

# FINAL REPORT

April 19, 2023

## Garden Valley Fire Protection District

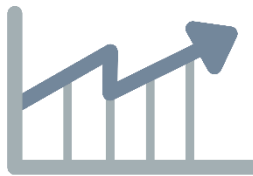
### Impact Fee Study & Capital Improvement Plan

Garden Valley Fire Protection District



**Prepared By**

BD Consulting LLC  
Brent Davis – President/Owner  
182 S. 3<sup>rd</sup> St. W.  
Rigby, Idaho 83442



BD CONSULTING LLC

# Section I.

## Introduction

This report regarding impact fees for Garden Valley Fire Protection District 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.

### Background and Objectives

Garden Valley Fire Protection District hired BD Consulting LLC to calculate impact fees for the Fire District.

This document presents impact fees based on the Garden Valley Fire Protection District’s demographic data and infrastructure costs before credit adjustment; calculates the Garden Valley Fire Protection District’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, districts 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.”<sup>1</sup>

**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.”<sup>2</sup>

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<sup>1</sup> 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.

<sup>2</sup> See Section 67-8202, Idaho Code.

**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.<sup>3</sup> 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;<sup>4</sup>
- 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;<sup>5</sup>
- Impact fees must not exceed the proportionate share of the cost of capital improvements needed to serve new growth and development;<sup>6</sup>
- Impact fees must be maintained in one or more interest-bearing accounts within the capital projects fund.<sup>7</sup>

In addition, the Impact Fee Act requires the following:

- Establishment of and consultation with a development impact fee advisory committee (Advisory Committee);<sup>8</sup>
- 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;<sup>9</sup>
- Identification of the growth-related portion of the Fire District Capital Improvement Plans;<sup>10</sup>
- Analysis of cash flow stemming from impact fees and other capital improvement funding sources;<sup>11</sup>
- 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;<sup>12</sup>

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<sup>3</sup> 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. County/District of Tigard*, 512 U.S. 374 (1994).

<sup>4</sup> See Sections 67-8202(4) and 67-8203(29), Idaho Code.

<sup>5</sup> See Section 67-8210(4), Idaho Code.

<sup>6</sup> See Sections 67-8204(1) and 67-8207, Idaho Code.

<sup>7</sup> See Section 67-8210(1), Idaho Code.

<sup>8</sup> See Section 67-8205, Idaho Code.

<sup>9</sup> See Section 67-8206(2), Idaho Code.

<sup>10</sup> See Section 67-8208, Idaho Code.

<sup>11</sup> See Section 67-8207, Idaho Code.

<sup>12</sup> See Sections 67-8209 and 67-8210, Idaho Code.

- Preparation and adoption of a Capital Improvement Plan pursuant to state law and public hearings regarding the same;<sup>13</sup> and
- Preparation and adoption of a resolution authorizing impact fees pursuant to state law and public hearings regarding the same.<sup>14</sup>

**How should fees be calculated?** State law requires the District to implement the Capital Improvement Plan methodology to calculate impact fees. The District can implement fees of any amount not to exceed the fees as calculated by the CIP approach. This methodology requires the District 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.<sup>15</sup> This list and cost of capital improvements constitutes the capital improvement element to be adopted as part of the Boise County Comprehensive Plan.<sup>16</sup> Only those items identified as growth-related on the CIP are eligible to be funded by impact fees.

The entity intending to adopt an impact fee must first prepare a capital improvements plan.<sup>17</sup> 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.<sup>18</sup> This study considers the planned capital improvements for the ten-year period from 2023 to the end of 2032 that will need to be adopted as an element in Boise County'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."<sup>19</sup> Practically, this concept requires the District to carefully project future growth and estimate capital improvement costs so that it prepares reasonable and defensible impact fee schedules.

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<sup>13</sup> See Section 67-8208, Idaho Code.

<sup>14</sup> See Sections 67-8204 and 67-8206, Idaho Code.

<sup>15</sup> As a comparison and benchmark for the impact fees calculated under the Capital Improvement Plan approach, BD Consulting LLC also calculated the Garden Valley Fire Protection District's current level of service by quantifying the District's current investment in capital improvements, 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.

