# Growth act gives city tool to get cash, but it's not easy to use

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**By Kathy Korengel of the Union-Bulletin**

The city has a relatively new tool to raise money to meet capital needs. But using it is not that easy, City Manager Duane Cole said.

Under the state's Growth Management Act, the concept of concurrency requires cities to expand services as they grow. Adopted in 1990, the act encourages compact development and discourages urban sprawl.

For example, according to the concept of concurrency, if a housing development generates enough growth to require a new fire station, the city could assess the developer a one-time fee to share the cost to build a new station, Cole said.

Although a simple concept, implementing concurrency is not so simple. ``The funding options available are limited in scope, politically difficult to implement, (and) subject to legal challenges by those affected,'' he said. State requirements to analyze and set up the fees ``often require(s) a Byzantine process.''

For example, it took the city 18 months to two years to set up growth-related fees called capital finance charges. The Council adopted the one-time charges for city water and sewer hook up, which replaced what once were called connection fees, in March 2006.

But after the charges were implemented, many developers and homeowners questioned them.

Growth-related fees, also called impact fees, have other limitations, Cole said. The city sometimes grows in areas with existing homes, whose owners don't pay the fees. The city and county end up paying those homes' share of growth-related costs.

Despite the limitations, the Council has hired a consultant to study the possibility of assessing transportation impact fees to help fix city streets.

For example, if a housing development generates enough growth to require another traffic light, the city could assess the developer a one-time traffic impact fee for the development's share of the traffic light cost.

But traffic impact fees pose the same, if not more, problems as other impact fees, Cole said. State rules to set them up are more complicated than the rules to set up capital finance charges.

In addition, issues arise if the city adopts traffic impact fees but the county and College Place don't, he said. Traffic impact fees ultimately affect the price or profit of a house being sold. So, if the city steps out with them without county or College Place agreement, developers building outside city limits would have a ``market advantage,'' Cole said.

The Council has not yet set a date to complete the traffic impact fee study. It probably won't ``take another look at'' the fees until next year, Cole said.

More recently, the Legislature gave jurisdictions more tools to impose impact fees, but each will require Council action or voter approval.

``The result is that without these fees in place, slowly the general livability of the city will decrease,'' Cole concluded. ``The first indicator I believe will be with traffic control and streets. The delay, for example, at the four-way stops on Howard Street and Prospect (Avenue) will become a little longer each year as more houses are built to the south.''