

City ponders impact fees to offset costs

*By John O'Connell - Journal Writer*

POCATELLO - Record construction rates in the valley and growing concerns among residents about responsible planning have prompted city leaders to consider new fees.

The so-called impact fees would be assessed on building permits to offset extra costs taxpayers incur from new growth.

City officials could enact their first impact fees within the next six months to a year, in conjunction with their efforts to enact building ordinances based on Pocatello's comprehensive plan, "Our Valley, Our Vision."

"I think we're going to move forward on those (impact fees) and some other proposals to bring smart growth to the valley," said Councilman Richard Stallings. "I'm a strong advocate for impact fees. The taxpayers of Pocatello shouldn't be required to pay for some of these new developments."

Swindell said impact fees must go to tax-supported services such as parks, streets, fire stations and police substations. The city could also enact utility capacity fees for increased demand on its sewer and water system. Money collected under impact fees would be kept separate from all other spending funds and used only for a designated purpose.

"It's fair. If it's done properly, the fee is done in proportion to the benefit of the new development," Swindell said.

Public Works Director Greg Lanning added, "In the end, they all have to be defensible, and they have to be well researched. And they have to have a direct correlation to the impact. It's better to keep it simple."

Development has increased steadily in Pocatello in recent years. In 2003, permits were issued for 164 new living quarters in 158 separate buildings, according to city statistics. Permits were issued for 30 nonresidential buildings.

In 2004, builders filed for permits to build 243 living quarters in 183 separate buildings. Permits were

issued for 29 nonresidential buildings.

In 2005, the city permitted 295 living quarters in 215 separate buildings, and 36 nonresidential buildings were committed.

Impact fees were first authorized in Idaho in 1992, but only allowed in counties of 200,000 or larger. In 1996, the law was changed to allow impact fees for any county, city or countywide highway district.

The nearest city where impact fees have been used is Rexburg. Swindell said Rexburg charges separate impact fees - totaling \$947.69 - for parks, police and fire.

Swindell said Pocatello is in the preliminary phase of analyzing how much benefit new development would derive from various services. He said if impact fees are deemed necessary, Pocatello will hire a consultant to research them.

“Only a consultant is viewed as impartial in a court case, and this will certainly be challenged if we do this,” Swindell said.

Swindell said new restrictions continue to be implemented on the power of local government to tax, and the costs of running a city continue to rise.

Pocatello is also challenged because it includes a high number of tax-exempt properties. Impact fees apply to everyone, Swindell said.

“When you lose some of the old tools and things cost more, every community searches around and says, ‘Is there a better way to do this?’” Swindell said. “I think impact fees are worth a look.”

Impact fees will no doubt be a tough sell for builders who currently don't have to pay them.

Local developer Bill Isley believes impact fees could be useful in developing new parks or improving existing ones. He also believes they would be ideal for providing money for securing wildlife habitat to offset habitat losses from new development.

“(Wildlife preservation) would be an excellent impact fee,” Isley said.

He dislikes the idea of using local impact fees for police, fire, water and sewer.

The key, according to Isley, is to make sure they're used for a specific purpose and tied to the benefit derived by the user.

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