<sup>16</sup> See Sections 67-8203(4) and 67-8208, Idaho Code.

<sup>17</sup> See Section 67-8208, Idaho Code.

<sup>18</sup> See Sections 67-8203(4) and 67-8208, Idaho Code.

<sup>19</sup> See Section 67-8203(23), Idaho Code.

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:

- 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 District to growth-related system improvements; and
- All other available sources of funding such system improvements.<sup>20</sup>

Through data analysis and interviews with District staff, BD Consulting LLC 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 2023 to 2032. This is consistent with the Impact Fee Act.<sup>21</sup> 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.** Implementing the basic CIP methodology requires a number of decisions be made. 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 unit<sup>22</sup> of development calculated in accordance with generally accepted engineering or planning standards for a particular category of capital improvement.”<sup>23</sup> 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.<sup>24</sup>

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<sup>20</sup> See Section 67-8207, Idaho Code.

<sup>21</sup> The impact fee that can be charged to each service unit 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.

<sup>22</sup> See Section 67-8203(27), Idaho Code.

<sup>23</sup> See Section 67-8203(27), Idaho Code.

<sup>24</sup> 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.

- 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.”<sup>25</sup> In this analysis, the study team has chosen to use the highest level of detail supportable by available data and, as a result, fees are allocated between aggregated residential (i.e., all forms of residential housing) and nonresidential development (all nonresidential uses including retail, office, and industrial).

## 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.”<sup>26</sup> The impact fee study team recommends a 10-year time period based on the Garden Valley Fire Protection District’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.<sup>27</sup> Equipment and vehicles with a useful life of 10 years or more are also impact fee eligible under the Impact Fee Act.<sup>28</sup> 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.

## Fee Calculation

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

1. **Who is currently served by the District?** 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 District?** Since an important purpose of impact fees is to help the District continue its level of service<sup>29</sup>, it is necessary to know the levels of service it is currently providing to the community.
3. **What current assets allow the District to provide this level of service?** This provides a current inventory of assets used by the District, such as facilities, land and equipment. In addition, each asset’s replacement value was calculated and summed to determine the total value of the entity’s assets.

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<sup>25</sup> See Section 67-8208(1)(e), Idaho Code

<sup>26</sup> See Section 67-8208(1)(h).

<sup>27</sup> This assumes the planned levels of service do not exceed the current levels of service.

<sup>28</sup> 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 increase the service capacity of public facilities. See Sections 67- 8203(28) and 50-1703, Idaho Code.

<sup>29</sup> 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 District?** How many new residential households and nonresidential square footage will the District 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 Garden Valley Fire Protection District within the next ten years to continue the current level of service of the District?
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 District. 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 District. In addition, these seven steps satisfy and follow the regulations set forth earlier in this section.

#### **Proportionate Share Analysis**

Within the Garden Valley Fire Protection District, 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.

Projects that are indicated to be 100 percent growth-related were determined by our study to be necessitated solely by growth. Alternatively, some projects may have a growth percentage indicated that is lower than 100% as they have some aspects of growth and some 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. Finally, some projects such as equipment replacement are not related to growth at all. Instead, as these projects are related entirely to pre-existing capital, they are shown as having a growth percentage of 0%.

It should be understood that growth is expected to pay only the portion of the cost of capital improvements that are growth-related. The District 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 later sections of this report.

Exhibits found in Section III of this report detail all capital improvements planned for purchase over the next ten years by the District.

## 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 2023 through 2032 for the District. These projections were based on current growth estimates from the U.S. Census, the American Community Survey, the County Assessor's records, and recommendations from the members of the Development Impact Fee Advisory Committee and District 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 the CIP is tied to the Garden Valley Fire Protection District's 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 Garden Valley Fire Protection District.

**Exhibit II-1.  
Current and Future Population, Garden Valley Fire Protection District**

	2022	2032	Net Increase	Percentage Increase
District Population	2,281	2,520	239	10%

The Garden Valley Fire Protection District area currently has a population of approximately 2,281. Over the next ten years, we expect the District population to grow by approximately 239 persons, or at an annual growth rate of 1.0 percent.

