

WILLIAMS NEWS

Gateway to the Grand Canyon®

Tuesday, April 05, 2011

Council inches forward on city of Williams impact fee evaluation

Evaluation process likely to extend into 2012

[Ryan Williams](#)

Associate Editor

Tuesday, April 05, 2011

WILLIAMS - Restructuring impact fees isn't an overnight process.

At a Williams City Council work session held March 31, city of Williams Finance Director Joe Duffy set out a timeline to evaluate and change impact fees that won't likely be completed until sometime in early 2012.

Williams Mayor John Moore opened the proceedings and said any impact fee changes will take time.

"I know that there are some people that want us to push this really quickly but we've had this in effect for quite a few years," Moore said.

Duffy agreed. He said before moving forward, council members must agree on a projected population number 10 years from now. A 10-year capital improvement plan must also be prepared.

"That is probably the most important thing because when we looked at it last time, the staff went shopping. We wanted a new city hall, a new fire department, we dug two new wells. The reality is we didn't have the growth to sustain that type of development. So, you guys as a council need to bring that in to a realistic amount," he said.

A third step is to review and approve allocation methods. Currently, impact fees are based on square footage for general government and when it comes to water and wastewater, on fixed use units.

Duffy compared the allocation schedule to other cities in the area - Sedona, Chino Valley and Cottonwood.

"They use the same methods," he said. "So, we didn't just create this. We followed what other cities were doing when we developed these. So, if we don't use those, we need to come up with a better way to disperse the costs."

Duffy went on to say fees for new development - he used a \$1 million fire station as an example - have been spread between new development and existing city residents.

"We figured the new people would contribute 40 percent and the existing population, through other funding sources like taxes, would pay the other 60 percent. So, it is not like the city of Williams threw the whole burden onto new development and new growth. We shared it."

Council members will also be required in the coming weeks to review offsets to development fees. Fees are sometimes waived or credited if a developer makes public improvements in the course of building new facilities.

"That whole credit back to developers who do something for us needs to be reviewed and to make sure that it is consistent with state law," Duffy said.

Once all of the above steps are accomplished, a first draft of an impact fee report will be prepared. At that point, Duffy said a Notice of Intention will be issued along with a public report. The public report must be available for 60 days, effectively taking the process through the end of the summer.



Ryan Williams/WGCN

City of Williams Finance Director Joe Duffy reviews the process and timeline for evaluating and adjusting impact fees.

From that point, the council is allowed 30 more days to adopt a new impact fee schedule. Once adopted, there is an additional 75-day waiting period before the new fees go into effect.

"I don't see us bringing new fees into effect before Jan. 1 of next year even on a pretty moving timeline," Duffy said.

When impact fees were established in 2004, council members used an 8 percent growth rate to estimate a current population around 6,000.

Moore encouraged the council to act on Duffy's suggestions.

"I think right now, probably the best thing for us to do as a council is to continue to investigate and examine where we're at," Moore said.

Councilman Bill Miller said fees could be cut immediately even without a completed council study.

"I think we're seven years into a plan that was developed in 2004 that has never come about," Miller said. "We've got less population today than what we had when we put this plan together. So, how do we justify what we've already done? Based on our history we could cut this thing in half right now and say this is where we should be."

Moore said the study still must be completed.

"It makes no difference," Moore said. "We can't do that anyway even if we wanted to."

Miller added that impact fees are likely not the predominant factor in a lagging housing market.

"I think the real estate industry is more a victim of the economy than impact fees," Miller said.

Councilman James Wurgler asked how the council should proceed. Councilman Don Dent said Duffy presented a clear plan for action.

"I think everyone needs to study this and determine what you think the population will be," he said.

Moore suggested some data might be gleaned from the city's Focused Future economic development study. He added that after council members study the available data individually, a round table discussion could be scheduled.

"I have a sneaking suspicion we're all going to come up with about the same thing, Moore said. "When you deal with this you've got to think 10 years out."

A date for further discussion was not determined although council members agreed to schedule a work session at the next regular council meeting to be held April 14.

Related Links: