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News

City mulls future of its impact fees

Council plans Dec. 8 meeting to review issue

By Michael Gresham

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To fee or not to fee?

That is the question, and an answer is expected to come next week as Kaufman City Council will discuss the fate of its impact fees during a meeting slated for 6 p.m. Dec. 8.

By definition, impact fees are one-time charges imposed upon new development as a condition of development approval to pay for a proportionate share of the cost of improvements to the city's infrastructure necessary to serve new growth and development.

The enactment of an impact fee is one of the means that cities such as Kaufman can use to expand the capacity of infrastructure — in Kaufman's case water and streets — in order to maintain current levels of service if new development is to be accommodated without decreasing current levels of service.

Proponents of the impact fees say the maintenance of current levels of service is needed in order to promote and protect the health, safety and welfare of both existing and new residents and businesses.

Impact fees can only be used for the purpose for which they were collected. For example, water and sewer impact fees can only be spent on capital improvements that expand the capacity of the city's water and sewer capabilities. Likewise, street impact fees can only be used to expand the capacities of the city's roadways. Impact revenue cannot be used for operating and maintenance expenses.

In order to continue charging impact fees, Local Government Code Section 395.052 requires cities such as Kaufman and other entities to update those fees every five years. The city of Kaufman's water impact fee has exceeded the five-year period. The street impact fee will be due for a study in this next fiscal year.

The city in September entered into an agreement with Jacobs Engineering to provide a study and update for both, water and street impact fees.

On Nov. 24, a representative from the engineering firm gave a brief overview presentation of that study, which sparked a debate on the future of the fees in Kaufman.

"Impact fees are taxes, and taxes are only reasonable when they are fair," said Councilman

Gil Altom Jr., who opposes continuing to charge impact fees in Kaufman. "Impact fees single out particular citizens (new residents or businesses) and assess an extra tax on them. That can only be fair to the new residents or businesses when the amount of the tax directly and accurately reflects the actual costs that their presence burdens the current taxpayers. It appears this isn't the case in Kaufman. This is abundantly clear when you consider that after almost five years of collecting this fee, we have been unable to identify a single project necessitated by growth."

Altom also argued that impact fees could be a "disincentive to the growth that we need so badly in our town."

"Impact fees will do what they are designed to do when the city is in a 'full-speed ahead' growth mode," Altom said. "Right now, we're not."

The website impactfees.com, though, contends the fees are not "a no-growth tool."

"Just the opposite is true," the site stated. "Impact fees facilitate growth by expediting development approvals, increasing the amount of developable lands and reducing opposition to new growth."

For his part, Kaufman City Manager Curtis Snow, who will make a presentation about the city's impact fee schedule and advise council about its options at the upcoming meeting, is hoping council members keep an open mind when discussing the future of impact fees.

"I am sure the city council will want to wait and discuss the pros and cons of impact fees before they finally make up their minds," he said.

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