

# The Kaufman Herald

## NEWS

### City reduces impact fees

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Published:

Wednesday, January 14, 2009 3:02 PM CST

An ongoing debate over the use of impact fees apparently has reached a resolution as Kaufman City Council on Monday voted to significantly reduce its water and street impact fees.

With a unanimous vote, the council reduced the amount collected for street impact fees from 50 percent of projected impact costs to 5 percent for the next two years. After that the fee will jump to 10 percent in the third year, 25 percent in the fourth year and back up to 50 percent in the fifth year. Council adopted the same schedule for its water impact fee with Mayor William Fortner casting a nay vote on that issue.

"I think everyone came out a winner in this decision," said City Manager Curtis Snow, referring to differing views of council members. "I also think the community comes out a winner."

By definition, impact fees are one-time charges imposed upon new development as a condition of development approval to pay for a proportionate share of the cost of improvements to the city's infrastructure necessary to serve new growth and development.

The enactment of an impact fee is one of the means that cities such as Kaufman can use to expand the capacity of infrastructure — in Kaufman's case water and streets — in order to maintain current levels of service if new development is to be accommodated without decreasing current levels of service.

In order to continue charging impact fees, Local Government Code Section 395.052 requires cities such as Kaufman and other entities to update those fees every five years. The city of Kaufman's water impact fee has exceeded the five-year period. The street impact fee will be due for a study in this next fiscal year.

The city in September entered into an agreement with Jacobs Engineering to provide a study and update for both, water and street impact fees.

On Nov. 24, 2008, a representative from the engineering firm gave a brief overview presentation of that study, re-igniting the debate on the future of the fees in Kaufman as some on council believe the fees are negatively affecting the city's ability to encourage growth.

While some on the council suggested lowering the amount collected, others on the council initially favored repealing the fees.

"It's a perception thing," Councilman Barry Ratcliff said. "If we leave them in place and just take them down to 0 percent collected, we still have them. I want the perception to be that we don't have them at all."

Councilman Gil Altom Jr. also has been an opponent of current collection of the fees.

"Impact fees are taxes, and taxes are only reasonable when they are fair. As they are right now, our impact fees are unfair," Altom said. "We're just not big enough and there is not enough growth in Kaufman for the logic of impact fees to work. It has to be a disincentive for developers to come here."

In the end, though, council members opted to keep the fees in effect, but just at a reduced level.

"It's always been my opinion that we reduce the fees for at least a one- to two-year period then re-evaluate them to see where the economy is and what level of growth our community is experiencing," said Councilman Steve Cooper. "That way we're not getting rid of them, but have the ability to re-evaluate them if we start seeing indicators of rapid growth occurring."

Council are slated to approve its restructured impact fee schedule on first reading on Jan. 26. Following a second reading in February, the new street impact fees will go into effect. The water impact fees will go into effect following completion of Jacobs Engineering's study.

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