The following Exhibit II-2 presents the current and future number of residential units and nonresidential square feet for the Garden Valley Fire Protection District.



**Exhibit II-2.  
Current and Future Land Uses, Garden Valley Fire Protection District**

	2022	2032	Net Growth	Net Growth Square Feet <sup>(1)</sup>	Percent of Total Growth in SF
Population	2,281	2,520	239		
Residential (in units)	2,194	2,424	230	<b>366,395</b>	<b>95%</b>
Nonresidential (in square feet)	174,824	194,303	19,479	<b>19,479</b>	<b>5%</b>
			Total Square Footage Growth =	<b>385,874</b>	100%

We expect the District to have 2,424 residential households and 194,303 nonresidential square feet by 2032 based on existing growth rates. This represents a growth of 230 residential units and 19,479 nonresidential square feet over the next ten years. The number of residential unit growth is close to the number of population growth due to a low citizen per household rate according to the census data. Ninety-five percent of this growth is attributable to residential land uses, while the remaining five percent is attributable to nonresidential growth. These growth projections will be used in the following sections to calculate the appropriate impact fees for the District.

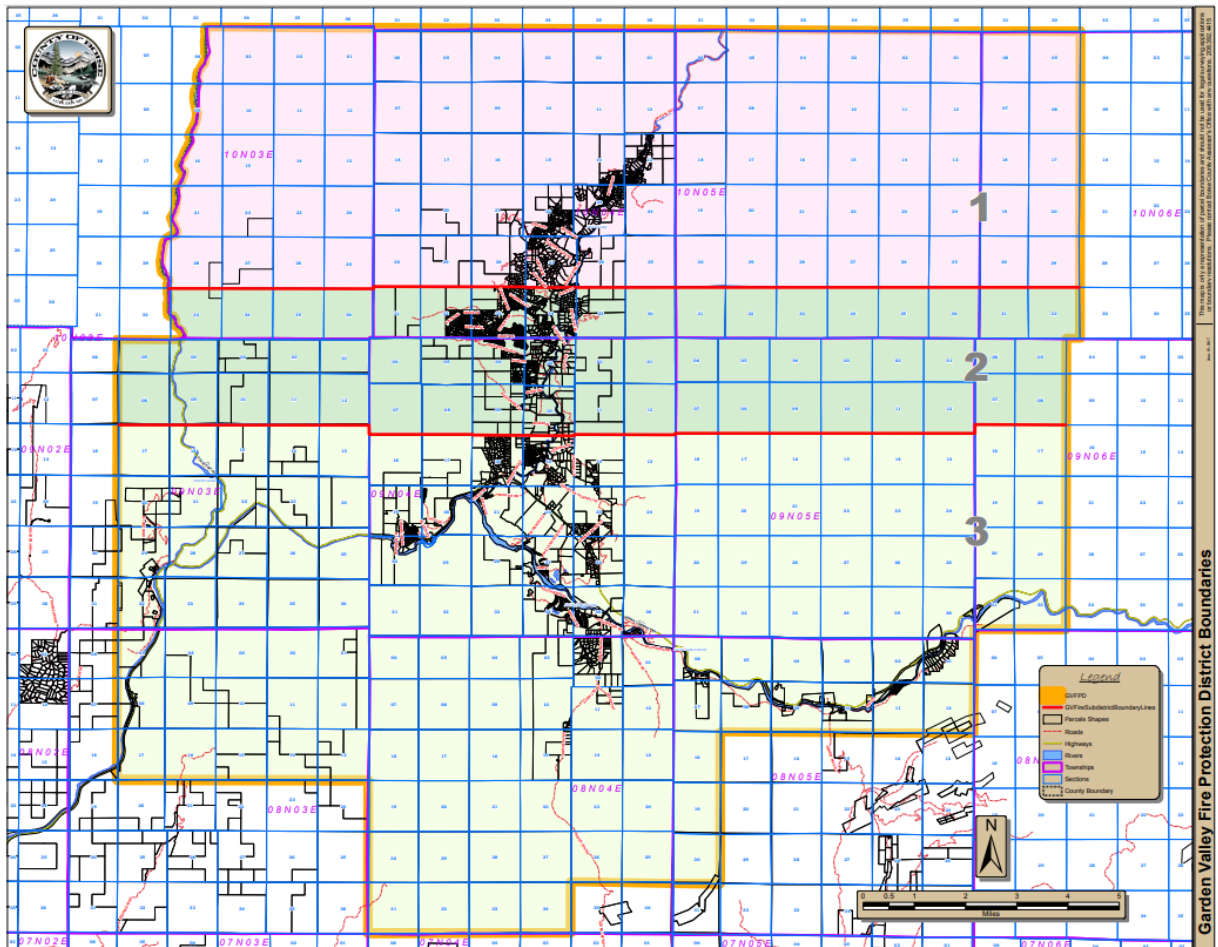
## Section III.

