrastructure and equipment will be needed to achieve the Department's planned level of service. Based on conversations with Department's staff, it is our understanding that the planned level of service is equal to the current level of service.

3. What current assets allow the Nampa Fire Department to provide this level of service?

The following Exhibit IV-1 displays the current assets of the Nampa Fire Department.

**Exhibit IV-1.
Current Assets – Nampa Fire Department**

Type of Capital Infrastructure	Square Feet	Replacement Value
Facilities		
Fire Administration	7,200	\$ 1,884,000
Fire Station #1 (.48 acres land)	15,000	\$ 2,724,000
Fire Station #2 (.74 acres land)	5,000	\$ 937,000
Fire Station #3 (.74 acre land)	5,000	\$ 937,000
Fire Station #4 (2 acres land)	6,500	\$ 1,270,000
Fire Station #5 (2 acres land owned by airport)	8,761	\$ 1,576,980
Fire Safe House	1,250	\$ 120,000
Classroom	1,200	\$ 120,000
2 Storage sheds and garage	240	\$ 66,450
Burn cell	96	\$ 45,000
Training Tower	6,600	\$ 1,320,000
SCBA trainer	495	\$ 66,375
Confined space props		\$ 22,000
Drafting pit		\$ 33,000
Apparatus/Vehicles		
8 Pumpers (3 reserve)		\$ 3,680,000
2 Trucks (1 reserve)		\$ 1,120,000
1 Water Tender		\$ 300,000
1 Brush Truck		\$ 110,000
Support Vehicles		\$ 390,000
Equipment		
SCBAs		\$ 400,000
Cardiac Monitors		\$ 161,000
Total Infrastructure	57,342	\$ 17,282,805
Plus Impact Fee Study		\$ 6,188
Plus Fund Balance		\$ 695,729
TOTAL CURRENT INVESTMENT		\$ 17,984,722

Source: Chief Karl Malott, City of Nampa Fire Department

As shown above, the Nampa Fire Department currently owns approximately \$18 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 Nampa Fire Department has already invested \$506 per residential unit and \$0.30 per nonresidential square foot. This figure is derived by allocating the value of the Fire 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 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 Nampa Fire Department?

As shown in Exhibit II-2, the City of Nampa is expected to grow by approximately 5,095 residential units and 1.6 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 IV-2 displays the capital improvements planned for purchase by the Nampa Fire Department over the next ten years.

Exhibit IV-2. Nampa Fire Department CIP 2016-2025

Type of Capital Infrastructure	CIP Value	Nampa Portion	Growth Portion	Amount to Include in Fees	Amount from Other Sources	Amount from Fire District
Facilities						
Fire Station #6	\$ 900,000	100%	100%	\$ 900,000	\$ -	
Vehicles						
1 Engine for Fire Station #6	\$ 425,000	84%	100%	\$ 357,000	0	\$ 68,000
Additional Truck for growth citywide (station TBD)	\$ 750,000	84%	50%	\$ 315,000	0	\$ 435,000
Growth related support vehicles	\$ 228,000	84%	100%	\$ 191,520	0	\$ 36,480
Scheduled apparatus/vehicle replacement	\$ 4,354,000	100%	0%	\$ -	\$ 4,354,000	
Equipment						
SCBA Replacement	\$ 400,000	100%	0%	\$ -	\$ 400,000	
Station #1 Air Compressor	\$ 45,000	100%	0%	\$ -	\$ 45,000	
1 additional Cardiac Monitor	\$ 23,000	100%	100%	\$ 23,000	\$ -	
Cardiac Monitor Replacement - 1 per year	\$ 252,500	100%	0%	\$ -	\$ 252,500	
Growth-Related Research - Standard of Cover	\$ 40,000	100%	100%	\$ 40,000	\$ -	
	\$ 7,417,500			\$ 1,826,520		
Plus Impact Fee Study	\$ 6,188	100%	100%	\$ 6,188	\$ -	
Minus Impact Fee Fund Balance	695,729			\$ 695,729		
TOTAL GROWTH RELATED CIP	\$ 6,727,959			\$ 1,136,979	\$ 5,051,500	\$ 539,480

Source: Chief Karl Malott, Nampa Fire Department

As shown above, the Nampa Fire Department plans to purchase approximately \$6.7 million in capital improvements over the next ten years, \$1.14 million of which is impact fee eligible. These new assets will allow the Nampa Fire Department to achieve its planned level of service in the future.³⁴ The commencement and completion dates for the Fire Department's growth-related capital infrastructure depend on the timing and pace of the projected growth.

