



October 29, 2009

Park impact fee jumps 52%

\$1,175 from each new home built would pay for future needs

*By Jason Thomas
jason.thomas@indystar.com*

A 52 percent increase to a fee associated with new home construction is expected to boost Greenwood's park and recreation amenities as the city expands.

At least one city official is wary of taking more money from future residents' pockets as a recession continues to grip the nation.

The City Council recently voted 6-1 for a new recreational impact fee of \$1,175 on every new home. The ordinance replaces the old \$773 impact fee.

Proponents say the increase, approved Oct. 19, would help the city meet future parks needs and help attract economic development without raising taxes or affecting current residents.

"All it does is provide money for the Parks and Recreation Department to provide a basic level of service in new areas," said Tom Bridges, vice president of the city's Park Board.

"Present residents are not having to pay through bonds or extra taxes for additional parkland and trails that are going into areas where new development is taking place. Those developers and people purchasing those homes are providing money to see that the Parks and Recreation Department provides a basic level of service."

However, with the economy trading water, council member Ron Bates said the fee hike is too much.

"That's quite a bit of a hefty jump," said Bates, who voted against the measure. "If we were in a booming economy, I probably wouldn't have given it a second thought."

"We're still not sure we're out of the recession, and if we are, it's going to be a very slow recovery."

The old fee, which took effect in 2004 -- and expired in February -- raised more than \$1.98 million, most of which went to develop Freedom Park on the city's southwest side, parks officials said.

The new fee is based on a study looking out 10 years by Indianapolis-based consulting firm Lehman & Lehman Inc., which used a formula to calculate how many acres of park and open space are needed to meet a basic-needs standard established by parks officials and what the cost would be to help meet that standard.

Parks officials have set a standard level of service for the city of 7.5 acres of parkland per 1,000 residents, which was reduced from 9.5 acres in the five-year master plan to try to lessen the effect of the fee increase.

With more than 285 acres of parkland in Greenwood, the current level of service is 5.96 acres per 1,000 residents, according to the study.

The city has current deficiencies in basic priorities such as trails, open space, shelters and multipurpose fields that would cost more than \$5 million to meet.

The impact fee cannot be used to cover the cost of current deficiencies. Cost estimates for future

deficiencies in basic priorities through 2018 total more than \$6.74 million.

To meet future needs, the city would need to issue an average of 574 building permits each year for the next 10 years, according to the study.

This year, the city will be lucky to reach 50 building permits, officials said.

"They did this based on some conjecture and projection on population studies as well as what they think the permits might be in the years to come," Bates said. "They're basing this study on what might be and what could be."

If fewer homes than predicted are built, Bridges noted, the need for future recreational services would be less, and "then the amount of money, in theory, will be adequate for the number of people who are out there," he said.

The impact fee, per state law, will be revisited every five years and could be adjusted.

Meanwhile, parks officials will explore ways to meet current basic deficiencies.

With funding at a premium, officials could look to borrow money or possibly suggest raising taxes to improve park facilities, Bridges said.

"We can't do that without a community and political consensus to make that happen," he said. "We can't use new residents' money to solve problems that have been around for decades."
