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City of Yreka asks: To fee or not to fee?

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YREKA – Tension ran high in the Yreka City Council Chambers last Thursday night when community members packed the auditorium to address city ordinance 795, which sets six impact fees for building permits issued within the city limits.

The city has stated that the fees are necessary due to the increased demand on the city's infrastructure that comes with growth.

But some residents and developers feel the fees are exorbitant – and that something needs to be done.

Real estate lawyer Darrin Mercier spoke at the meeting on behalf of "numerous community members, lawyers and business owners."

"We need a development fee structure that makes sense for our community – in some cases, the cost of the fees is almost equal to the value of the land sold," Mercier said. "There's a concern among citizens, realtors, contractors and business owners that without development, they'll lose their income streams."

Mercier added that he felt the fees were too high.

"The lots are no longer sellable, and business projects are no longer economically viable," he said.

City Manager Brian Meek responded to comments about the fees, stating that they are not determined "willy-nilly."

"We looked at our master plans. We were one of the last cities in California that did not have development impact fees," he said. "The number one thing we can do for our economic development is have adequate infrastructure in place."

Because aging infrastructure is a national problem, a recent council document stated, the city will be competing for funding both by loans and grants with other cities and counties.

According to Meek, funds from the six impact fee categories – public facilities, citywide streets, park and recreation, storm drainage, water system and wastewater system – amount to around \$10,000 for a single-family residence, and around \$46,000 for an office building of 7,000 square feet. A good -size restaurant would likely pay around \$90,000 in



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Photo/Heather Dodds
- Yreka Mayor Pro-tempore Tom Amaral, left, and Finance Director Rhetta Hogan, far right, listen as City Manager Brian Meek, center, responds to concern about the implementation of development impact fees at Yreka City Council's meeting last Thursday.

impact fees to the city. The fees vary due to water meter size.

Not all of the incorporated cities of Siskiyou County have implemented such fees. The city of Weed currently uses them, and Mount Shasta City Manager Jeff Butzlaff said fees for that city are currently "in the works." Dunsmuir, Fort Jones and Etna do not have impact fees. Montague did not have information regarding impact fees available.

Some citizens at last Thursday's meeting said they felt the fees will prohibit future growth in Yreka.

Commercial real estate appraiser Terry O'Neill called the ordinance "counterproductive."

"We're not going to see any money from this – no one's going to build here," he said. "Money finds a place to be effective. It moves across the world, and it could certainly move up to Phoenix, Oregon."

Meek said that the city council will re-examine the ordinance to make sure it's a fair deal for the citizens of Yreka, but that the fees are absolutely necessary.

"This was a hard decision for the council – we've never had development impact fees before," he said. "But if we're going to maintain excess capacity, we need to have room for development. And developers need to pay their fair share."

In order to determine the fair share, Meek said, the council plans to meet with several local developers to look at the ordinance and come to a decision that is fair for everyone.

"This is open for review, and we will look at it periodically. As needs change, we may need to raise or lower the fees," Meek said.

In the meantime, he said, he has heard a lot of misinformation about the ordinance, and would like people to know the facts.

"We phased this ordinance in this year by only charging 25 percent of the actual fee between January and July," Meek said. "We didn't want people to get sideswiped with the new fees."

Currently, developers must pay 50 percent of the fee set forth in the ordinance. Beginning in January of 2008, the fees will be increased to 100 percent.

The ordinance states that the fees will be put toward fire and police protection facilities, public facilities, street lighting, traffic signals, water system expansion, sewer improvement, drainage and stormwater detention projects and the city's parks and recreational facilities, among other things.

To read the ordinance in its entirety, including exemption, refund and reimbursement guidelines, visit municipalcodes.lexisnexis.com/codes/yreka/.

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