

Wednesday, 27 February 2008

Impact fees going up in Lehi



Cathy Allred - DAILY HERALD

Members of the real-estate community have until May 27 to get building permits before impact fees increase dramatically in Lehi, adding to the cost of new homes built there.

The Lehi City Council unanimously approved a hike in impact fees Tuesday. The impact fee on a single-family home will go from \$9,902 to \$16,521, an increase of 67 percent.

Cities charge developers impact fees each time they build new homes in order to pay for needed infrastructure as a result of growth, a charge that is passed on to the builder and then to the homebuyer with higher prices.

An average new home in Lehi is expected to cost an additional \$6,000 after the increase takes effect.

The item had been continued from a Feb. 12 council meeting because the public hearing had been inadequately noticed and also because representatives of the building community in the Lehi area wanted the opportunity to meet with the city and go over the fees together.

"I am very grateful that the city stepped back and gave us a chance to talk with them last week," said Mountain Home Development representative Jack Hepworth. "I would be deeply disappointed with a 100-percent increase without the opportunity to recoup that loss."

Realtors and builders typically make contracts with buyers for an agreed-upon price of the property and felt they needed a 90-day grace period before the increase takes effect.

They also asked for, but were not granted, an incremental increase to soften the blow during what has become a dramatic downturn in the economy for residential real-estate sales.

"Yes, incrementally would be a better step from my vantage point, but I don't know what it is from your vantage point," Hepworth said. "I think there needs to be a consideration made."

"There are a lot of spec homes out there, and this certainly won't help get them off the table," said Rock Mitchell representing Alpine Homes. "It certainly doesn't look good for a city to have a bunch of empty homes."

And Lehi City has a lot. Developers and realtors said there are nearly 300 empty new homes.

Resident Robert Allred was unfazed by the realtors' pleas. "I want to commend the council and mayor for doing the study," he said. "It's long past time for our impact fees to go up."

He said he was grateful for the facilities such as parks and the infrastructure that impact fees afforded the city and that it was time for the city to move ahead and bring it online with what the fees ought to be.

Council members did offer a concession to the group by giving the 90-day grace period before the new fees would take effect.

Article views: 174

[Close Window](#)