

Developers seek break on impact fees **County asked to extend, lower or eliminate levy**

By [Michael Andersen](#)

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Builders and developers who put big bets on the real estate market in 2006 are warning that they'll be out of business unless taxpayers cut them a break on some big fees that are coming due.

County commissioners said Wednesday that they hope to help.

"It comes down to the compassion of all of us, trying to see their side of the story," Commissioner Marc Boldt said. "They've provided jobs for the county for a long time. They're in a pinch."

The troubled companies are those that began developing certain properties three years ago, when the market was hot, then watched their business evaporate before construction was complete.

Hundreds of unbuilt lots and millions of dollars in fees are at stake.

At issue are the so-called impact fees that developers pay when they build a new home, minimall or office building. The fees help pay for new roads, parks and schools.

But several developers said Wednesday that they can't afford those fees in the current market. So they need either an extension, a lower fee, or both.

Otherwise, they said, they'll have to abandon their half-developed properties and the county won't get any fees out of them at all.

"It's no longer any more making a profit," Gus Harb of Harb Engineering told commissioners. "It's a matter of survival."

Builders 'on the edge'

Commissioners referred the question to the existing Healthy Schools Task Force, a county group that includes school and development representatives.

Boldt said he wanted the task force to meet within two weeks and reach some sort of decision by April.

"We have some developers right on the edge, who need a decision," Boldt said.

Commissioner Steve Stuart said he, too, hoped to find a solution.

But he noted that commissioners must look out for all taxpayers, not just the businesses who showed up Wednesday.

"There's a whole bunch of people who aren't in this room who are trying to survive," Stuart said. "Nothing we do in this should cost them more. At least from my perspective."

All three commissioners have received campaign donations from one or several of the development

companies that showed up at Wednesday's meeting, including New Tradition Homes; Sturdevant, Golemo & Associates; and Gaither & Sons Construction.

Commissioners' past decisions are related to the developers' problem.

In 2007, before the bottom fell out of the real estate market, commissioners agreed on sharp impact fee hikes, in order to cut the cost that taxes must pay for growth.

In the Padden Parkway area, for example, the fees for each new house leapt from \$5,983 to \$15,370.

Commissioner Tom Mielke, who last month called for permanently eliminating impact fees to \$0, said any task force decision should be "temporary."

"We need to go back and address this again," he said.

Saving businesses

"It's a much larger issue than just the land developer," said Gunnar Harb of Harb Engineering. "It affects the building industry, the banking industry."

Several school representatives said they want to help builders. But schools face their own budget problems.

"Every one of these developments brings kids," said David Gray, assistant superintendent for Battle Ground Public Schools. "And we have to pay for classrooms for those kids."

In an interview, Boldt acknowledged that if these particular businesses fail, someone else could just as easily step in to develop the lots eventually.

But he said businesses like Harb Engineering and Gaither & Sons Construction have been good to the county and deserve to stay in business.

"If they can keep their banks behind them, continue, then they'll keep building homes in the future," Boldt said.

The usually amiable two-term commissioner sat in Wednesday's meeting in visible despair over the situation.

"It could have been one of the hardest work sessions I've ever been in," said Boldt, who drove a concrete truck before taking his current job. "I'm close to that industry, you know. I know them."

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