The remaining approximately \$5.0 million is the price for the Department 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). An additional \$539,480 of the cost of the ten-year CIP will be funded by the Fire District for growth in the area of impact.

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

The following Exhibit IV-3 takes the projected future growth from Exhibits II-2 and the growth-related CIP from Exhibit IV-2 to calculate impact fees for the Nampa Fire Department.

³⁴ This assumes the planned level of service does not exceed the current level of service.

**Exhibit IV-3.
Nampa Fire Department Fee Calculation**

Impact Fee Calculation - City Limits	
Amount to Include in Fee Calculation	\$1,136,979
Distribution of Future Land Use Growth	
Residential	83%
Nonresidential	17%
Future Assets by Land Use	
Residential	\$ 941,692
Nonresidential	\$ 193,286
Future Land Use Growth	
Residential	5,095
Nonresidential	1,645,347
Impact Fee per Unit	
Residential	\$ 185
Nonresidential	\$ 0.12

As shown above, we have calculated impact fees for the Nampa Fire Department at \$185 per residential unit and \$0.12 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.

These fees represent a decrease per residential unit of \$27 compared to the current fire impact fee, and an increase per non-residential square foot of \$0.02 per square foot. Essentially, the burden of the cost of growth has “shifted” slightly over the past five years as more non-residential square footage has been constructed, giving non-residential uses a greater “share” of the cost of growth.

Section V. Parks Department

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

1. Who is currently served by the Nampa Parks Department?

As shown in Exhibit II-2, the Parks Department currently serves 29,458 residential units and approximately 10.2 million square feet of nonresidential land use found within Nampa. More importantly for the Parks Department, Nampa currently serves 84,821 residents.

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

Nampa's Parks Department provides a level of service of 3.8 acres of developed parks per 1,000 population. Additional park acreage will be needed to achieve the City's planned level of service in the future. Based on discussions with City Staff, it is our understanding that the planned level of service is equal to the current level of service.

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

The following Exhibit V-1 displays the current assets of the Nampa's Parks Department.

Exhibit V-1.
Current Assets – Nampa Parks Department

Type of Capital Infrastructure	Size of Park (acres)	Replacement Value ⁽¹⁾
Paths & Trails (\$111,000/acre)		
Developed Paved pathways	48.32	\$ 5,363,520
<i>subtotal</i>	48.32	\$ 5,363,520
Neighborhood & Pocket Parks (\$157,000/acre in land and development costs)		
Maplewood Park	2.31	\$ 362,670
Starr Park	0.38	\$ 59,660
West Roosevelt Park	2.3	\$ 361,100
Wilson Creek Park	12.17	\$ 1,910,690
South Fork Park	5.46	\$ 857,220
Port Meadows Park	0.53	\$ 83,210
Osborne (Royal Meadows) Park	13.85	\$ 2,174,450
Stampede Park	11.77	\$ 1,847,890
City Acres	1.3	\$ 204,100
McDonagh Park	14.05	\$ 2,205,850
Mary Ellen's Meadows Park	1.92	\$ 301,440
Maple Grove Park	11.76	\$ 1,846,320
Sunset Oaks	5.53	\$ 868,210
Eastside Park	3.88	\$ 609,160
Rodeo Park	4.2	\$ 659,400
Hunter Park	1.17	\$ 183,690
Indian Creek Park	2.73	\$ 428,610
Kings Road Park	2.74	\$ 430,180
<i>subtotal</i>	98.05	\$ 15,393,850
Community Parks (\$157,000/acre in land and development costs)		
West Park	35.45	\$ 5,565,650
Skyview Park	18.56	\$ 2,913,920
Optimist Park	24.93	\$ 3,914,010
Lions Park	20.9	\$ 3,281,300
Liberty Park	16.67	\$ 2,617,190
<i>subtotal</i>	116.51	\$ 18,292,070
Large Urban Parks (\$200,000/acre in land and development costs)		
Lakeview Park	41.58	\$ 8,316,000
<i>subtotal</i>	41.58	\$ 8,316,000
Special Use Park Facilities		
Lakeview Water Park	0.4	\$ 1,250,000
Lincoln Pool	0.37	\$ 1,250,000
Nampa Recreation Center	6.15	\$ 24,500,000
Stampede Skate Park	0.33	\$ 60,000
Roosevelt Skate Park	0.12	\$ 60,000
Lloyd Square	0.92	\$ 250,000
Dog Park	5.8	\$ 600,000
<i>subtotal</i>	14.09	\$ 27,970,000
Undeveloped Parks (\$15,000/acre land cost only)		
Midway Park	52.48	\$ 787,200
Orah Brandt Park	30.0	\$ 450,000
<i>subtotal</i>	82.48	\$ 1,237,200
Equipment		
vehicles		\$ 2,608,000
<i>subtotal</i>		\$ 2,608,000
Total Infrastructure		\$ 79,180,640
Plus Cost of Fee-Related Research		
Impact Fee Study		\$ 6,188
Plus Impact Fee Fund Balance		\$ 2,010,589
Grand Total		\$ 81,197,417

