

Council extends impact fee reduction

15 percent break extended for 2 more years

The Cedar City Council extended a 15 percent temporary reduction of impact fees for two more years Wednesday night.

The fee reduction, implemented a year ago, was scheduled to ““sunset”” Nov. 5.

Impact fees are charged for new development so the costs of new development in terms of city services — firefighting, police protection and other public needs — are not paid out of the general tax base.

Councilwoman Nina Barnes said she was concerned about many variables involved in the decision to extend the impact fee reduction. She said in past years the council has extensively discussed taking any action on impact fees. She also said when the council decided to temporarily reduce those fees, there was an expectation that it would be looking at the results of studies and data and be able to assess that in terms of keeping the impact fee reduction.

““If what we are doing is working, I don’t mind extending it for a year,”” Barnes said.

Councilman John Black said he could approve extending the sunset provision on the reduction longer than a year with the understanding that the council could revisit the issue anytime during that period. Black said he wanted to make sure a new sunset date would not come upon the council too quickly.

““I think somewhere out there, there’s an equilibrium between what we’ve got for the impact fees for one, that doesn’t negatively impact builder and buyer, and it doesn’t negatively impact the taxing community,”” Black said. ““And I don’t know that we’ve found that yet.””

City Manager Rick Holman said the city staff would like to produce an evaluation of the city’s impact fee history with consideration of projects identified in the city’s capital facility plan. He said the staff could also present the council with some different options in terms of addressing the impact fee issue.

Holman said he expected to be able to assemble that information for the council in approximately three months.

Councilman Ron Adams said the city has lots available that are already approved for building.

““I think that to fill in those in with houses does nothing but add to our tax base,”” he said, adding that the infrastructure has already been built, so 30 more houses would result in 30 more taxable properties that do not exist at this time.

Doug Hall, founder of Iron County Alliance of Taxpayers, said he agrees with Barnes that a year would be the best time period to examine impact fees in terms of whether reductions should remain in place or end.

Zurl Thornock, executive officer for the Iron County Homebuilders Association, said having impact fee changes coming up on an annual basis creates uncertainty for homebuilders in terms of planning.

The council passed the sunset extension on a 4-1 vote, with Barnes opposing.

