

Flagstaff builders facing higher fees

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Flagstaff developers in a city with some of the highest housing costs on the Colorado Plateau might see an increase in municipal impact fees in the future.

The fees in Flagstaff pay for new or expanded police and fire facilities to accommodate growth and are assessed directly on a developer, not through a general property or sales tax increase.

Flagstaff City Council will consider the first step in revising its impact fee structure at its meeting Tuesday night — a new infrastructure plan that will detail the future needs of the city.

The city's consultant on the project is also recommending an increase to some of the city's residential and commercial development impact fees. The rates vary depending on the type of construction, residential or commercial, and the size of the building.

Residential fees are set by the number of bedrooms in each unit, while commercial fees are determined by the square footage of the floor space.

The proposed fees for an average residential building would decrease by \$14 from \$675 to \$661.

However, the fees for multi-unit housing complexes, such as apartments, or a four-bedroom home would increase.

The fees for a multi-unit building would increase from \$536 to \$617 and a four-bedroom home would increase from \$675 to \$790.

Commercial development might also see an increase in fees, if they are approved by council in March. The fee for commercial buildings would increase from \$1.49 per square foot of floor space to \$2.40. The fees for office buildings would increase from \$0.52 to \$0.94 per square foot and industrial fees would increase from \$0.13 to \$0.32 per square foot.

The infrastructure plan is required by a state statute that was passed by the Arizona Legislature in 2011 in order to control the use of impact fees by cities.

Impact fees are designed to help cities pay for the cost of additional infrastructure such as emergency services, water, sewer, streets and parks that are necessary because of new housing or commercial developments. Flagstaff uses impact fees to help pay for the increased need in police and fire services caused by new development.

According to Arizona Revised Statute 9-463.05, the city has to replace its current impact fee schedule before Aug. 1 or it won't be able to continue to collect impact fees.

The development plan is part of that replacement requirement. It has to identify all capital projects the fees might be used for, list existing facilities and possible upgrades to the facilities and other facility costs not related to new development.

Once council adopts the plan the new impact fees will be proposed and a public hearing will be held in March. The new impact fees go into effect 75 days after they are approved by council.

Council meets at 6 p.m. Tuesday at the city council chambers, 211 W. Aspen Ave.

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