

Martinez extends fee break for developers

By Lisa P. White Contra Costa Times Contra Costa Times

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MARTINEZ -- The City Council has extended for six months a 35 percent reduction in development impact fees for two long-delayed residential projects.

Developers must pay the fee to compensate for a project's impact on parks, traffic, cultural facilities, police and other city services.

The Village at Arnold, a development of 43 attached single-family homes, and The Paseos, a subdivision of 70 single-family homes, are close to submitting final maps to the city.

Extending the 35 percent reduction of the impact fee until March 15, will cost the city \$417,918 for the two developments. However, the projects are expected to pay about \$600,000 for building permits.

To receive the discounted impact fee, the developers must submit a complete set of subdivision improvement plans and final map and pay the impact fees by March 15. They also must pull the building permit by July 1.

The impact fee cut was part of an economic stimulus program the council adopted in 2010 to spur residential and commercial development.

The program also included a 50 percent reduction in building permit fees for single-family residential and commercial projects, a 75 percent discount on building permit fees for unreinforced masonry projects, and a 50 percent cut on permit fees for solar projects. The program originally was to last for 18 months, but in early 2012 the council extended the fee reductions until Sept. 15 of this year.

In addition to extending the impact fee cut for six months, city staffers proposed making the reduced unreinforced masonry building permit rate permanent. That fee cut was intended to provide an incentive for property owners to comply with a 2009 ordinance requiring seismic retrofitting of all unreinforced masonry buildings by 2015.

Although the stimulus program was Councilwoman Lara DeLaney's idea, she suggested that it may be time to end it.

"I really question though whether we need to extend to two projects that are on their way to happening more discounts that will cost the city \$417,918 given the fact that the real estate market is turning around and we're hearing news reports all the time that, especially multifamily projects are doing rather well," she said.

Three commercial developments, 22 tenant improvement projects, six seismic retrofits and six single-family houses have benefitted from the stimulus program.

Councilwoman Anamarie Avila Farias, the only council member to vote against the extension, argued that the city should reinstate the full fees.

"The city needs the revenue. The recession was one point, but we're coming out of the recession and this isn't going to stop development or encourage it because, as you saw when we did have the reduction, you didn't have a bunch of developers knocking down the city doors wanting to build with the reduction," she said.

Councilman Mark Ross argued that by increasing the fees, the city would be pulling a "bait and switch" on the developers. Mayor Rob Schroder and Councilman Mike Menesini contended that the housing market recovery is still too fragile to end the program.

"I would favor extending these for six months with the hope that the projects that are on the drawing board that are about ready to pull permits will in fact do that and start construction," Menesini said.

However, the council rejected the proposal to make permanent the 75 percent reduction in the unreinforced masonry building permit fee and instead extended it until July 15, 2015.

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