



**NEWS SEARCH**

Advanced search

**Top Stories**

**CG council worries again about impact fees for businesses**

By HAROLD KITCHING, Staff Writer      December 19, 2005

Email to a friend    Voice your opinion

**The Casa Grande City Council is again wrestling with increasing development impact fees. And it's again wrestling with how it could lower the fee for small businesses.**

It's a replay from a little over a year ago when opposition from business owners arose, leading the council to cut the amount of the fees that would have been devoted to transportation, including removing the Kortsen/Interstate-10 interchange from the list of planned improvements.

That meant lower impact fees, but also meant that the city would get further behind in trying to meet problems caused by more traffic from heavy growth.

And, because a city cannot discriminate in impact fees, it meant lower transportation fees for new residences, which would be the people adding to the problem of congested streets.

As Administrative Services Director Scott Barber has previously pointed out to the council, impact fees are imposed in an effort to keep city services at the present level.

"Development fees cannot be assessed to raise your level of service," Barber said, "but rather to preserve your level of service in the face of new development."

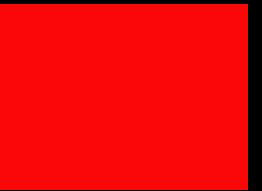
In other words, rather than throwing the cost onto the backs of taxpayers as a whole, new residents pay through the fees that homebuilders pass on to them when the house is purchased.

This time around, Councilman Dick Powell is still lobbying for lower fees for small businesses, meaning any new building of less than 100,000 square feet.

The proposed increases shown during a council study session last Monday night are staff recommendations, filling in until another formal impact fee study is made by the city's consultant sometime next year. Council members said Monday night that they want that new study to tackle the situation of small businesses.

The recommendations are new impact fees for a single-family home of \$6,356, along with \$2,282 as a minimum sewer fee for a standard three-quarter-inch

- Casa Grande Dispatch**
- Top Stories
- Police/Courts
- Obituaries
- Local News
- Around Arizona
- National Headlines
- AP News Link
- Sports - Local
- Sports - Arizona
- Sports - National
- Business
- Valley Life
- Editorial
- Entertainment
- World News
- Weather
- Guestbook
- New! Classified Ad Placement
- ▶ Real Estate Buyers' Guide
- ▶ Tri-Valley Dispatch
- ▶ Coolidge Examiner
- ▶ Florence Reminder
- ▶ Eloy Enterprise
- ▶ AZ City Ind/Ed
- ▶ Maricopa Monitor
- ▶ Pinal Ways Magazine
- ▶ TV Roundup
- ▶ Sports Wire
- ▶ Personal Finance
- ▶ Fun and Games
- ▶ Our Newspaper



**PURCELL**  
Western States Tire

**Republic**

RETAIL TIRE CENTER

**Garrett Motors**

CLICK HERE  
INTERNET  
SPECIALS

SOLD

**Century 21**  
DESERT CASA

click Now!

**AL & RILEY'S**

520-836-8450



**SOMMERS JEWELERS**

520-836-1847

**Rentals**

520.466.8888

Now serving ALL  
Pinal County  
Residents.

READER POLL

How much money do you estimate to have spent this Holiday Season on gifts?

- 0 - \$100
- \$100 - \$400
- \$400 - \$800
- \$800 - \$1200
- Over \$1200

[view results](#)

water line, for a total of \$8,638, up from the present \$7,577.

The \$6,356 is broken down as \$3,297 for community services such as parks (including future land acquisition) and library, \$273 for police, \$572 for fire and emergency medical services, \$1,531 for transportation and \$683 for general government.

The transportation fee proposal includes adding back the Kortsen/I-10 interchange and paying for some costs of already-completed projects. Even then, the costs are based on estimates made in 2003, long before the upsurge in the costs of construction materials.

The new recommendations call for \$7.927 per square foot for a building of 100,000 square feet or less (up from \$5,474), dropping to \$5.889 for a business of more than 200,000 square feet.

There is a smaller charge for the larger buildings under a complex series of calculations nationwide that contend that the large stores have fewer calls for services such as police and emergency medical per square foot. The same theory holds that lower fees should prevail for multifamily housing and such categories as offices, business parks, light industrial, warehousing and manufacturing.

A hypothetical example given by Barber for a 10,000-square-foot retail shop with a 2-inch water meter would have a total impact fee of \$91,062, or a little over \$9.10 a square foot. Of that, \$63,250, or a little over \$6.32 a square foot, would be for the transportation element.

The present total is \$66,532, of which \$38,760 is for transportation.

Councilman Powell is unhappy about any increases for the smaller stores.