Source: Darrin Johnson, City of Nampa

As shown above, the Nampa’s Parks Department currently owns approximately \$81.2 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 Nampa Parks Department has already invested \$2,756 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 Nampa Parks Department?

As shown in Exhibit II-2, the City of Nampa is expected to grow by approximately 5,095 residential units over the next ten years. More importantly, the City is expected to grow by 12,480 new residents as well.

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

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

**Exhibit V-2.
Nampa Parks Department CIP 2016-2025**

Type of Capital Infrastructure	CIP Value ⁽¹⁾	Growth Portion	acres	Amount to Include in Fees	Amount from Other Sources
New Park Acreage⁽¹⁾					
47 new park acres to continue level of service of 3.8 acres per 1,000 ⁽²⁾	\$ 7,359,162	100%	47	\$ 7,359,162	\$0
158 new park acres to improve level of service to 6 acres per 1,000	\$ 34,286,030	0%	218	\$ -	\$34,286,030
Parks Amenities					
1 pool to serve new growth	\$ 2,000,000	100%		\$ 2,000,000	
1 Skate park	\$ 200,000	16%		\$ 32,040	\$167,960
Equipment and Vehicles					
Growth related equipment and vehicles	\$ 175,776	100%		\$ 175,776	
Non-growth related equipment and vehicles	\$ 818,934	0%		\$ -	\$818,934
Total Infrastructure	\$ 44,839,902			\$ 9,566,978	\$35,272,924
Plus Cost of Fee-Related Research					
Impact Fee Study	\$ 6,618	100%		\$ 6,618	
Minus Existing Assets					
Fund Balance	\$ 2,010,589	100%		\$ 2,010,589	
Undeveloped Park Acreage (82 undeveloped acres * \$15,000/acre)	\$ 1,237,200	100%		\$ 1,237,200	
Grand Total	\$ 41,598,731			\$ 6,325,807	

Notes:

1) These acres could be linear parks, pathways, trails, neighborhood, community or large urban parks

2) This includes the development of Midway Park. Phase 1 will begin in 2015 with 13 acres, using approximately \$1.8M of fund balance

Source: Darrin Johnson, City of Nampa

As shown above, the Nampa Parks Department plans to purchase approximately \$41.6 million in capital improvements over the next ten years, \$6.3 million of which is impact fee eligible. 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 \$35.3 million is the price for the Department to achieve its desired increase in level of service to 6.0 acres per 1,000; add one skate park to address an existing deficiency; and to replace existing vehicles and equipment. Neither type of capital project is 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 Nampa Parks Department.