# Garden Valley Fire Protection District

In this section, we calculate fire impact fees. The Garden Valley Fire Protection District provides fire protection services within its legal boundaries.

Exhibit III-1 outlines the boundaries and service areas of each entity. This map indicates that the City of Crouch and surrounding area is serviced by the Garden Valley Fire Protection District.

**Exhibit III-1.**  
**District Boundaries and Service Areas**



The Idaho State 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 and/or County collect on their behalf. In the case of the Garden Valley Fire Protection District, relevant development permits are issued by Boise County and the City of Crouch, both of which have indicated a willingness to consider collecting impact fees on behalf of the District.

Therefore, this section refers to the projected growth and capital needs for fire protection within the District boundaries, and capital needs for EMS within the District following the seven-question method outlined in Section I of this report.

**1. Who is currently served by the Garden Valley Fire Protection District?**

As shown in Exhibit II-2, the Garden Valley Fire Protection District currently serves 2,194 residential units and approximately 174,824 square feet of nonresidential land use.

**2. What is the current level of service provided by the Garden Valley Fire Protection District?**

The District provides a response time of 26 minutes. As the population grows, additional infrastructure and equipment will be needed to sustain the District’s current level of service.

**3. What current assets allow the Garden Valley Fire Protection District to provide this level of service?**

The following Exhibit III-2 displays the current assets of the Garden Valley Fire Protection District for fire protection services within the District boundaries.

**Exhibit III-2.  
Current Assets—Garden Valley Fire Protection District: Fire Protection Services**

Type of Capital Infrastructure	Acres	Square Feet	Replacement Value
<b>Facilities</b>			
Station #1	0.91	6,618	\$ 1,400,000
Station #2	0.55	4,000	\$ 600,000
Station #3	0.73	1,520	\$ 180,000
<b>Apparatus/Vehicles</b>			
2 Pumpers			\$ 270,000
2 Tenders			\$ 430,000
2 Type 6 Engine			\$ 240,000
1 Rescue			\$ 50,000
3 Ambulance			\$ 330,000
4 Squad Vehicles/Other			\$ 77,000
<b>Equipment</b>			
18 SCBA(s) with Extra Bottle per Unit			\$ 159,000
2 Cardiac Monitors			\$ 58,000
5 AED			\$ 10,000
	2.19	12,138	<b>\$ 3,804,000</b>
Plus Impact Fee Study			\$ 13,500
Plus Impact Fee Fund Balance			
<b>TOTAL CURRENT INVESTMENT</b>			<b>\$ 3,817,500</b>

As shown above, the Garden Valley Fire Protection District currently owns approximately \$3.8 million of eligible fire protection assets. These assets are used to provide the current level of fire protection service.

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

The Garden Valley Fire Protection District has already invested \$1,673 per residential unit and \$0.84 per nonresidential square foot in fire protection assets. This figure is derived by allocating

the value of the District’s current assets between the current number of residential units and nonresidential square feet within the District boundaries.

We will compare our final impact fee calculations with these figures to determine if the result 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 Garden Valley Fire Protection District?**

As shown in Exhibit II-2, Garden Valley Fire Protection District is expected to grow by approximately 230 residential units and 19,479 square feet of nonresidential land use over the next ten years. This growth will increase demand for the delivery of fire protection services.

