

Local developer narrowly wins impact fee credits from the city

By **ARGEN DUNCAN**

Observer staff writer | Posted: Sunday, November 17, 2013 12:00 am

By a split vote, the Rio Rancho Governing Body has approved giving impact fee credits to a developer for building major drainage infrastructure.

The vote came at the governing body meeting Wednesday at City Hall.

The city used to give developers impact fee credits for building infrastructure that would benefit residents beyond the development. However, since the institution of the impact fee moratorium and the following lawsuit by developer Curb Inc. over the moratorium reducing its opportunity to sell its impact fee credits, the city had stopped giving out the credits.

Rio Rancho Holdings LLC plans to develop two residential subdivisions, Melon Ridge and Solcito, south of City Center. Under an agreement with other entities, including other developers in the area and the Southern Sandoval County Arroyo Flood Control Authority, Rio Rancho Holdings is to build a large drainage pipe going through the geographical basin in which the subdivisions are located, said company representative William Allen.

Development Director Dolores Wood said the project would go beyond the requirements for individual subdivisions and would solve drainage problems for Melon Ridge, Solcito and other properties in the area. The city wouldn't get the infrastructure without the proposed agreement, she said.

Allen said the drainage work would cost about \$500,000.

Fair share of the cost was determined by estimated surface flow into the pipe from each development and the nearby individually owned properties, he said. So, \$300,000 is Melon Ridge and Solcito's share of the cost, and Allen is trying to recover the rest of the expense via impact fee credits.

Councilor Chuck Wilkins said he was fine with waiving impact fees, already cut in half by a moratorium, but he didn't want to give credits. He said the credits would mean the city would forego income in the future.

That would not be the case, Wood later said.

"We receive the infrastructure for it," she said.

Also, Wilkins said giving the credits wasn't fair to other developers who put in system-level infrastructure without the credits, such as Stonegate subdivision developers installing a sewer trunk line.

Stonegate has a special taxing district to help the developers pay for that project.

In addition, Wilkins said without impact fee credits, homeowners benefitting from the drainage would pay for it either in house prices or a special assessment district. Other city residents then wouldn't have to pay for the project through their taxes, he said.

"I just think we need to be fair-handed," Wilkins said.

Assistant City Attorney Kenneth Tager said the impact fee credits would work in such a way that the city and other taxpayers wouldn't pay for the drainage impact fee credits, which could only be used for drainage projects in Edinburgh Basin.

Mayor Tom Swisstack supported the credits because he said he didn't want the city to have to pay later to fix problems the drainage system could have prevented.

Councilors Mark Scott, Patricia Thomas and Tim Crum voted for giving the impact fee credits, while Wilkins and Councilor Lonnie Clayton voted against it. Councilor Tamara Gutierrez was absent.

In other business, governing body members:

- Approved a site plan for a 16-unit apartment complex at Stephanie and Jackie roads;
- Approved a site plan for a retail/office building at Unser Pavilion on Unser Boulevard;
- Voted to change single-family residential zoning to commercial retail zoning for a parcel of land at Unser and Westside Boulevard, with a strip extending back to Vargas Road. Three residents protested the approval because of fears commercial activity would encroach on their residential area. Thomas and Clayton voted against the change, while Wilkins, Scott and Crum voted for it;
- Amended the zoning ordinance to make height and setback requirements for residential districts more flexible and allow restaurants with outdoor dining but not drive-up windows in neighborhood commercial districts;
- Passed the resolution calling for the March 4 municipal election of city councilors in districts 2, 3 and 5; a mayor; and a municipal judge;
- Approved a budget adjustment of \$26,000 to help renovate storage space into office space at the fire department headquarters;
- Accepted several grants for the police department, including the Community Oriented Policing Services grant that would allow the hiring of three more officers for four years;
- Authorized loans of \$856,000 for 20 police vehicles, \$495,000 for a fire truck and \$685,000 for a bucket truck, water truck, crew truck and road grader for the Public Works Department;
- Passed a resolution affirming support of City Manager Keith Riesberg and his work;
- Approved a grant and a state appropriation for Meadowlark Senior Center;
- Voted to change the Library and Information Services Department and Information Technology Department into divisions so their directors could report to the assistant city manager instead of the city manager. Riesberg said the change allows for better coordination between city administration and those divisions because so many people report to him. The move didn't change the function of the divisions or their directors;
- Reappointed Thomas M. Golder to the Parks and Recreation Commission; and
- Appointed Theresa Surette-Fowinkle to the Arts Commission.