Exhibit V-3. Nampa Parks Department Fee Calculation

Impact Fee Calculation	
Amount to Include in Fee Calculation ⁽¹⁾	\$ 6,325,807
Distribution of Future Land Use Growth ⁽²⁾	
Residential	100%
Nonresidential	0%
Future Assets by Land Use	
Residential	\$ 6,325,807
Nonresidential	\$ -
Future Land Use Growth ⁽²⁾	
Residential	5,095
Nonresidential	-
Impact Fee per Unit	
Residential	\$ 1,242
Nonresidential	\$ -

As shown above, we have calculated impact fees for the Nampa Parks Department at \$1,242 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 \$2,756 identified earlier in this section. This indicates future growth is only paying its proportionate share of future infrastructure purchases. This fee does represent a \$99 increase per residential unit over the current fee of \$1,143 resulting from the increase in service level the City made over the past five years from general funds.

Section VI.

Streets, Bridges and Intersections

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

1. Who is currently served by the Nampa Streets Department?

As shown in Exhibit II-2, the Streets Department currently serves 84,821 residents. These residents live in 25,039 single-family units averaging 1,820 square feet each, and 4,419 multifamily units averaging 900 square feet each. In addition, the City's streets system serves an additional 10.2 million square feet of nonresidential land use within the City limits.

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 Nampa by land use type over the next ten years.

Exhibit VI-1.

Nampa Growth Projections by Square Feet and Land Use – 2015-2025

	Square Footage		10-Year Increase in Square Feet	Percent of Total Growth in SF
	2015	2025		
Residential	49,548,356	57,482,371	7,934,015	83%
<i>Single-Family</i>	45,571,526	52,195,762	6,624,236	69%
<i>Multi-Family</i>	3,976,830	5,286,609	1,309,779	14%
Nonresidential	10,248,776	11,894,123	1,645,347	17%
<i>Retail</i>	4,406,974	5,229,647	822,673	9%
<i>Office</i>	1,434,829	1,763,898	329,069	4%
<i>Industrial</i>	4,406,974	4,900,578	493,604	5%
	Total Square Footage Growth =		9,579,362	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 Nampa.

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

Land Use
Residential
Single Family Units (*1.0)
Multi-Family Units (*0.62)
Nonresidential per 1,000 sf
Retail (*9.42)
Office (*1.27)
Industrial (*0.24)

Notes:

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

Source: International Transportation Engineering *Trip Generation Manual*, supplemented by current trip generation factors utilized by the Ada County Highway District as the most comparable local streets department in the Treasure Valley.

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

Nampa’s street system currently operates at a level of service “D”, which means that while many streets are increasingly congested, they are not yet at capacity. Some streets facilities in the City meet and/or exceed level of service D, while other may be at a level of service E or F. 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 Nampa’s Streets Department to provide this level of service?

The following Exhibit VI-3 displays the current assets of the Nampa’s Streets Department.

**Exhibit VI-3.
Current Assets – Nampa Streets Department**

Type of Capital Facility	Replacement Value	Amount to Include in Fee Comparison
Roadways		
799 lane miles	\$1,070,468,049	\$1,070,468,049
Bridges		
198,636 Square Feet	\$112,789,494	\$112,789,494
Signalized/Roundabout Intersections		
64 intersections	\$159,810,368	\$159,810,368
Total Infrastructure	\$1,343,067,911	\$1,343,067,911
Plus Cost of Fee-Related Research		
Impact Fee Study Update	\$6,188	\$6,188
Plus Impact Fee Fund Balance	\$1,535,071	\$1,535,071
Grand Total	\$1,344,609,170	\$1,344,609,170

Source: Michael Fuss and Streets/Engineering Department Staff, City of Nampa; Jay Witt, transportation consultant

As shown above, Nampa's Streets Department currently owns approximately \$1.4 billion 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 Nampa 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 \$40,925 per existing single-family residential unit; \$20,238 per existing multi-family residential unit; and \$22.49 per existing non-residential 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 Nampa Streets Department?

As shown in Exhibit II-2, the City of Nampa is expected to grow by approximately 5,095 residential units and approximately 1.6 million non-residential square feet.

