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City park officials eye impact fee

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PORTAGE | The city's Park Board approved moving ahead with a study this week that, if passed, will likely impose a recreation impact fee on new home construction beginning next year.

Representatives of Lehman & Lehman Inc., of Mishawaka, presented a preliminary study Monday on the potential for an impact fee to the board, Assistant Superintendent Jeff Jones said. Based on the results of that study, the board approved a contract with the firm to continue the process of initiating the fee.

"The plan is a method to increase resources to the park district that won't affect current residents. It is not a new tax. It is a one-time deal," Jones said.

In essence, if approved, a recreational impact fee would add a sum of money, yet to be determined, to each residential building permit issued by the city. Those funds would be placed into an escrow account and be used for parks projects to benefit new residents.

The study indicated that a recreation impact fee would be of "significant benefit" to the city, which is seeking a continuing increase in residential housing and population growth. The study projects more than 2,100 new homes could be constructed in the next 10 years, with the city's population climbing by about 5,000 residents during the same time period.

Therein lies the problem, Jones said. The parks department's budget is strapped to provide continuing services to current residents, let alone provide additional park land, playgrounds and other amenities to incoming residents over the next decade.

He said if an impact fee were to be established, it could not pay for present deficiencies within the park system. Those would have to be paid through alternate means by current residents.

The impact fee money would pay for new construction to meet the needs of incoming residents.

The feasibility study indicated the impact fee could be within the range of \$848 to \$2,756 per new residential use.

A further study, which will cost \$29,500, will continue the analysis of the city's park system. According to state statute, an impact fee advisory committee must be formed, along with the establishment of an impact fee zone. There will also be an infrastructure improvement plan prepared and an impact fee review board appointed before a precise impact fee can be determined. The study will also look at the current inventory and establish recreational standards within the city.

Jones said it is likely that a recommendation will be passed on to the City Council in July for its consideration. The fees would be effective six months after the measure is adopted by the City Council.

[EXTRAS]