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Community debate over impact fees continues

By Cindy Barks

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PRESCOTT - Local resident Jack Helman is paying more for his monthly water and sewer bills lately, and he sees no reason why builders should not be doing the same for their impact fees.

In the ongoing debate over how the city will pay for growth, Helman expressed some clear direction this week.

"I don't understand why there's all this flailing around with getting on with it," he told the [Prescott City Council](#) on Tuesday - especially in light of the \$137,000 that the city recently paid for a study on water and sewer impact fees and rates.

Helman was just one of a handful of people who offered opinions this week about the recommendation to increase the one-time impact fees the city charges to builders of homes and businesses to cover the related cost of infrastructure.

While the original schedule called for adoption of the new fees this past summer, the City Council decided in August - at the request of the construction industry - to a 45-day delay to allow for possible alternatives.

The waiting period is now over, and the council is back to its original dilemma: Whether to increase rates on new building at a time when the construction industry already is suffering.

As several representatives of the building and business communities see it, such a step could damage further one of the community's economic engines.

Bill Matthews, a past president of the Yavapai County Contractors Association, maintained that rather than boosting fees, the council should look toward a local economic stimulus package.

For instance, he said, "We need to look at the startling (recommended) increase in commercial impact fees," which he said would amount to hikes of 100 percent or more.

And Sandy Griffis, executive director of the Contractors Association, presented the council with a list of possible alternatives to impact fees, including such revenue generators as municipal bonds, general obligation bonds, special districts, and increased taxes.

Griffis also voiced concerns over the Economists.com study, which she said contained a number of discrepancies - a claim that she said an independent review of the study corroborated.

City officials stood by the Economists.com study, however.

"The bottom line is staff is comfortable with Mr. Jackson's study," Deputy City Manager Craig McConnell said of the study by consultant Dan Jackson.

And, like Helman, others in the audience urged the council to move decisively on the impact fee increases.

Local resident Howard Mechanic, for instance, maintained that other revenue options would amount to subsidization of growth by the rest of the community.

"Who's going to pay (for the subsidization)? Is somebody on a fixed income going to pay more to subsidize commercial growth?" Mechanic asked. "It's a fairness issue."

Several council members voiced support for some sort of compromise.

Councilman Bob Bell proposed a delay until next summer in the implementation of the new fees, while Councilman Bob Roecker pressed Griffis to reach some middle ground on the increase amount.

The proposal that Jackson made to the city involves a combined fee increase of about \$2,235 for an average-sized home - raising the current fees from about \$11,841 to \$14,076 - along with hikes in the commercial fees, based on the size of the water meters.

The council will consider the impact fee issue again at its Oct. 28 voting session.

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