



News Classifieds Community Directory Marketplace Home -> News -> Florence Reminder -> Florence News Wednesday 27 June, 2007

NEWS SEARCH  
Advanced search

### Florence News

## Council wonders - what will be impact of higher fees?

By MARK COWLING, Editor May 09, 2007

Email to a friend Voice your opinion

**Town Council members worried higher impact fees would hinder the commercial growth that so many residents are still awaiting.**

**In other business at Monday's regular meeting, the council delayed action on major revisions to Merrill Ranch while that development and its neighbor continue to work toward agreement.**

New impact fees were a major topic Monday, accounting for more than an hour of discussion. The town's new study supports raising the current fee on a new single family home from \$6,404 up to \$11,783. Commercial buildings face much greater increases.

Vice Mayor Tom Smith said he realizes the town needs to raise its impact fees, but asked how high they can go before hurting local developers who must compete with neighboring cities.

The residential fee increase would make Florence's residential fee similar to neighboring cities, according to Florence's consultant, MuniFinancial. Some neighbors show lower fees because they don't include impacts to their private water systems. Vice Mayor Tom Smith asked to see what Coolidge's, Eloy's and Casa Grande's fees would be with water included.

Town Manager Himanshu Patel said fees vary because each community has different levels of service and different capital needs.

The council will vote on the fees May 21. If adopted, the fees will take effect on Aug. 20.

Council member Richard Sanders asked if it were possible to raise fees slowly over a period of years up to the recommended amount. Patel replied the numbers have to have a direct link to the study's findings. He predicted municipalities will face more challenges from the state to prove their impact fees are fair and equitable across the board.

"Are we playing catch-up?" Council member Vicki Kilvinger asked. Patel said when the council first adopted impact fees it modified or delayed certain projects to lower the fee. The council could choose to do this again.

The fees have yet to shock large developers, who have generally negotiated their fees in a development agreement and are "locked in" for a certain length of time, Patel said. They have however expressed concern about the proposed

- ▶ Casa Grande Dispatch
- ▶ Real Estate Buyers' Guide
- ▶ Tri-Valley Dispatch
- ▶ Coolidge Examiner
- ▼ Florence Reminder
  - Florence News
  - Schools/Education
  - Florence Sports
  - Religion/Church
  - Things To Do
  - Health and Family
- ▶ Eloy Enterprise
- ▶ Maricopa Monitor
- ▶ AZ City Ind/Ed
- ▶ Pinal Ways Magazine
- ▶ Our Newspaper
- ▶ Announcement Submission Form
- ▶ Contact Us
- ▶ Public Notices Online

#### SECTION LINKS

- Town of Florence
- Florence Chamber of Commerce
- Florence Police





Your local TV listings



commercial fees, and the effect these fees would have on their ability to attract certain development.

A 20,000-square-foot commercial building with a two-inch water meter today would pay a total impact fee of \$40,892. Under the new ordinance, this building would pay \$213,140. The same size industrial building would pay \$97,000.

"My gut reaction is you're too high," Mayor Tom Rankin told the MuniFinancial representative. "... We're trying to get retail business and some type of industry, and if you hit 'em with that they're going to say, 'Adios.'"

Council member Arnie Raasch said he's currently trying to convince a new business to come to town. "I don't think we can make that big of a jump."

But Patel said it's unlikely a new business would pay the full \$213,140 on a 20,000-square-foot building. Such a business would likely receive credits off the fee for offsite improvements.

Smith said the town needs a fee that is at or below its neighbors'. "We've got to get more commercial in here, not turn it away."

Council member Tom Celaya Jr. asked what the town should cut or reduce to lower the fee. Rankin said the fees are driven by the town's Capital Improvement Plan, and maybe the town should revise some of its "Cadillac" projects down to "Fords."

Patel said the town has important capital needs. The town has almost 10 miles of Hunt Highway, an important route that is still only a chip-seal road.

During the public hearing on the ordinance to raise impact fees, a member of the Homebuilders Association of Central Arizona told the council, "We certainly have some concerns," and is staying in dialogue with MuniFinancial and the town.

Another speaker, Mike Whitlock, said he is interested in building some rentals in the town core, but "those kinds of fees will scare me away."

The town doesn't currently impose impact fees in the original town site, or "town core," or in the North Florence retirement communities. But the new ordinance proposes that these areas begin to pay their share.

The new ordinance states that development resulting in town utilities for the first time will be subject to impact fees. Development of vacant or demolished properties that had water and sewer service in the past will not be charged impact fees unless there is a change in square footage. The fee would be based on the amount of new square footage.

Smith said the town needs to continue to encourage "infill," or development of its vacant lots. "A healthy town grows from the inside out."

#### Merrill Ranch

The council postponed action on a major revision of Merrill Ranch, the future 5,800-acre community east of Anthem, while Merrill Ranch continues to work toward an agreement with Monterra, its neighbors to the south.

The owner of Merrill Ranch, WHM Merrill Ranch Investments LLC, proposes to reduce the project's "Light Industrial" zoning by more than half, while increasing other types of commercial zoning for what it says will be a net increase in

potential jobs.

Meanwhile, Monterra disagrees with Merrill's intention to connect Felix and Attaway roads by cutting through Monterra.

Florence Planning Director Mark Eckhoff told the council the ordinance was still not ready for action, and the two sides were still trying to reach agreement.

"I'm tired of this one," Rankin said. "We gave them an opportunity to get this settled a month ago." He said from now on, the two developers should share the cost of any further legal advertising, instead of the town paying.

Sanders added, "I'd like to see it go back through the Planning and Zoning Commission before it even comes to us."

Eckhoff said the land use issues are the same. What's they're working on now are development agreement issues. Town staff are attempting to negotiate in the town's favor and "we're getting some good things out of this," Eckhoff said.

The Planning and Zoning Commission has recommended against the new land uses, and "I'm inclined to make a motion to deny, based on P&Z's recommendation," Sanders said.

"We're close to seeing an agreement," Patel said. "They have been actively working on it."

The council ultimately approved a motion by Sanders to send Merrill Ranch before P&Z as an "informational item" on May 17, then before the council on May 21 for a decision.

©Casa Grande Valley Newspapers Inc. 2007

[✉ 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!*



A red banner advertisement for Betty Silguero, a real estate executive. On the left is a small portrait of Betty Silguero. To her right is a white box with a blue border containing her name "Betty Silguero" in red. The main text of the banner reads "The Difference Between 'For Sale' and 'Sold'." Below this text are two phone numbers: "(888) 629-3310" and "(520) 836-9494". On the far right is a small logo that says "REALTY EXECUTIVES" in white on a blue background.

Copyright © 1995 - 2007 [Townnews.com](http://www.townnews.com) All Rights Reserved.