

## **Proposal to freeze builders' fees stirs debate**

**Developers would get more time; taxpayers could forfeit \$3 million**

By [Michael Andersen](#)

Columbian staff writer

Taxpayers and developers fumed at one another Tuesday over a proposal by county commissioners to cut struggling home builders a multimillion-dollar break.

Commissioners, whose 51 phone calls and 15 e-mails on the proposal before Tuesday's hearing had been unanimously opposed to the planned action, postponed any vote until next week.

Under the proposal, builders would get extra time to develop their stalled projects while continuing to lock in the lower development fees they'd secured in 2006.

If that extra time is granted, taxpayers would forfeit up to \$3 million for new roads and schools, currently due to be collected whenever the lots might eventually develop.

Backers, such as Commissioner Tom Mielke, said the \$3 million is needed to help rescue an important local industry.

"We have a chance to sit back and let the economy fall on its face," Mielke said. "I'd rather go down trying to do something."

But others, such as Minnehaha retiree Larry Patella, called the proposal unfair.

"Developers were aware of the risk involved when they signed on," Patella said. "I think we still live in a capitalistic free society, where we all have the opportunity to succeed and fail. ... When they fail, now we are expected to bail them out."

"Does this mean you're going to give tax relief to hundreds of homeowners who are being forced to sell their homes because of high taxes?" asked Jan Baldwin of Camas.

Builders, however, said they want to help the local economy, that the fees represent only a small share of school and road budgets, and that the fees are being hiked to unreasonable levels.

### **Not a bailout, they say**

Some also argued that a fee break doesn't count as a bailout.

"Nobody's asking for money," said Gus Harb, whose 210-apartment project south of Brush Prairie would stand to save \$1.9 million if the deadline is extended. "This is (developers') own money. It's not taxpayers' money."

Ott Gaither, who has sold 20 lots of a 96-house project in Barberton, observed that the weak construction market is likely to cut costs for new road and school projects.

Indeed, two recent county projects will cost 20 percent to 40 percent less than expected, said Kevin Gray

of the county Public Works Department.

Commissioner Steve Stuart spoke Tuesday in favor of the development fees that he and Commissioner Marc Boldt in 2007 had agreed to nearly triple in some areas. That increase could add as much as \$6,700 per new house.

The fees reduce the cost of growth for taxpayers in general, Stuart said.

"Our growth plan is paid for," he said. "Is it paid for on the backs of new development? I don't think so. Seventy percent of the new infrastructure is being paid for by the public."

But Boldt, who reserved judgment on the proposal Tuesday, said he's having second thoughts about the sharp 2007 fee hike, and that the county should consider replacing some or all of the fees with a higher tax on all real-estate transactions.

"If we never have an impact fee from now on — well, so be it," Boldt said.

Mielke and Harb accused The Columbian of misrepresenting the situation as a "bailout." Mielke advised one constituent to contact the commissioner to verify anything written in the newspaper.

"We're just talking about a freeze, we're not talking about eliminating," Mielke said. "If we froze those fees, we're not going to raise your taxes to offset them."

But Marnie Allen, a lawyer for local school districts, said otherwise.

"If developers don't pay the full cost of impact fees, the public has to pick up that difference," she said.

And county transportation manager Steve Schulte said that if the county is bringing in lower development fees than expected, it might have to postpone planned road projects.

"Probably the first one we'd look at is the 88th Street West project," Schulte said. "Highway 99 to St. Johns."

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