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Couple: High fees preventing dream of Sandpoint restaurant

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SANDPOINT — John and Tullaya Akins' dream of opening a Mediterranean-style restaurant here went south after they learned how much the city would charge to start the venture.

The Sandpoint couple will pursue the plan, but the location will likely be in Ponderay, or maybe in Bonners Ferry.

The Akins, who manage the Bangkok Cuisine Thai Restaurant on Second Avenue, decided against securing the brick building on the corner of Pine Street and Boyer Avenue after learning that the city would require \$26,000 in impact fees to convert it into a restaurant.

"That's make or break for us," John Akins said. "We are shopping for a location in Ponderay and the surrounding area that is more business friendly."

The couple's combined service-industry background goes back decades.

John started working in restaurants in Spokane before moving to Seattle where he managed a bar, and eventually owned his own business. Tullaya has worked in the industry for years. Her parents own the Bangkok Cuisine.

The couple's savings, they thought, would help start their own venture, a Mediterranean eatery and deli, in Sandpoint.

"It's too bad," John said. "We love this community. We thought it would be an opportunity to add more character to Sandpoint."

The \$26,000 that the city would require to convert the former bicycle shop into a 45-seat restaurant is based on the structure's 2,500 square footage, according to the city.

The money is used to buy into the city's water and sewer system as well as help pay for services from street maintenance to fire and police protection.

"Impact Fees are fees charged to new development which allow the city to finance public facilities needed to serve the new growth," Sandpoint Planning Director Jeremy Grimm said. "The goal of impact fees is to ensure that new growth does not place an undue burden on existing residents."

Ponderay has a reputation of attracting businesses away from Sandpoint. Part of the reason is a steady flow of traffic along Highway 95 north of Sandpoint that edges the neighboring community.

Lower fees also play a role.

Erik Brubaker, Ponderay's planner said new businesses still pay Sandpoint's water fees because the communities share a water system. In addition, a new business would pay for Kootenai/Ponderay sewer service.

If a new development is located in a storm water basin, "things get complicated real fast," Brubaker said.

Developers pay for storm water diversion and the cost varies depending on the development's location.

Impact fees are minimal, though, if a business owner moves into an existing building.

Unless the existing building is expanded, there are no additional fees.

"That is for new development, not existing," Brubaker said. "It is to offset the cost of new development."

Mayor Gretchen Hellar said the Sandpoint's impact fees would be revisited this fall as required by law.

State code mandates that impact fees be reviewed every five years.

An impact fee advisory committee will scrutinize the city's fees in October. Once a report is completed the city will consider modifying the fees.

The bottom line, Hellar said, is businesses that cannot afford to open in Sandpoint have other opportunities close by.

"They may need to go to places with less amenities, if it is not good for them economically," she said.

The Akinses have their eyes on a new location in Ponderay, although admittedly, they would rather be in Sandpoint.

"I know the people here want our concept and our business," John said. "It doesn't appear the city does."