

This is a printer friendly version of an article from the **Appleton Post-Crescent**

[Back](#)

Grand Chute home builder fees to exclude smaller homes

Advertisement

Burden for new residents creates concern

By Ed Lowe

Post-Crescent staff writer September 21, 2007

GRAND CHUTE — A fire station impact fee approved here Tuesday reflects growing concerns that the new one-time charge on future developments can reduce the affordability of new homes.

The fee will add \$247 to the permitting cost of most new homes built in the town over the next year, but exempts new homes with less than 1,500 square feet of living space.

Supv. Jeff Nooyen said he proposed the exemption amendment, which passed 4-1 with Supv. Jim Pleuss voting against, out of concern the new charge could be a hardship for some homebuyers.

"New homes in the Fox Valley are already priced higher than what most people would describe as affordable," Nooyen said. "I wanted to make sure that if someone is interested in trying to build a smaller, more affordable home, they wouldn't be burdened by this additional cost."

The impact fee will offset current town residents' costs for a \$4.5 million fire station by passing a portion of that cost to future homeowners and commercial interests who will benefit from the station over the next 30 years.

Town Administrator Mark Rohloff said the fee is expected to generate about \$700,000 in revenue during the next 20 years — about 16 percent of the total project cost — based on town growth projections. The fee schedule is subject to annual adjustments reflecting actual development activity.

Jennifer Sunstrom, government affairs director for the Realtors Association of Northeast Wisconsin, said Nooyen's amendment echoes broader concerns as locally imposed impact fees proliferate.

Sunstrom said interest in impact fees arose more than a decade ago when the state Legislature began discussing plans to impose local tax levy limits.

"A lot of communities got a little bit leery and started to look at their other legal options for bringing in additional revenue and all of a sudden there was this huge swell of different municipalities implementing these impact fees," she said.

The state last year clarified when such fees are justified and how they must be implemented, but the new fees keep coming, she said.

"The fact of the matter is that just about every community has been creating them and, plus, they've been increasing them quite frequently," Sunstrom said. "We've had a hard time tracking them."

Fees to exclude smaller homes

The Grand Chute Town Board has established a fire station impact fee on future development. The fees, paid at the time of permitting, will apply to all new commercial and residential projects, but exempt single-family homes with less than 1,500 square feet of living space. The fee schedule, based on 30-year growth projections, can be adjusted annually. For next year, the following fee schedule applies:

- \$246.60 per single-family home
- \$189 per multi-family living unit
- \$1.21 per \$1,000 of valuation for new non-residential development

Source: Town of Grand Chute

The fees are now common among the faster-growing communities surrounding the Fox Cities, with Grand Chute, Clayton, Greenville, Sherwood and the Town of Menasha among localities with one or more in place.

In an Aug. 31 letter to the Grand Chute Town Board, Sunstrom explained the association's concern that impact fees "can create a major barrier" to home affordability.

"By including these impact fees in the cost of building a home, you can price many new home buyers right out of the market, not to mention having a very negative impact on economic development in the community," Sunstrom wrote.