

## IMPACT FEES

## Council freezes impact fees again

## Impact fees

Impact fees, paid by the builders of newly constructed homes and businesses to help finance the cost of new roads, sewer lines and parks, have been frozen since 2007. Here are the current impact fees for a new home with a three-fourth-inch water line and what those fees would be today if the City Council had let them rise by the rate of inflation.

RATE SINCE 2007		WHAT THEY WOULD BE
\$2,466	Arterial streets	\$2,786
\$778	Water system	\$879
\$483	Water distribution	\$544
\$624	Wastewater	\$705
\$334	Parks, trails	\$377
<b>\$4,685</b>	<b>TOTAL</b>	<b>\$5,291</b>

SOURCE: City Finance Department

agents urging the council to continue the freeze and representatives of neighborhood associations encouraging the council to allow the fees to raise, by 1.5 percent this year.

The freeze began in 2007 during the recession, when new construction dropped to record lows. But as the economy has improved, the freeze has continued.

Last year, several council members recommended impact fee opponents bring options other than a freeze to the council this year.

Other city rate- and taxpayers have been paying an increasing share of the infrastructure costs, according to several City Council members.

Since impact fees began in the early 2000s, the city's wheel tax has increased 90 percent; wastewater rates have risen 90 percent and water rates have gone up about 85 percent, said Councilman Cook, who has consistently opposed freezing impact fees.

However, new house prices also have increased dramatically during the past year, according to several people at the public hearing.

The average price for new construction homes went from \$214,537 last year to \$244,337 this year, said Connie Burleigh, representing Cameron Townhomes.

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For the seventh year in a row, the Lincoln City Council agreed to freeze impact fees, used to help pay for the cost of providing amenities primarily to new areas of the city.

But this time the freeze is for just six months, giving a small committee of builders and business people a chance to talk with the broader community about other options.

The small committee is suggesting the city cut the impact fees by about 40 percent, eliminating three separate fees for water and wastewater costs.

Instead, water and wastewater rates would be raised by about 2 percent to bring in the money necessary to pay for these city services to new areas.

The council voted 4-3 Monday night to continue the freeze for another six months.

The three Republicans — Jon Camp, Roy Christensen and Trent Fellers — along with Democrat Carl Eskridge, who was on the small committee that looked at options, voted to continue the freeze. The other three Democrats — Jonathan Cook, Leirion Gaylor Baird and Doug Emery — voted against the freeze.

"We need to build trust ... and talk about solutions," Eskridge said about the conversations that are to take place over the next six months.

The hearing was similar to, but longer than public hearings in previous years, with representatives of builders and real estate

representatives of neighborhood associations encouraging the

And impact fees are not just about homes and businesses at the edge of the city, said Coby Mach, with the Lincoln Independent Business Association.

Impact fees for an expansion at 70th and A streets were more than \$300,000, he said. One business considering a move to Lincoln would have an impact fee of just under \$90,000, he noted.

LIBA has taken no stand on the suggestion to modify the impact fee system, but does support the freeze, he told the council.

A 1.5 percent increase would raise impact fees for an average home by \$69, pointed out Dan Marvin, former city councilman who helped develop the impact fee system.

"We are having a debate over a \$69 increase," he said.

But that 1.5 percent represents a total of about \$20,000 in additional impact fees builders would pay in that six-month period, Councilman Camp noted.

The city expects to get about \$5 million in impact fees this calendar year, based on staff reports.

The group working on impact fee changes may not be able to get consensus from the rest of the community, said Kyle Fischer, with the Lincoln Chamber of Commerce, who has been working on the committee.

The committee learned much more about the city's serious infrastructure needs both in maintaining what exists and adding for new growth, and about the complicated funding structure, Fischer said.

People talk about everyone paying their fair share, he said. "What is uncomfortable is when everyone's fair share is more."