

City Council approves impact-fee moratorium

Measure to stimulate construction industry

Tom Sharpe | The New Mexican

Posted: Wednesday, January 11, 2012

The Santa Fe City Council on Wednesday agreed to a two-year moratorium on impact fees for residential construction, reducing city revenues by an estimated \$350,000 a year.

Councilor Rebecca Wurzburger, who co-sponsored the ordinance with Councilors Matthew Ortiz and Carmichael Dominguez, said the intent is to jump-start Santa Fe's lagging construction business.

She said because construction is down — Wurzburger, a construction-management consultant, said she hasn't had a job for three years — there will be no great losses from the moratorium.

"Zero percent of zero is zero," Wurzburger said.

Nineteen of 23 people who spoke during a public hearing on the proposal, including builders, developers and land-use consultants, said the moratorium should help Santa Fe escape the construction slump.

"This is really simply about what we can do as a community to improve the opportunities for people who are here," said builder Michael Chapman.

Ra Patterson, another builder, said the moratorium will make it more likely that he can avoid laying off any of his employees.

Sharon Woods, another builder who is chairwoman of the city's Historic Design Review Board, estimated that impact fees for a \$1 million house would be just more than \$4,000.

Land-use attorney Karl Sommer said Albuquerque already has seen its construction industry improve since cutting impact fees.

Among those speaking against the moratorium were neighborhood activists Barbara Levin and Rick Martinez.

Levin said homeowners also are struggling with the ailing economy, but they are not being offered any tax breaks and are being asked to approve new bonds in the March 6 municipal election.

Martinez said the City Council recently dropped the affordable-housing requirement for new subdivisions from 30 percent to 20 percent. He said many of the builders are from out of state, so the only benefit locals see is selling the workers breakfast burritos.

Councilor Patti Bushee asked City Attorney Geno Zamora if the city could require builders to hire locally if their impact fees were dropped, but Zamora said that would be constitutionally questionable.

Bushee then pushed to make the moratorium only one year, not two, but that motion died for lack of a second.

Councilor Miguel Chavez, who considered recusing himself because he owns two lots where he plans to build houses in the next two years, ultimately was the only councilor to vote against the ordinance.

Chavez said he thought it was unfair to drop impact fees for residential construction, but not for commercial construction, which is estimated to be twice as large.

Mayor David Coss, who votes only in cases of a tie, said Jeff Branch, a friend and campaign contributor, had called him to lobby for the moratorium, but he did not feel obligated to recuse himself. Coss said he began the hearing ambivalent about the plan, but found himself favoring it after listening to the builders.

"It's one of the things the city is trying to do to give everybody a chance to come through this economy," he said.

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