

Council allows mayor's veto of impact fee rate freeze to stand



20 HOURS AGO • BY KEVIN ABOUREZK/ LINCOLN JOURNAL STAR

Impact fee rates will rise by 1.5 percent this month.

That decision was made by default Monday when the Lincoln City Council took no action on Mayor Chris Beutler's veto of the council's Dec. 16 decision to freeze impact fee rates.

The seven-member council needed five votes to override the veto, and three council members had voted against the freeze last month.

Council Chairman Carl Eskridge said the council decided to take no action on the mayor's veto after learning from City Attorney Rod Confer that taking no action would allow the mayor's veto to stand.

"Nobody made such a motion (to override the veto), so kind of by default, the veto stands," he said.

Developers of most newly built homes and businesses and some redevelopment projects now will have to pay an additional 1.5 percent for impact fees. Those fees are used to pay part of the cost of extending water and sewer to new areas of the city and widening arterial roads.

The rate increase, set to start this month, is the city's first since 2007.

Impact fees have been frozen since 2007.

The current impact fee for a new home with a three-fourth-inch water line is \$2,466. If the rates had risen by the rate of inflation since 2007 they would be \$5,291 today. The 1.5 percent increase will result in the same fee being \$2,503.

Beutler has said he was concerned about the freeze's negative impact on city funding for the new infrastructure needed to allow growth and ease traffic congestion.

A coalition of builders and business leaders had spent the past year looking at options for paying for the costs of new infrastructure needed for growth. That committee had suggested eliminating fees for water and sewer expansion and funding that with a 2 percent increase in water and sewer rates. Impact fees for parks and arterial streets would have remained.

Impact fees are expected to bring in about \$5 million this year.

Opponents of the freeze argued increases in water and sewer rates would put more of the costs for infrastructure back on the entire population.

Impact fees are supposed to rise automatically each year based on the cost of living. The council froze them in 2008 when the construction industry was hard hit by the recession and has continued the freeze every year since.

Eskridge, who served on the committee, said he didn't know if the committee would continue to work on options now that the freeze has been successfully vetoed.

The veto was only Beutler's second during his six years in office. He vetoed the council's decision to exempt nonprofit corporations from the city's living wage ordinance in 2007.

That veto also was upheld.

