

County to Impose New Developer Impact Fees?

Builder Group: 'Plan Illegal'

By George Lurie

Tulare County - Aproposal by the Board of Supervisors to impose new, county-wide developer impact fees on all new construction is being met with fierce opposition by local builders – and appears to have only lukewarm support from cities around Tulare County.

Following a public hearing last week, Tulare County supervisors voted 4-to-1 in favor of a resolution that they hope will eventually lead to the creation of new, county-wide development impact fees.

The proposed Public Facility Impact Fee and Transportation Impact Fee programs, which county officials hope to incorporate into the county's yet-tobe-updated General Plan, would tax development in unincorporated parts of the county as well as in the county's eight incorporated cities, which already charge builders their own set of impact fees.

The controversial proposal has raised some eyebrows, both in the development community and in city halls around the county.

In last week's board vote, only District 3 Supervisor Phil Cox opposed the move.

"I support this but think we're sending the right message at the wrong time," said Cox this week.

But at the public hearing, District 1 Supervisor Allen Ishida railed against further delay. "It's time to put everybody on notice that we intend to do this," Ishida said.

Visalia-based engineers OMNI-MEANS Ltd., retained by the county to prepare a study being used to push one of the new transportation impact fee programs, said in its report: "Tulare County anticipates that their cities need to participate, on a fair share basis, in the cost of improvements to the county transportation system.

Therefore, by area of benefit, the Traffic Impact Fee will include fee allocations to each of the incorporated cities of the County."

Another study initially undertaken in October 2007 by Willdan Engineering is

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currently being updated to provide a framework for the proposed public facilities impact fees.

Exact dollar figures for the proposed new fees have not been finalized but the fees would add thousands to commercial building permit costs and an estimated \$6,000 to the price of an average new home.

The county proposes to use a portion of the revenues generated by the impact fees for road maintenance and new road construction as well as for a number of other county support services including police, fire, libraries and parks.

And County Chief Administrative Officer Jean Rousseau told supervisors at last week's public hearing that as much as a third of the revenues generated from the impact fees would be earmarked for refurbishing or replacing outdated county buildings.

Bob Keenan, president and CEO of the Homebuilders Association of Tulare/Kings Counties, believes the county has no legal standing to levy the proposed new impact fees and vowed his organization will oppose the effort "every step of the way.

"We do not believe the county has the right to do this in the [eight] incorporated cities," said Keenan. "The fees are illegal and unconstitutional. A legal entity is restricted to its jurisdiction, which for a county, would be the unincorporated areas only. This is a bad idea. It's jumping boundaries."

Keenan believes that studies supporting the county impact fee plans were done during the boom times and have been "blown out of the water" by the current recession.

"The studies might have been good at one time but they are now outdated," said Keenan, who also believes the impact fees, if adopted, would act as a major deterrent to companies looking at building facilities or relocating to Tulare County.

But in cities around the county, the plan appears to be drawing at least some initial support.

"If a Memorandum of Understanding can be worked out between the city and county," said Mike Olmos, Visalia's assistant city manager, "we are not opposed to the plan. But we expressed our concern to supervisors last week that we thought they were taking the first step before they were engaged with us."

Olmos suggested that prior to going forward with the impact fee plan, county and city officials should "work with folks in the private sector before we propose any formal actions."

Visalia Mayor Bob Link agreed. "As long as the county works with the city, we are not opposed to the idea of [county] impact fees."

Tulare Mayor Craig Vejvoda said: "I can understand the county needing to have development impact fees. But the entire building industry has been in the tank and this just makes it harder for them."

Following last week's public hearing, even county officials were emphasizing that the impact fee plan was still in its formative stage.

"We're at the very beginning of this," said County Administrative Officer Jean Rousseau, who added that beginning in January of next year, the county will make a series of presentations to TCAG and city councils around the county, hoping to gain more support for their plan.

"We're not sure how long outreach is going to take," said Rousseau. "This will be a complicated process, more than I originally thought it would be, and there's still a long way to go."

Phil Cox said supervisors are painfully aware of the current economic climate, especially as it pertains to real estate development.

"Right now is not the time to tell a developer that we're going to add \$6,000 to the price of your new house," Cox said. "I think we jumped the gun by a year or so on this one. We need to give all parties sufficient notice and then maybe look at phasing these fees in over a three- or four-year period."

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