

The Daily Courier

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Prescott eliminates street impact fees

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PRESCOTT, Arizona - With no growth-related street projects on the horizon for the next five years or so, the [City of Prescott](#) has opted to discontinue the impact fees that could go to pay for such improvements.

In a 6-1 vote on Tuesday, the [Prescott City Council](#) approved the related plan, moving forward with consideration of impact fees in four categories: water, wastewater, police, and fire.

Although they still could choose to remove one or more of those categories as well, council members agreed this week to keep their options open in those areas.

But concerning streets, Engineering Services Director Mark Nietupski said Wednesday, "There are no projects planned in those areas. There's nothing in the program."

He explained that in order to qualify for use of impact-fee revenue, a street project would have to add capacity that is necessary because of growth.

In the past, for instance, impact-fee revenue covered part of the cost of the adding lanes to Willow Creek Road from the Four-Points intersection to about Pioneer Parkway. City records show that about \$554,000 of impact fee money went toward the Willow Creek Road project since 2009.

This week's council decision is a part of a comprehensive evaluation of impact fees that is necessary under a law that the state legislature approved in 2011. The new law, which becomes effective on Aug. 1, 2014, requires cities to develop an infrastructure improvement plan that lays out the need for the projects.

Under the law, the money collected through impact fees must then be used within 10 years for most projects, or within 15 years for water and wastewater projects.

Although the city has a list of upcoming streets projects, none can be attributed specifically to growth, Nietupski said.

On the other hand, the remaining four categories all have projects that would qualify for impact fee money.

Even so, city staffers have recommended also not moving forward with the police and fire impact fees - in part because of uncertainty about when the projects might occur, as well as whether the city would have the money on hand to staff the new facilities.

For the planned water and sewer project, however, Nietupski said the city is "very confident those projects will move forward."

Councilman Charlie Arnold led off this week's council discussion by recommending that the city move forward with consideration of only water and wastewater impact fees.

Arnold maintained that including impact fees for police and fire puts the city in the position of being obligated to build a project that could end up being unnecessary. Alternatively, if the city were to decide not to proceed with the projects in the future, he said, it could be responsible to refund unused impact fees.

But Councilman Jim Lamerson, who voted against Tuesday's approval of the Infrastructure Improvement Plan and Land Use Assumptions, worried that the removal of the street impact fee could close a funding door for the city.

Lamerson said he preferred keeping the street impact fee in the mix, "In case there is a road project coming up in the next five years."

In that event, Nietupski said the city would still have the option of reconsidering the street impact fees at a later date.

This week's vote does not obligate the city to the adoption of any impact-fee amounts, Nietupski added. A decision on the specific fees will likely occur in May. Meanwhile, a public hearing will take place on April 1 to discuss the fee report.

Impact fees are the one-time charges that new home builders pay when they get their building permits. Along with its other categories, the city currently charges a \$469 impact fee for streets. That will go away after Aug. 1.

The complete Land Use Assumptions and Infrastructure Improvements Plan document is available on the city's website at: www.cityofprescott.net ([2.5 MB PDF download](#)).

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