

## Their View: Impact fees not the solution for city

By Jim Harbison / For the Sun-News Las Cruces Sun-News  
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At the June 3 City Council meeting, the Council determined the current park impact fee is insufficient to develop new parks and voted to increase the impact fee to \$2,600 per new home. The City Council continues to push for more parks even though the city has difficulty in maintaining the more than 85 parks it now has. How many parks do we need, especially when we cannot maintain those we currently have?

Raising park impact fees will not resolve or fix the parks problem because impact fees, by law, can only be used for new construction and cannot be used for maintenance. The real problem is that the city has inadequate funding for parks maintenance. Obviously, park maintenance has not been a budget priority of the City Council for years and the Parks budget has been reduced by \$1 million over the last four years. It's ironic that the city is proposing an \$800,000 tax increase for a new animal shelter while they reduce the budget to maintain parks for public use. Why?

In these tough economic times, it's hard to understand why the City Council wants to increase the costs for new home buyers. The home builder pays the park impact fee when the building permit is issued. The builder then passes this on to the home buyer who ultimately pays the fee. It's also important to note that because the fee is paid up front, it is treated as a cost of construction, which means it accrues interest, real estate commissions, and forces the builder to mark up his costs to cover it.

This results in the impact fee being multiplied by at least 1.25 for the buyer. An impact fee of \$2,600 with the multiplier (x 1.25) in reality costs the new home buyer \$3,250. Ask any mortgage lender how important \$3,250 is to low-income families who can barely qualify for a loan. It could make the difference in their ability to own a home.

The current park impact fee is supposed to provide for 1.5 acre parks per 1,000 residents. The City Council had three options: one, raise the current fee to \$1,300; two, double the required park amount to 3 acres per 1,000 residents and double the fee to \$2,600; and three, eliminate the fee. The third option was given little consideration.

Impact fees are problematic. They make home ownership more difficult for low-income families. They take away freedom of choice by forcing all new home buyers to pay for parks they may or may not want adding additional and unwanted costs to the home price. This is particularly difficult for affordable new housing, especially entry-level homes, condominiums, and apartment complexes.

They are unnecessary. The city can change the subdivision regulations to require more park investment from developers.

By charging impact fees, the city now acts as a middle man, with its inherent administrative costs, to administer the funds.

NM statutes require the money to be spent within a limited time frame, often at less than ideal situations.

Several years ago the city eliminated the individual impact fee districts as a way to circumvent NM statute requirements on where the impact fees could be spent. They are now used city-wide and will likely be spent in other parts of the city. Some home buyers will pay impact fees and not have a park in

their development. This is not fair to new home buyers and I believe discriminatory.

It has been demonstrated repeatedly that government cannot compete economically with private business. The city should not be in the park development and maintenance business. A better alternative for parks in Las Cruces is to eliminate the impact fee and require developers to build neighborhood parks, and then for the city to turn over their maintenance to the private sector. There are many cities that contract this function more cost effectively than using city employees. Contracting is more efficient, less expensive, and would enable the city to lessen the tax burden on the taxpayers and reduce city staff and their long-term pension costs.

Let's be honest, impact fees aren't about parks but about slowing down or stopping growth. The Council's attitude continues to be that developers can't be trusted to follow the rules, so impact fees are needed. This anti-growth Council has again demonstrated its hostility toward the development community and its actions still do not fix the parks problem and penalizes first-time home buyers.

Jim Harbison is a retired infantry officer, combat veteran and recipient of both Silver and Bronze stars for valor. He is a member of various Masonic organizations, Veterans Advisory Board and both state and county Republican Party Central Committees.