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

The following Exhibit III-4 displays the capital improvements planned by the Garden Valley Fire Protection District over the next ten years for fire protection services.

**Exhibit III-4.  
Garden Valley Fire Protection District CIP 2023-2032: Fire Protection Services**

Type of Capital Infrastructure	Square Feet	CIP Value	Growth Portion	District Total	Amount to Include in Fees	Amount from Other Sources
<b>Facilities</b>						
Station Expansion	2,700	\$ 571,170	0%	\$ 571,170	\$ -	\$ 571,170
Station Expansion	1,300	\$ 275,008	100%	\$ 275,008	\$ 275,008	\$ -
<b>Apparatus/Vehicles</b>						
1 Structure Engine(s) (Growth)		\$ 215,000	30%	\$ 215,000	\$ 64,500	\$ 150,500
1 Structure Engine(s) (Replacement)		\$ 215,000	0%	\$ 215,000	\$ -	\$ 215,000
1 Ambulance (Growth)		\$ 110,000	30%	\$ 110,000	\$ 33,000	\$ 77,000
2 Rescue (Replacement)		\$ 100,000	0%	\$ 100,000	\$ -	\$ 100,000
1 Tender (Replacement)		\$ 215,000	0%	\$ 215,000	\$ -	\$ 215,000
<b>Equipment</b>						
5 SCBA(s) with Extra Bottle per Unit		\$ 50,000	30%	\$ 50,000	\$ 15,000	\$ 35,000
<b>SUBTOTAL</b>		<b>\$ 1,751,177</b>		<b>\$ 1,751,177</b>	<b>\$ 387,508</b>	<b>\$1,363,670</b>
<b>Plus Cost of Capital-Related Research</b>						
Impact Fee Study		\$ 13,500	100%	\$ 13,500	\$ 13,500	\$ -
<b>Minus Current Impact Fee Fund Balance</b>						
		\$ -		\$ -	\$ -	\$ -
<b>TOTAL</b>		<b>\$ 1,764,677</b>		<b>\$ 1,764,677</b>	<b>\$ 401,008</b>	<b>\$1,363,670</b>

To meet the increased demand for fire protection services, the Garden Valley Fire Protection District intends to expand a station. The \$846,178 cost of expanding the station is partially impact fee eligible. Based on the proposed use of impact fees outlined, of the planned 4,000 square foot expansion, 1,300 square feet is impact fee eligible. The District can collect impact fees to fund this growth-related expenditure. Likewise, additional apparatus and equipment will be partially funded using impact fees.

Other items listed on the CIP are not eligible for impact fees. The District will therefore have to use other sources of revenue including all of those listed in Idaho Code 67- 8207(iv)(2)(h).

Of the total CIP cost of \$1.76 million, \$401k is impact fee eligible/growth related and can be recovered via impact fees.

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

The following Exhibit III-5 takes the projected future growth from Exhibit II-2 and the growth-related CIP from Exhibit III-4 to calculate impact fees for fire protection services. These fees would be assessed only to growth within the District’s boundaries.

**Exhibit III-5.  
Garden Valley Fire Protection District - District Fee Calculation: Fire Protection**

Impact Fee Calculation	
Amount to Include in Fee Calculation	\$ 401,008
Distribution of Future Land Use Growth	
Residential	96%
Nonresidential	4%
Future Assets by Land Use	
Residential	\$ 384,625
Nonresidential	\$ 16,382
Future Land Use Growth	
Residential	230
Nonresidential	19,479
Impact Fee per Unit	
Residential	\$ 1,672
Nonresidential	\$ 0.84

As shown above, we have calculated impact fees for fire protection by the Garden Valley Fire Protection District at \$1,672 per residential unit and \$0.84 per nonresidential square foot. This amount is consistent with what existing users have paid into the asset inventory (see #4 in this Section).

Fees not to exceed these amounts are recommended for the District. The District cannot assess fees greater than the amounts shown above. The District may assess fees lower than these amounts, but would then experience a decline in service levels unless the District uses other revenues to make up the difference.

