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## Lehi's fee hike riles builders

By **Catherine Smith**

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LEHI — After 10 years without raising impact fees for building permits, the Lehi City Council decided to make up for it in one night.

The three attending councilmen voted Tuesday night to raise the fees from \$9,902 to \$16,521.07, creating unhappiness among local builders and real estate agents. The fees, which are assessed at the time someone purchases a building permit with the city, won't affect homes in the process of being built or unsold, completed homes.

Builders and real estate agents are worried the huge increase in the fees will hurt their businesses, especially considering the poor housing market and downturn in the economy.

"The market is struggling," said Taylor Oldroyd, chief executive officer of the Utah County Association of Realtors. "I would hope if the city should consider this ... either table this and do an economic impact analysis or significantly lower the fee increase and not make up all 10 years at once and recover some of what you want, so your designs won't have such an impact on a market that's already struggling."

Builders made similar comments, saying that the extra amount would probably come out of their pockets because it would be difficult to raise the prices they charge for homes in a slow housing market.

"Our concern is that by adding these impact fees, that's such a significant amount, it would bring it (home prices) back to our August pricing," said Justin Earl, a builder with Alpine Homes. "It's a real concern for us as someone who's trying to contribute to (the community)."

Earl added that when builders have to lower the price of homes because they can't sell, the equity for other homeowners in the subdivision is hurt.

Many builders set contracts to build a home for a certain price before they buy a building permit, said Loren Powell, Lehi city engineer. Builders in that situation will either have to pay the extra money for the fees out of pocket or try to change the contract.

Lehi city manager Jamie Davidson said the new fee was decided by research with consultants who didn't "pull the number out of the air," but looked at different city demands, projected future growth and fees in neighboring cities.

Councilman James Dixon said that because the city hadn't raised these fees, the established residents had to pick up the cost for fees that should be paid by new residents.

"We, as citizenry, have the burden of footing the bill if we don't have enough to cover the cost of fees that are (generated) by home builders because the cost of doing business has changed," he said.

He said that residents who have lived in the city for 30 years shouldn't have to pay those fees caused by incoming residents.

"I don't think it's fair for the existing residents," he said.

The council voted for the full increase, but allowed a 90-day grace period. The new impact fee charges will go into effect on May 27.

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