

City looks to lower development impact fees, temporarily

The city of Maricopa is looking at the possibility of adopting a new development impact fee schedule that would temporarily bring the city in line with some of the lowest fees in the state.

The temporary fees would set the price of developing a commercial building larger than 100,000 square feet at \$4.58 a square foot and a single-family home at \$3,418. Comparing other cities' fees for the same size commercial development: Avondale \$6.93; Casa Grande \$6.37; Chandler \$8.88; Coolidge \$3.24; Florence \$6.40; Gilbert \$2.90; Goodyear \$4.47 and Surprise at \$2.61; Pinal County is at \$8.07.

Currently developers in Maricopa pay \$7.47 per square foot for commercial developments and \$5,346 per single-family home.

"These are some tremendous rates developers could take advantage of," said Mayor Anthony Smith. Development impact fees are charges a city implements to offset the infrastructure needs that arise from growth and development.

Maricopa City Council unanimously voted Sept. 15 to spend \$78,000 for consultant TischlerBise Inc. to conduct a survey and determine the city's maximum allowable fees. At the time, several council members were unhappy with the city's current fee level, but still voted unanimously to pass the measure.

"I can't see myself voting to increase these fees," Councilman Carl Diedrich said at the time of the vote. "A study is just a way to justify increasing fees." In the first look at the recommended fees proposed to council, Diedrich appeared to be partially correct about the fees increasing.

The permanent fees under the new proposed schedule call for single-family homes to increase from \$5,346 to \$5,643. Also, all commercial shopping centers greater than 50,000 feet in size would see an increase ranging from 55 cents to \$1.90 per square foot. However commercial shops with less than 50,000 square feet will see their fees decrease a maximum of \$1.38 per square foot.

"This decrease should be a good thing for small business," said Roger Kolman, assistant city manager. Yet, a state mandate, which doesn't allow cities to adopt any new fees or increase current fees, could facilitate lowered fees across the board.

"If the new schedule is adopted, we will be able to lower the fees in certain areas, which will temporarily result in the lowered impact fees," Kolman said.

The state's freeze on fees is scheduled to be lifted in July of 2011, but Christopher Cullian, who works for TischlerBise and wrote the new development impact fee study, said that freeze could be expanded.

"I hear the legislature is looking at extending the freeze and counties are jumping on board in order to minimize possible future cuts in funding," Cullian said. When the city first approved the current fee schedule for the 2004 to 2005 fiscal year, the fees were designated for parks, libraries, public safety, general government and transportation. However, with the new fee schedule, fire and trails categories were added.

"When we originally approved the impact fees in 2004-2005, many of the plans we had in place were based on a thumbnail sketch of what we wanted to do," Kolman said. "Now we have better plans in place because we have completed studies and have a closer to real cost for what the city wants to accomplish."

That better understanding has resulted in all projects that are not planned to start in 10 years being pulled from the plan. The next step in the development of new fees is a public comment period of 60 days and then a vote by council.

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