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Deena Winter: Cities trying to spur building by reducing impact fees

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The city of Hickman is trying to attract home builders by cutting building permit fees by 40 percent through the end of the year.

A flier sent to area builders urges them to "Come build in Hickman and move to the Norris School District."

Hickman is temporarily reducing its single-family home permits to \$1,875.

In Lincoln, building permits for a 2,500-square-foot house is \$598.

But impact fees on that home total \$4,685.

Lincoln Building & Safety director Fred Hoke suspects Hickman's "building permit" fee includes impact fees, although nobody can elaborate Tuesday.

In light of Hickman's blue-light special, a Lincoln homebuilder asked the City Council here to consider temporarily reducing the cost of providing roads, parks and water and sewer service to new developments.

Impact fees are charged to builders but are often folded into the cost of a house and passed on to buyers.

Lois Hartzell of Vistar Homes Inc. recently wrote to the council, asking it to consider following in the footsteps of dozens of other cities.

Of course, fees in Lincoln pale in comparison to California, where the average impact fee is about \$50,000 but can reach in excess of \$100,000, according to the National Building Industry Association.

Although it's difficult to compare because some cities also charge fees for libraries, schools and fire stations, one study conducted by the National Building Industry Association found that impact fees in California are on average 10 times higher than in other states.

In Lincoln, housing construction has plummeted from more than 2,400 homes, apartments, duplexes and townhomes in 2008 to just 1,200 in 2009. (The city's impact fees were instituted.)

In the first five months of 2009, 238 permits have been issued.

The Lincoln City Council has already taken action to try to spur building by freezing impact fee rates — for the second year.

Commission says 'no' to small sign at Grand Manse

So what did the Historic Preservation Commission decide to do about the [18-inch circular sign](#) that periodically advertises the Federal Building (located between Ninth and 10th streets on P Street)?

Although the commission allowed the Grand Manse to put up large electronic advertising signs flanking the northwest and southeast corners of the building, it refused to allow the sign.

sign.

The Grand Manse put the small sign up to advertise gallery shows.

Commission member Cathy Beecham said she did not want to see signs attached to the historic building, although she would have preferred a sign on the street instead.

The commission agreed the sign is not appropriate for the building.

Changes to Tool House get green light

The Historic Preservation Commission also got a presentation from Speedway Properties on work it wants to do to the Tool House.

Speedway is working on [building a hotel](#) on the west side of the block. That would involve demolishing the now-vacant building.

Speedway went before the historic commission to get permission to do work on the Tool House to create access to the basement parking area, remove a ramp on the west side and create a handicap-accessible ramp to the lower level.

Craig Smith, one of the owners of Speedway Properties, told the commission there's interest in adding housing to the top and middle floors and offices on the second and third floors. And they've discussed restoring the loading docks and creating storefronts, he said.

Smith said Speedway is close to an agreement with the city on using tax increment financing, an urban renewal financing tool.

The historic commission was supportive of the designs shown.

He said it

"It doesn't appear there's going to be a road built on the second floor, so that's a concern."

— Councilman Adam Hornung, on using the city's Special Assessments Revolving fund, which was designed to pay for the renovation of the second floor of city hall.

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