

# The News Tribune

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## Richland City Council may raise impact fees for developers

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The Richland City Council on Tuesday will look at raising the parks fee paid for each new home built in the city.

City staff members say the fee, known as an impact fee, needs to nearly double -- from \$683 per single-family home to \$1,187, or a 74 percent increase -- to cover the cost of buying land and building new park to serve residents as the city's population grows.

The council gave preliminary approval to the increase last week in a 4-1 vote, but wanted further discussion before taking a final vote. Councilman Phil Lemley voted no.

Mayor Pro Tem Ed Revell was absent from the meeting, and Councilman Dave Rose recused himself from the vote because he is building a new house, and therefore would be subject to paying the fee.

At the meeting last week, council members were presented with dueling recommendations from the city's Parks & Recreation Commission and Planning Commission, with the latter advocating a smaller increase of \$851.

A representative of the Home Builders Association of Tri-Cities spoke in support of the Planning Commission option, arguing that the 74 percent increase advocated by the Parks & Recreation Commission would stifle the city's housing market at a time when the area faces significant layoffs at Hanford.

"Impact fees artificially raise the cost of new housing and will hinder instead of help our housing market," said Renee Dahlgren, the association's government affairs director. "Even an increase of less than \$1,000 will price some people out of the market."

One issue the council will discuss at its workshop this week is just how much raising the fee will affect homeowners' mortgage payments.

An analysis by Phil Pinard, the city's Parks & Recreation planning and capital facilities manager, showed the average listing price of new homes for sale in Richland is about \$295,000, and the average valuation of the 200 single-family residential building permits issued in 2011 was \$278,000.

He assumed an average mortgage of about \$236,000 on those homes. With the \$1,187 park fee added to that mortgage, Pinard estimated the extra monthly cost for homeowners would be \$2.44.

The Planning Commission's suggestion for an increase to \$851 would result in an extra 81 cents paid per month, according to Pinard's analysis.

Council members last week appeared to be leaning toward the higher increase, arguing that the fee should reflect the city's actual costs, because to do so otherwise would be unfair to people who live in existing neighborhoods.

"If we start taking less than the cost to build parks out, we are doing a disservice to the rest of the city because we would be taking money out of the general fund," Councilman Bob Thompson said. "I think we should go with the cost of doing business."

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