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

Nampa's Transportation Master Plan identifies over \$160 million in roadway, intersection and bridge/culvert capital projects necessary over the next ten years. Approximately \$95 million of this cost is necessary to ensure the current level of service D does not deteriorate as growth occurs. Allocating this \$95 million to the number of units of growth identified in Exhibit II-2 would be a significant burden to developers. In addition, the City has indicated its intent to focus its tax revenues on caring for existing assets, including street reconstruction and pavement management, and does not wish to appropriate available tax revenues toward roadway widening projects that are not heavily leveraged by State and other revenue sources.

Therefore, Mayor Henry proposes the following Exhibit VI-4, a fiscally-constrained CIP for the Streets Department that only includes thirteen priority intersections and bridge/culvert projects for 2016-2025. All roadway projects for new development over the next ten years will be exacted from development unless amended into the CIP at a later date to allow for better cost sharing, etc.

**Exhibit VI-4.
Nampa Streets Department CIP 2016-2025**

Type of Capital Infrastructure	CIP Value	Growth Portion	Amount to Include in Fees	Amount from Other Sources	Amount from ITD
Intersections					
Roosevelt and Midland	\$ 700,000	100%	\$ 700,000	\$ -	\$ -
7th Street South and 11th Avenue South	\$ 500,000	100%	\$ 500,000	\$ -	\$ -
Garrity Boulevard and Stamm Lane	\$ 1,260,982	100%	\$ 378,295	\$ -	\$ 882,687
Garrity Boulevard and 39th Avenue North	\$ 1,100,000	55%	\$ 605,000	\$ 495,000	\$ -
Northside Boulevard and 4th Street North	\$ 848,000	100%	\$ 848,000	\$ -	\$ -
Karcher Bypass and Midland Boulevard	\$ 2,069,090	100%	\$ 620,727	\$ -	\$ 1,448,363
Lake Lowell Avenue and Midland Boulevard	\$ 1,106,216	20%	\$ 221,243	\$ 884,972	\$ -
Karcher and Franklin Boulevard	\$ 1,672,307	47%	\$ 785,984	\$ 886,323	\$ -
Bridges and Culverts					
Franklin Boulevard (0.20 miles south of Ustick)	\$ 478,332	18%	\$ 85,730	\$ 392,603	\$ -
East Greenhurst (0.10 miles east of Southside)	\$ 604,004	61%	\$ 367,273	\$ 236,731	\$ -
East Victory Road (280 feet east of Sugar Street)	\$ 478,332	63%	\$ 301,328	\$ 177,004	\$ -
Ustick Road (55 feet east of Madison)	\$ 523,145	63%	\$ 327,331	\$ 195,814	\$ -
	\$ 11,340,409		\$ 5,740,911	\$ 3,268,446	\$ 2,331,051
Plus Cost of Fee-Related Research					
City-Wide and Sub-Area Transportation Master Plan	\$ 500,000	100%	\$ 500,000	\$ -	\$ -
TIS Model Development	\$ 150,000	100%	\$ 150,000	\$ -	\$ -
Impact Fee Study	\$ 6,618	100%	\$ 6,618	\$ -	\$ -
Minus Existing Assets					
Fund Balance	\$ 1,535,071	100%	\$ 1,535,071		
Grand Total	\$ 10,461,956		\$ 4,862,458	\$ 3,268,446	\$ 2,331,051

This CIP includes eight intersection projects and four bridge/culvert projects at a total cost of \$11.3 million. In addition, the CIP includes fee-related research such as the update of the City Transportation Plan and the development of traffic modeling for various sub-areas as recommended by the members of the Impact Fee Advisory Committee. The portion of each project's cost attributable to growth varies as indicated in the "Growth Portion" column. The amount included in the impact fee calculations is the total project cost multiplied by the growth percentage. The total amount included in the fee calculations is approximately \$6.4 million in growth-related project and research/planning costs, minus the amount of fund balance in the streets impact fee account, for a total of \$4.8 million

The remaining project costs will be funded by either the City or Nampa or the Idaho Transportation Department, depending on the ownership of the asset. Of the \$3.3 million projected to be funded by the City of Nampa, \$2.5 million will come from capital funds, and the remaining \$800,000 is part of the annual repair and maintenance budget for the Streets Department. \$2.3 million is projected to come from ITD for projects including Garrity and Midland Boulevards and the Karcher Bypass. The commencement and completion dates for the Streets growth-related capital infrastructure depend on the timing and pace of the projected growth, as well as the timing of the appropriation of ITD and other funds.

