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Snowmass considers construction impact fee

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SNOWMASS VILLAGE -- The town of Snowmass Village is considering implementing a construction mitigation fee on most new development. The fee would fund things like the salary of a construction coordinator, communication about construction and other additional costs the town is incurring during this era of heavy development.

Town Manager Russ Forrest told the council that "we are now just barely covering our costs," and in the next few years, even if building and planning department costs are covered, there are an increasing number of "incremental costs that are not being covered."

At issue is how that fee will be structured. Town staff is proposing a fee of \$1 per square foot on any development projects that result in new floor area, including commercial and residential projects, demolitions, single-family and multi-family developments, affordable housing and other public projects. The fee would be collected before a project is issued a building permit.

The proposed fee would mean a \$5,000 additional fee on a brand-new 5,000-square-foot, single-family home. If it had been applied to Base Village, that development would have incurred a roughly \$1 million fee.

Town Council members had mixed feelings on the idea -- although they all agreed that the town must figure out a way to pass on additional future construction costs -- and decided to table the discussion until Oct. 1.

Some argued that a fee based on square footage would not apply to road projects, which often have the greatest impact.

Councilman John Wilkinson said that single-family homes shouldn't have to bear such a fee because single-family home construction does not necessitate a construction coordinator and all the communication needs of a large commercial project, for example.

"I find this really troubling," he said. "I see this as trying to shift the cost to other areas. If Base Village wasn't happening, we wouldn't need to have construction management coordination."

But Mayor Doug "Merc" Mercatoris countered that home construction does have impacts on the town, and "has not taken seriously those impacts in the past." Mercatoris added that in hindsight, he wished that every approved subdivision would have been made to contribute more.

Councilwoman Sally Sparhawk argued that remodels should be subject to a construction fee because "there are just as many trucks on the highway if someone

guts their house and rebuilds it."

Mercatoris countered that the town should be careful about additional fees on remodels, so that people don't get discouraged from remodeling their homes or businesses.

Council members seemed to agree that it was fair to tax public projects in the same way as private projects.

Don Schuster, an Aspen Skiing Co. vice president who was heavily involved in the Base Village process, said that additional construction activity costs should be addressed through development approvals for each project, not a tax on development. Schuster argued that the town knew what the costs of Base Village would be -- it was addressed in a fiscal impact report -- and in the end there will be a net positive impact.

But Councilman Arnie Mordkin argued that many of the costs were not anticipated.

"We had to hire someone when things got out of hand," said Mordkin. "I think this is the fairest way to do it. A fee gives you a much truer cost of what that project is."

Second-home owner Mel Blumenthal said that maybe there should be some kind of sliding scale of impact fees, with more responsibility on commercial development.

Homeowners "shouldn't be penalized because we're putting the entire community through this renaissance," said Blumenthal. "This community has accepted a lot. The big things are coming from commercial development and in my mind they should pick up the majority of those costs."

Town staff will continue to work on a fee program, plus hold a public meeting for construction industry input prior to the next council discussion on Oct. 1.

Basalt and Carbondale have similar construction mitigation fees. The city of Aspen is also looking at ways to mitigate the costs of construction.

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