"The small guy really gets it tough," he said. "He pays almost \$8 a square foot (not counting the sewer fee) in impacts under this new scenario. Then Pederson comes in, and not only do they pay much, much less but then we rebate them money back to help them offset their costs."

The Pederson Group, partnered with WDP Partners, wants to build a huge shopping center on Florence Boulevard east of Interstate 10. Rebate demands from the developers are still being discussed.

"The small shops, the things that build the ambience of this community, are the smaller businesses," Powell continued. "The big ones, they're pretty generic, but the shops and the things that add charm and class and quality of life to a community are going to be these smaller ones, and at \$8 a square foot they're paying more than anybody on here, more than offices, more than residential, more than anybody, and that's unfair to penalize them with that."

"We'd better figure out a better way to treat the smaller shops or not do this,

**RUTHIE'S**  
Gingerbread Room  
**Beading**  
**Classes**  
(520)836-7919

THE YOST GROUP  
CASA GRANDE Home Team  
YOSTHOMES.COM  
800-305-9678  
(520) 836-1717

The latest  
**PINAL REAL ESTATE**  
Buyers' Guide  
is now online!  
Subscribe Today!  
**Pinal Ways**  
PINAL COUNTY'S OWN MAGAZINE

because let's face it, we won't have any building and we can't be a community that shuts off small retail. That is not right."

Barber said that in determining impact fees for retail, the formula also uses the number of vehicle trips, as opposed to the number of employees.

"It's a difference," Powell said, "but I will never buy the fact that Wal-Mart stays open 24 hours a day and they have less demand than somebody like my shop that's just 5,000 square feet and we're open 8 to 6, six days a week, and that I somehow impact the community more than Wal-Mart that has 24-hour traffic out there, calls the cops out constantly for shoplifting. That's unreal. They may say you figure it that way, but it doesn't work that way. We have far less.

"I don't know what the city has done for my business personally other than respond to maybe three or four break-ins in the last 15 to 20 years we've had to have a city service out there. How many times do you see the paramedics and police and others, how many garbage trucks have to go a day, how many public safety officers have to be there (at Wal-Mart) for the business they do. It just is not a fair comparison."

City Manager Jim Thompson said that when the city's consulting firm does its update, it will be asked to reconsider the area of small businesses.

An alternative, he said, could be use of increased construction sales taxes as a fund to help offset the high costs to those smaller businesses being built. That way, money would be collected for the impact fee and the construction tax, but all or part of the impact fee could be rebated.

Powell said, "Before we do anything to change this commercial I'd like to look at what other communities are doing commercially. For a guy on a 10,000-square-foot building, he'll put up \$8,000 just to get the permits pulled to go into business. I mean, you're going to shut them down; it's not going to happen."

The recommended increases, Thompson said, were proposals, not set in stone. "If council chooses as a group to wait until the study's updated, that's fine as well," he said.

Powell added, "I know that we're not keeping up and we need to have that, but it needs to be more fairly allocated so it does not step on the small-businessman; that's unfair."

Powell suggested one category for businesses, small to giant.

"If you average the three rates it would be \$6.89 for everybody instead of \$7.97 for the little ones," he said.

"That may be what to do to get it more reasonable.

"It just seems to me that if we raise the construction sales tax there's a lot of things we need to do with it other than to subsidize an unfair burden placed on small-business owners, but if we raise the ceiling way up and average it out it

would drop maybe over a dollar a foot to the small business guy and make it the same as the big ones pay."

Barber said the commercial categories had previously been dropped to three, which somewhat lowered the fees.

"The answer to your question," Barber continued, "is you can do whatever you want to do in terms of the levels, but there's rather complex information that goes in."

Barber also pointed out that reducing the fees for larger retail/commercial categories would mean the city would have to lower them for other areas, such as single-family housing.

Mayor Chuck Walton said, "I think we need to do a combination of both. I agree with Mr. Powell that we could use the construction sales tax money for bigger and better things than reimburse small businesses, but until we get the next study and find a better way to handle small business, this is a temporary fix to the problem we're in."

Because last Monday's meeting was a study session, no decisions could be made.

"We'll go back and we'll take a look at how it breaks up and what the impacts would be so you'll just all know when you make that call," Thompson told the council.

"We will look at the current breakdown in the commercial segment and how best to address any concerns of the staff update being proposed, if there is any logical way to address that and one that would make sense to all of us and is defensible, and then move forward with that."

©Casa Grande Valley Newspapers Inc. 2005

[✉ Email to a friend](#) [🗨 Voice your opinion](#) [↑ Top](#)

*Send us your community news, events, letters to the editor and other suggestions. Now, you can submit birth, wedding and engagement announcements online too!*



Copyright © 1995 - 2005 PowerOne Media, Inc. All Rights Reserved.