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 Nampa 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-6 below displays the projected trip generation distribution.

Exhibit VI-5. Nampa Distribution by Weighted Trip Generation

Land Use	New Development	Weighted Trip Generation Factor	Percent Distribution
Residential			
Single Family Units (*1.0)	3,640	3,640	28%
Multi-Family Units (*0.62)	1,455	902	7%
Nonresidential per 1,000 sf			
Retail (*9.42)	823	7,753	60%
Office (*1.27)	329	416	3%
Industrial (*0.24)	494	118	1%
Total		12,830	100%

As shown above, the number of daily trips in Nampa is expected to increase by approximately 12,830 trips by 2025. 28% of those trips will be for single-family residential uses; 7% will be for multi-family residential uses; 60% will be for retail uses; 3% will be for office uses; and 1% will be for industrial 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 Nampa.

Exhibit VI-6. Nampa Streets Department Fee Calculation

DRAFT Calculation of Impact Fees	
Capital Improvement Plan Value	\$4,862,458
Future Land Use Percentages	
Single Family	28%
Multifamily	7%
Retail	60%
Office	3%
Industrial	1%
Allocated Value by Land Use Category	
Single Family	\$1,379,423
Multifamily	\$341,964
Retail	\$2,938,409
Office	\$157,765
Industrial	\$44,898
10-Year Growth from 2016 to 2025	
Single Family (total dwelling units)	3,640
Multifamily (total dwelling units)	1,455
Retail (in square feet)	822,673
Office (in square feet)	329,069
Industrial (in square feet)	493,604
Impact Fee by Land Use (rounded)	
Single Family (per dwelling unit)	\$379
Multifamily (per dwelling unit)	\$235
Retail (per square foot)	\$3.57
Office (per square foot)	\$0.48
Industrial (per square foot)	\$0.09

The impact fees in each land use category are significantly less than the current investment in the streets system from the City of Nampa, as additional capacity has been funded by existing residents and business owners.

A comparison of the current impact fees and 2015 updated calculated streets impact fees is as follows:

Residential Unit

Current Streets Fee per Single-Family Unit	\$605
Proposed Streets Fee per Single-Family Unit	\$379
Current Streets Fee per Multi-Family Unit	\$372
Proposed Streets Fee per Multi-Family Unit	\$235

Non-Residential Square Foot

Current Retail Streets Fee per Square Foot	\$1.78
Proposed Retail Streets Impact Fee per Square Foot	\$3.57
Current Office Streets Fee per Square Foot	\$0.20
Proposed Office Streets Impact Fee per Square Foot	\$0.48
Current Industrial Streets Fee per Square Foot	\$0.14
Proposed Industrial Streets Impact Fee per sf	\$0.09

As evidenced above, residential and industrial streets fees are proposed to decrease by approximately 37%, while retail and office streets fees are increasing over current levels. The explanation for this “shift” in the burden of the cost of growth-related streets infrastructure is the increase in retail and office development as a proportional share of all development in the City of Nampa.

Section VII. Summary

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

**Exhibit VII-1.
City of Nampa Impact Fee Summary**

DRAFT	Impact Fee	Current Fees		
Police Fees				
Residential	\$ -	\$	283	
Nonresidential	\$ -	\$	0.13	
Fire Fees				
Residential	\$ 185	\$	212	
Nonresidential	\$ 0.12	\$	0.10	
Parks Fees				
Residential	\$ 1,242	\$	1,143	
Nonresidential	\$ -	\$	-	
Streets Fees				
Single-Family	\$ 379	\$	605	
Multi-Family	\$ 235	\$	372	
Retail	\$ 3.57	\$	1.78	
Office	\$ 0.48	\$	0.20	
Industrial	\$ 0.09	\$	0.14	
TOTAL IMPACT FEE				
Single-Family	\$ 1,805	\$	2,243	-19% \$ (437)
Multi-Family	\$ 1,661	\$	2,010	-17% \$ (348)
Retail	\$ 3.69	\$	2.01	83% \$ 1.68
Office	\$ 0.60	\$	0.43	38% \$ 0.16
Industrial	\$ 0.21	\$	0.37	-44% \$ (0.17)

