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City Council hears pleas against high impact fees

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HURRICANE - Nick Berg of the Pioneer Development Group, speaking on behalf of local developers, urged the Hurricane City Council Thursday to find ways to lower impact fees, saying the city's fees on home development are much too high to provide competitive housing prices.

"These are extraordinarily high impact fees," Berg told the council. "The impact fees are so out of proportion that it's hard to stay competitive." According to Berg, most impact fees in Hurricane are about double of those in St. George.

Impact fees are payments made by developers to a city for funding roads and parks, sewer and water and other utilities to help foster that city's growth. When a home developer has to pay a higher impact fee, it is often passed on in the price of the home.

"You don't want impact fees to be more than 10 percent," Berg said. "If you're trying to sell a home for \$125,000 you don't want to have to pay \$25,000 in impact fees."

Berg proposed the city implement a sliding scale where the lowest priced homes would pay a \$1,000 impact fee and the highest priced home would pay \$10,000.

"I wouldn't oppose forming a committee to come up with some ideas. ... I'd love to get something going to inspire people to do some development," Mayor Tom Hirschi said. "But you've just got so many factors. If we give you a break what about the other people who have already bought homes?"

City councilman John Bramall agreed that there should be a committee to address the issue.

"The more we can do to get people into homes, the better," he said. "These are some things to consider and look at.

Berg said that he looks forward to working with the city.

"I know you need to stay in business, but we do need to find some solutions," he said. "We weren't having as much communication with the city council as there used to be."

Berg added that he would like to get the issue resolved by the time the city emerges from the national economic crisis.

"I have a feeling Hurricane is going to survive this," he said. "If we can get it all together when the market comes back then we'll be ready to go."