

ABQJournal Online » Simpler Impact Fees Urged

The consultant helping Albuquerque reshape its impact-fee system has a suggestion: Keep it simple, stupid.

Duncan Associates, a firm from Austin, Texas, doesn't use those words exactly, but that's a key concept in its 35-page policy memo, presented to city councilors last week.

The firm is skeptical that Albuquerque's complex fee system — intended to encourage infill rather than sprawl — has actually achieved that goal.

Duncan recommends Albuquerque try a simpler system by reducing the number of geographic areas with different fees. Complexity invites unnecessary political controversy, the firm said.

"We tend to lean toward impact fee systems that are simple to administer and that focus on the primary rationale for impact fees, which is to raise revenue to fund improvements necessitated by growth," Duncan said in its report.

The firm notes that Albuquerque in 2004 adopted a complex fee system in which developments are charged vastly different amounts for building in different parts of the city, a concept intended to reflect the idea that it's cheaper to provide adequate roads and parks in the urban core than on the outskirts.

"While these are laudable goals, the differential fees were primarily the result of policy preferences embedded in the methodology rather than actual cost differences," Duncan said in its report. "Nor is there clear evidence that they have had the desired effect. Our experience and analysis have made us skeptical about the ability of differential impact fee rates to influence the location of new development."

Some developers and West Side residents have complained bitterly for years about the higher fees on the Southwest and West Mesa.

Duncan suggests the city try having one communitywide fee for some services or breaking the city into four quadrants or two halves, rather than stick with the many of combinations now in place.

Albuquerque city councilors last week voted 7-2 to continue a moratorium on imposing the full fees that was adopted in reaction to the economic slump. Councilors Debbie O'Malley and Rey Garduño were the lone dissenting votes.

Other councilors said it didn't make sense to lift the moratorium and go back to the old system, only to change it once again when a new structure is adopted, perhaps later this year.

The moratorium, adopted in September 2009, slashes fees in half for most developments and waives them entirely for "green" projects that meet certain environmental standards. — This article appeared on page C1 of the Albuquerque Journal

Reprint story



-- Email the reporter at dmckay@abqjournal.com. Call the reporter at 505-823-3566