Committee eyes impact fees

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The Fernley Capital Improvement Advisory Committee took on Wednesday the first steps in rethinking the impact fee process and gaining some consensus among members in terms of what elements of the formula need further scrutiny.

The issue of impact fees in Fernley drew a considerable amount of attention recently from builders and citizens as the committee took a look at the first round of assumptions that resulted in impact fees that alarmed developers. The main concern was that if the city decided to levy high impact fees, it would hamper or perhaps even kill further development in Fernley.

The concept of an impact fee is a relatively simple one: a city charges a fee for the "impact" a development will have on roadways and traffic. The city, in turn, uses the monies collected to fund specific capital improvement projects, which can include maintaining and improving existing roads or building new ones.

The trick comes in developing a formula for computing the impact fee that is both equitable and realistic - one that will generate needed funds, while not deterring growth and development. The other key element comes in choosing projects to fund that have a moderate price tag. The cost of the project(s) earmarked for impact fee funding also factors in to the formula.

At Wednesday's meeting, committee member Bill Clegg polled the panel with a number of questions in an effort to ferret out various segments of the impact fee plan that the panel supports, and gain focus on areas the committee sees as being vulnerable.

When it came to questions about the committee's comfort level with Orth-Rodgers, the engineering firm hired by the city to help develop the basis for the impact fees, the panel split 3-3.

Committee member Ray Lacy said he's skeptical of the firm's guidance because they keep comparing the Fernley impact fees to those in Washoe County and other areas with much larger populations.

"I agree," said Bert McCoy. "They're pulling numbers out of the ether and every number we get doesn't fit."

Committee Chair Tica Looper also expressed concerns about the firm's competency.

"I do think we need to get someone with more local experience and knowledge," she said.

Public Works Director Lowell Patton told the panel that Orth-Rodgers had indicated that further work on the city's impact fee project would be assigned to the company's Carson City office, which holds the potential to better address the committee's concerns.

As the committee worked through more of Clegg's questions, a majority agreed the growth rate assumptions established on 2005 data-a record year for growth in the city-would now be flawed due to the changes in the economy. The panel also conceded that the land use assumptions would also need to be re-examined.

"I do have problems with the land use assumptions," Clegg said. "My vision has changed for this city so drastically due to economic conditions out there. I think we'll see a different picture."

In response to a question from the committee, Greg Evangelatos, who represents a group of builders and developers, had this to say about growth rate assumptions: "In my 30 years as a city planner, I would typically factor in a three to four percent growth rate. Bear in mind that 2003-2005 was an historic blip that represents a tremendous change in your assumptions."

The committee's next step involves a workshop with a group of builders to further hash out the various issues and concerns revolving around the development of impact fees.

The workshop has tentatively been scheduled for Sept.24, but Patton indicated gathering new information on land use assumptions may be difficult to accomplish in that time span.

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