Committee seeks alternatives to fees

By Mark Wheeler / Hi-Desert Star

YUCCA VALLEY - In the third installment of Blue Ribbon Committee meetings, which were convened for the purpose of discussing development impact fees in Yucca Valley, the review group Monday turned its attention to alternative funding options for infrastructure needs.

Having previously examined a financial study on the possible implementation of development impact fees in Yucca Valley and of the law governing impact fees in general, the committee had concluded need for a more complete understanding of all infrastructure funding mechanisms. The question it hoped to answer was one asking for a clear way to determine the fair and equitable financial responsibility for infrastructure needs owed by new growth, in contrast to the responsibilities for existing infrastructure needs owed by existing residents.

"Are our existing residents paying their fair share (of infrastructure needs)?" asked Mayor and meeting chair Chad Mayes in an opening query session at the meeting's start.

Representatives for the firm which conducted the town's impact fee study, to whom the mayor directed his question, answered that they didn't really know.

Explaining that only the Town and the residents could decide in discussion what should constitute "fair share" in assessing the citizenry for alleged infrastructure deficits, MuniFinancial representative Bob Spencer did say that, based on his company's calculations, such a deficit for Yucca Valley could amount to an estimated $88 million-plus, minus costs to-be-determined for general facilities.

In addition, Spencer noted that a municipality has some options at its disposal for generating infrastructure funding for both new growth and for existing deficits, but emphasized that, with some exception, these are reasonably exclusive of one another.

Although certain assessment-district models might be used for both future and deficit funding needs, and though certain state or federal revenues might be applied selectively to cover infrastructure needs in general, Spencer identified one primary factor separating development funding mechanisms from those which can be established for existing residents. Whereas the first can be imposed by the municipality as a cost-of-doing-business fee - "development impact fee," for instance - the other, by and large, has to be voted on by the public. It is customarily implemented in the form of a special property tax or assessment.

Overall estimated costs for infrastructure needs in five service categories through the year 2025, according to MuniFinancial's calculations based on Town-supplied figures, amount to almost $293 million, minus costs to-be-determined for general facilities. The five categories are: general public facilities, such as the Town Hall; parks; trails; storm drains; streets and traffic. Only roadways accepted in the Town's road system are included.

Accounting for the deficit of $88 million-plus and estimating a $293 million total over the five categories, minus to-be-determined general facilities costs, MuniFinancial further estimated new development fees should account for about $213.5 million. This is the amount the firm's study says is the legal maximum new development could be conditioned to pay for its "fair share" of infrastructure improvements in five categories of need occasioned by development's activities.

The matter of "fair share" is a recurrent theme which so far ties the Blue Ribbon discussions together more than any other single variable examined. It divides new growth from existing residents, and asks how much each group should be responsible for paying in the interest of bringing town infrastructure facilities and services up to an approved standard.

In addition and by extension, it has caused Blue Ribbon members and onlookers alike to ask whether the standard is valid. Some on the committee, for instance, have called the Town's itemized list of infrastructure needs, upon which MuniFinancial based its calculations, a "wish list," implying that perhaps some of the massive costs involved aren't absolutely necessary.

Conversely, some existing residents are wondering when infrastructure shortcomings which have been traditionally acceptable conditions of rural living suddenly become unacceptable community deficiencies.

At the meeting's end, it was decided to structure the last and perhaps final meeting according to a list of questions each committee member will answer and the committee as a whole will presumably discuss. The tentative plan is to establish a consensus on the questions and make a recommendation to the town council for its consideration.

Obviously, one of the six questions does and must ask if development impact fees should in fact be adopted. Two of the other questions deal with deficiencies and how they should be addressed.