A comparison of the proposed fees to similar fees in Ada County, Boise, Meridian, Caldwell and Eagle is provided in Exhibit VII-2:

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

FOR DISCUSSION PURPOSES ONLY

	<u>Nampa Current</u>	<u>Nampa Proposed</u>	<u>City of Caldwell</u>	<u>City of Boise/ACHD Current</u>	<u>City of Boise/ACHD Proposed</u>	<u>City of Meridian/ ACHD</u>	<u>City of Eagle</u>
Police							
per Residential Unit	\$ 283	\$ -	\$ 97	\$ 151	\$ 237	\$ 136	\$ -
per Non-Residential sf	\$ 0.13	\$ -	\$ 0.02	\$ 0.06	\$ 0.20	\$ 0.07	\$ -
Fire							
per Residential Unit	\$ 212	\$ 185	\$ 517	\$ 515	\$ 606	\$ 551	\$ -
per Non-Residential sf	\$ 0.10	\$ 0.12	\$ 0.10	\$ 0.21	\$ 0.36	\$ 0.29	\$ -
Parks							
per residential unit	\$ 1,143	\$ 1,242	\$ 805	\$ 1,178 *	\$ 1,390	\$ 1,081	\$ 1,333
Streets							
per single-family residential unit	\$ 605	\$ 379	exacted	\$ 3,071	\$ 3,071	\$ 3,071	\$ 3,071
per multi-family residential unit	\$ 372	\$ 235	exacted	\$ 1,904	\$ 1,904	\$ 1,904	\$ 1,904
per retail sf	\$ 1.78	\$ 3.57	exacted	\$ 6.37	\$ 6.37	\$ 6.37	\$ 6.37 **
per office sf	\$ 0.20	\$ 0.48	exacted	\$ 1.27	\$ 1.27	\$ 1.27	\$ 1.27
per industrial sf	\$ 0.14	\$ 0.09	exacted	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.43
TOTAL							
per single-family residential unit	\$ 2,243	\$ 1,805	\$ 1,419	\$ 4,915	\$ 5,304	\$ 4,839	\$ 4,404
per multi-family residential unit	\$ 2,010	\$ 1,661	\$ 1,419	\$ 3,748	\$ 4,137	\$ 3,672	\$ 3,237
per retail sf	\$ 2.01	\$ 3.69	\$ 0.12 ^	\$ 6.64	\$ 6.94	\$ 6.73	\$ 6.37
per office sf	\$ 0.43	\$ 0.60	\$ 0.12 ^	\$ 1.54	\$ 1.83	\$ 1.63	\$ 1.27
per industrial sf	\$ 0.37	\$ 0.21	\$ 0.12 ^	\$ 0.70	\$ 0.99	\$ 0.79	\$ 0.43

* Boise parks fees are \$1,355 for SF, and range from \$805 to \$1,199 for MF

** ACHD fees for retail based on average of 30+ classifications

^ hard to compare; we do not know how much each developer pays in exactions

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 Nampa Participation Summary, 2016-2025

	Required	Discretionary	Total	
Police	\$ -	\$ 425,000	\$ 425,000	vehicles
Fire	\$ -	\$ 5,051,500	\$ 5,051,500	apparatus and equipment replacement
Parks	\$ 167,960	\$35,104,964	\$ 35,272,924	required: skate park; discretionary: LOS increase
Streets	\$2,462,109	\$0	\$ 2,462,109	plus \$800k in operating funds
TOTAL	\$ 2,630,070	\$ 40,581,464	\$ 43,211,533	

\$ 263,006.98 <-- Annual amount required 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 \$2.6 million. The City could also choose to fund the discretionary infrastructure of \$40.6 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.