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City wants developers to pay more

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The Grand Junction City Council recommended Wednesday night a 162-percent hike in a traffic-impact fee charged to new development, saying the extra money is needed to offset the toll on local roads and burgeoning construction costs.

Without taking a formal vote, a majority of council members agreed to the hike during a workshop held prior to the council's regular meeting.

The recommendation, along with those of the Fruita City Council, the Palisade Town Council and the Mesa County Commission, will be forwarded to the Grand Valley Regional Transportation Committee. That committee will meet Monday and adopt a resolution recommending what the traffic-impact fee should be next year. It will be up to the individual local governments to set the fee.

The City Council, should it stick with its recommendation, would increase the fee for a single-family home from the current \$1,589 to \$4,160. Other fees for multifamily housing, commercial, office and other types of development would increase accordingly.

Mesa County, Grand Junction, Fruita and Palisade all currently charge the same traffic-impact fee, although that could change next year. Interim Deputy City Manager Trent Prall said like Grand Junction, Fruita and Palisade have recommended a \$4,160 fee. Mesa County, on the other hand, is considering a \$2,500 fee.

The \$4,160 fee is based on a \$2,900 fee that was recommended but ultimately rejected in 2002, coupled with the 58 percent local construction inflation rate. The \$2,500 fee is based on the current \$1,589 fee plus the construction inflation rate.

Developers almost certainly will frown on a 162-percent increase in traffic-impact fees. Prall said local homebuilders' and contractors' associations have indicated they would support a fee in the range of \$2,500 to \$2,800 but will oppose anything higher than that.

Mesa County governments say they lag behind other communities in the fees charged to developers, and the money they collect isn't anywhere near enough to pay for new development.

As an example, Prall told council members that if the area between Interstate 70 and F 1/2 and 23 1/2 and 25 roads continues to develop at its current rate and build out, it would cost the city \$50 million, while the city would only take in \$12.5 million in traffic-impact fees under the current fee schedule.

Prall also noted that asphalt costs have gone up 72 percent in two years, while the price of concrete has jumped 56 percent in three years.

"If we continue to backslide on the expenses, we're going to come to a place where we're going to have to make some hard decisions," Councilman Gregg Palmer said.

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