

Capell proposes rescinding fees

City feared transportation impact fees' impact on job creation

by [Clinton Thomas](#)

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City Manager Vince Capell proposed at a work session this week to stop collecting transportation impact fees from developers. The Greystone development in northeast St. Joseph is one that had been affected by the fees.

Rather than trip over its own red tape, the city is ready to pull out the scissors and cut it away.

City Manager Vince Capell suggested the city abandon its policy of collecting transportation impact fees from developers this week during a work session with the City Council.

The council approved the fees in March 2008 as a way to shift part of the cost of upgrading city infrastructure to developers. In the Greystone subdivision, for example, developers would pay a \$500 fee for each residential unit.

Mr. Capell explained how the impact fee formula's structure gave the city little flexibility if it sought to adapt its regulations to attract

commercial and industrial development.

Fees were figured according to how many "trips" the project would generate. The same rules that created a \$500 charge for a house could stipulate six-figure sums for high-traffic projects like a warehouse or convenience store.

"I think we learned a few things in the last year," Mr. Capell said. "With Greystone, the fees were only going to generate a small amount, but if those fees were going to have a negative impact on job creation and commercial and industrial development, then it just wasn't worth it."

The city previously had designated one fee area in northeast St. Joseph. The area — which contained Greystone — was bounded by the Andrew County line on the north, Gene Field Road on the south, Interstate 29 on the west and the 102 River on the east.

The relatively small amount of revenue that would have been generated contributed to the city's agreement to abandon the fees. Greystone's payments would have covered only 7.5 percent of the cost of road upgrades in the area, according to Mr. Capell.

Separate sewer impact fees of \$500 per household will remain in place.

Ted Allison, president of the St. Joseph Area Chamber of Commerce, came to the work session prepared to argue against the fees. After Mr. Capell pitched his idea, Mr. Allison joked that he could throw out the speech he had prepared.

"If we had adopted this program community-wide, I was greatly concerned this community could be branded as anti-business," Mr. Allison said. "It can take a long time to turn something like that around."

All council members in the room agreed with Mr. Capell's proposal.

The council will hear two ordinances relating to removing the fees at its next meeting, including one to formally rescind the policy.

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