

Impact fee moratorium may be helping city budget

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The City of Rio Rancho is well ahead of budget in development-related areas despite projected losses from the impact fee moratorium.

However, Mayor Tom Swisstack has questioned whether the moratorium is the reason.

Last fall, a majority of the Rio Rancho Governing Body voted to remove commercial impact fees and halve residential impact fees for the next two years. Developers had been required to pay the fees to support large-scale infrastructure improvements to handle the increased need from the development.

At the governing body meeting Wednesday, Councilor Chuck Wilkins said as of March 31, the city has brought in \$299,500 more than budgeted in impact fees and \$303,500 more in planning and inspection fees for development this fiscal year, which began in July. That's a total of about \$603,000 above budget.

Staff had projected that the city would lose \$580,000 in impact fees from the moratorium.

Under the moratorium from October through April 5, Wilkins said, the city has issued 243 single-family home permits, more than double the 117 permits issued during the same time the previous year.

Wilkins thought the increase was a combination of an improving economy, the moratorium, sign and zoning ordinance changes and the attitude of the current governing body.

Swisstack asked how many of the projects that contributed to the above-budget revenues were already in the planning and application process and had paid impact fees before the moratorium took effect.

Development Services Director John Castillo had already left the meeting, but Financial Services Director Olivia Padilla-Jackson said her staff would have reports relevant to the question at the end of this month.