

City eyes higher impact fees



Written by News Staff

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GUSTINE – Future developers in Gustine could pay sharply steeper impact fees to cover the city's cost of providing services to new homes and businesses.

The City Council Monday reviewed a proposal to nearly triple the city's impact fees for single family homes, from about \$8,800 to more than \$25,000 per unit. Multi-family, commercial, office and industrial categories are also addressed in the fee report.

More than a decade has passed since the city's impact fees were last revised.

"It is a big sticker shock going from such a low impact fee to something calculated to cover the facilities necessary to serve new development," Community Development Director Jake Raper told the council.

But even with the proposed increase, consultants said, Gustine fees would not price the community out of the development market or deter growth – and would still be lower than those found in some area cities.

Raper stressed, though, that the proposed fees were calculated solely on Gustine's specific needs, not with consideration of how they stack up against those in other cities.

"The impact fees are based on the city's unique situation. You can't compare it to Merced or Los Banos or anywhere else. There are certain things unique to Gustine, and this is what we need," he stated.

The fees cover general government, police, fire, parks and storm drain facilities, as well as water and wastewater connections. They do not include school impact fees or the county regional transportation impact fee.

The council has the opportunity to adjust the fees as it goes through the public hearing and adoption process, but has expressed a goal of having growth cover its costs.

"You can subsidize new development on the backs of the people who are already here," said council member Joe Oliveira. "We can look at these numbers a little bit before adoption, but I think these fees are needed. If we fall behind more, the cost on this is just going to go up."

The proposed impact fees do not address the city's existing deficiencies – the current lack of adequate room in the police department or city offices, for example.

Raper and Wildan Financial Services consultant Jonathan Young said the community must look for other ways to offset those deficiencies.

At the same time, they stressed, adequate impact fees insure that future growth covers the costs it creates without adding to those deficiencies.

"That way you don't have to play catch-up, or ask the community to approve special taxes to pay for services that should have been paid for when development came in," Raper remarked.

He characterized the fees as a cost of being part of a desirable community.

"I think one of the neat things for Gustine is that you have a very unique setting. You are setting up your community to be a very desirable place to live," he reflected. "It will be a place where people want to live and raise their family."

The city will begin the formal process of deliberation and adoption on fees by scheduling public hearings before the council on the proposed increases.

In the meantime, Raper said, a policy question surrounds the process.

The city has published notices stating that developers will be subject to the higher fees if they do not pull building permits on their projects before the changes take effect, Raper said, but some cities have allowed builders to pre-pay impact fees at existing levels without pulling building permits.

Self-Help Enterprises has asked for that consideration on 51 lots it plans to develop in the Borrelli Ranch subdivision.

The council will address that issue as a general policy question at an upcoming meeting.



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