



## Transportation tax on 'other development' lowered

Keith Trout

MVN

8/25/2005 08:14 am

---

Other options were offered but eventually a 25-cent per square foot residential construction tax on "other new development" - not residential construction - for the "tax for the improvement of transportation".

This tax was implemented earlier this year to collect funds for maintenance of roads in Lyon County, initially with a 65-cent per square foot "on other new development", while the rate on residential development was \$650 per dwelling. Then in July those figures went up to \$75-cents per square foot and \$700.

However, in July when this ordinance amendment was proposed, it was noted the non-residential charge was too high and it could discourage commercial and industrial development in the county, especially in comparison with surrounding counties such as Storey County. So at that time a 50-cent per square foot tax was proposed.

At last Thursday's public hearing, though, Commissioner Don Tibbals proposed a "sliding scale" that he said would be "fair on everyone" while making the hit less on large square footage industrial/commercial developers.

He proposed a rate of 50-cent per square foot for new development of 10,000 square foot or less and the per square foot charge would lower the tax rate by 10-cents, basically, per 10,000 square foot larger, ending with a 10-cent per square footage charge for 50,000 square feet or larger.

However, later Comptroller Josh Foli asked how Tibbals meant this, as this would result in a lower tax paid on the largest development structure than the lower sizes, such as \$5,000 paid for 50,000 square feet but \$9,000 at 30,000 square feet, for example.

He proposed a graduated scale where the higher fee would be charged until the next graduated level was reached, where the fee would lower.

Commissioner Phyllis Hunewill, said that seemed complicated and she proposed that "maybe a flat fee is better, with 30-cents per square feet addressed before the

Tibbals also proposed that those who paid the 65-cent or 75-cent tax already would be reimbursed the difference paid between old and new tax figure, which was maintained in the final motion for the 25-cent tax.

Don Ogden of Builders Choice, who is proposing to built a truss manufacturing facility in Silver Springs, said he was paying \$130,000 to improve a road to his property and felt if he were charged the transportation tax he would be charged double

However, some county officials later said this was for an on-site improvement, as the road went right in front of

his home, and not an off-site improvement and it was a requirement of the parcel map for the project.

Ogden said Builders Choice likes to help the community but it was also looking for a community with low overhead.

The impact fee study now being done by the county was brought up but District Attorney Leon Aberasturi said this was a tax, not an impact fee.

Philip Cowee, representing Comstock Industrial Park in Mound House, asked if the money raised would be used in that area, such as money collected in Mound House would be used on roads in Mound House.

DA Aberasturi said he would have to research that question but Chairman Bob Milz he thought that would be the case.

Tibbals then proposed a 10-cent per square-foot tax, as proposed at the prior meeting, but at that time some thought it would be worth it for the administrative costs.

Lyon Building Official Nick Malarchik said he hadn't heard any complaints yet about the construction tax on residential units. He noted commercial and industrial users often have larger trucks that cause more duress on a roadway.

Road Superintendent Gary Fried noted if the fee were at 10-cent per square-foot, then a commercial/industrial building of under 7,500 square-feet would pay less than a residential structure.

David Peri of Peri & Sons Farms of Mason Valley said his firm builds several smaller buildings than one large one as they are used for storage and thus he preferred a flat scale fee, adding it was the simplest.

Then figures of 30-cents and 25-cents were proposed with the 25-cents figure used in the final motion. However, it was noted this should be reviewed in a year to be sure that figure was covering costs.

Milz said it should be looked at every year to be sure the figure is appropriate.