

Council Votes To Simplify Impact-Fee System

By Dan McKay / Journal Staff Writer on Tue, Nov 20, 2012

Albuquerque city councilors voted late Monday to simplify the city's impact-fee system and reduce the cost of building on the West Side.

The council voted 6-3 in favor of an ordinance that overhauls the way City Hall determines how much to charge developers for the parks, roads and other infrastructure needed to accommodate new growth. In particular, the measure moves away from a key principle in the existing system — that it should cost more to build in newly developing areas like the West Mesa.

Instead, the city would generally go to a standard fee that's the same regardless of whether the project is in the city core or on the outskirts of town.

"I think we have a good start here," said City Council President Trudy Jones, a co-sponsor of the legislation. "... We never have everyone who's 100 percent happy."

Opponents of the bill said the new fees are too low to provide funding for roads and other infrastructure needed by neighborhoods. That means taxpayers will have to subsidize those costs or there won't be enough money, they said.

The proposal adopted Monday sets impact fees at 50 percent of the level recommended by the city's consultant on the project. There is also a phase-in period before the fees reach the 50 percent level.

Councilor Isaac Benton said the current system is too complex, but the proposed fix isn't wise.

"I think we've gone to the other extreme — to a wholesale gutting of what our consultant recommended," he said.

But supporters said setting the fees too high would put the city at a competitive disadvantage with other jurisdictions or discourage development altogether.

Ken Sanchez, who voted in favor of the new ordinance, said the existing system of fees "really paralyzed retail development" on the southwest mesa.

The system on the books now, for instance, calls for full impact fees of \$37,000 for a drive-through fast-food restaurant on the southwest mesa. It would cost \$455 if it's being built in the university area or Northeast Heights.

In any case, under the proposed system, a southwest mesa restaurant's fees would total about \$2,000, regardless of where it's built, after the fees are fully phased in.

In favor of the new ordinance were Jones, Sanchez, Brad Winter, Dan Lewis, Michael Cook and Don Harris. Voting "no" were Benton, Debbie O'Malley and Rey Garduño.

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