# Section IV. Summary & Comparisons

The following Exhibit IV-1 summarizes the calculated Impact Fees for the Garden Valley Fire Protection District.

**Exhibit IV-1.  
Garden Valley Fire Protection District - Impact Fee Summary**

TOTAL IMPACT FEE									
Fire Fees									
Residential	\$ 1,672								
Nonresidential	\$ 0.84								
<table border="1" style="width: 100%;"> <thead> <tr> <th colspan="2">TOTAL IMPACT FEE</th> </tr> </thead> <tbody> <tr> <td>Single-Family</td> <td style="text-align: right;">\$ 1,672</td> </tr> <tr> <td>Multi-Family</td> <td style="text-align: right;">\$ 1,672</td> </tr> <tr> <td>Non-Residential</td> <td style="text-align: right;">\$ 0.84</td> </tr> </tbody> </table>		TOTAL IMPACT FEE		Single-Family	\$ 1,672	Multi-Family	\$ 1,672	Non-Residential	\$ 0.84
TOTAL IMPACT FEE									
Single-Family	\$ 1,672								
Multi-Family	\$ 1,672								
Non-Residential	\$ 0.84								

The City of Crouch would assess Fire Impact Fees to all development within the City of Crouch and Boise County would assess Fire Impact Fees to all development within unincorporated Boise County. These two areas would include all of the Garden Valley Fire Protection District.

A comparison of the proposed fees to similar fees within other Idaho jurisdictions is provided in Exhibit IV-2.

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

	Proposed Garden Valley FD	Hauser Lake FD	Timberlake FD	Cascade FD	Sand Hollow FD	Nampa FD	Gem County FD	New Plymouth FD	Marsing FD	Middleton FD	Wilder FD	Caldwell FD
Fire												
Per Residential Unit	\$ 1,672	\$ 3,666	\$ 2,842	\$ 2,891	\$ 2,402	\$ 1,671	\$ 1,407	\$ 1,237	\$ 1,238	\$ 849	\$ 825	\$ 665
Per Non-Residential sf	\$ 0.84	\$ 1.83	\$ 1.42	\$ 1.16	\$ 11.00	\$ 0.67	\$ 0.56	\$ 1.40	\$ 0.62	\$ 0.42	\$ 0.41	\$ 0.33

**Note:**

1. Impact fees cannot be easily compared as they are required by statute to reflect the growth, service level and cost of capital improvements necessary for a specific entity. These variables differ greatly between jurisdictions. The more rural the area, even when growing, the fewer units there are available to absorb the necessary costs. Therefore, fees will tend to be higher in more rural areas.
2. There are instances where the comparables above have multiple per square foot charges depending on the specific type of commercial development. In those instances, an estimate of the average is displayed.

## District Participation

Because not all the capital improvements listed in the CIPs are 100 percent growth-related, the District 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).

It should be noted that the participation amount associated with purely non-growth improvements is discretionary. The District 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.

## Implementation Recommendations

As the District 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 with the impact fee enabling ordinance.

**Capital Improvements Plan.** Should the Advisory Committee recommend this study to the District and should the District adopt the study, the District should revise its existing Capital Improvement Plans using the information in this study. A revised capital improvement plan would then be presented to Boise County 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, the Boise County Board of Commissioners and the Garden Valley Fire Protection District Board 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 District leadership 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 zones under the assumption that some areas utilize more or less current and future capital improvements. The study team, however, does not recommend the District 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 District 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 Garden Valley Fire Protection District's 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 District 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.<sup>30</sup> This prevents "double dipping" by the District.

The presumption would be that builders/developers owe the entirety of the impact fee amount until they make the District 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.<sup>31</sup>

**Impact Fee Accounting.** The District 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 District 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(1)(iv), (2)(h) and Impact Fee Fund should be allowed on a pro rata basis.

**Update Procedures.** Given the District's expected growth rate over the 10-year span of the CIP, fees calculated in this study should be reviewed annually. 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.

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<sup>30</sup> See Section 67-8209(3), Idaho Code.

<sup>31</sup> See Section 67-8209(4), Idaho Code.