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Council makes builders pay big time

• Developer: New fees would have doomed recent Main Street project

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ST. GEORGE - The St. George City Council voted Thursday to significantly increase impact fees on new growth.

In a 4-0 vote, the council agreed to increase the impact fees charged to builders of new residential units by about 16 percent and to increase charges to builders of new commercial units by more than 100 percent in some cases.

After comments from many commercial developers, the council took into consideration that the dramatic increase would be an exceptional hardship if it were implemented all at once.

Commercial projects in the "pipeline" will be charged the existing fees if finalized by Aug. 1. After Aug. 1, the new fee structure will be implemented at a 50 percent rate. After Jan. 1, impact fees will be assessed at 100 percent of the new schedule.

The new fees will increase the cost of building a home on a 6,000-square-foot or larger lot by \$1,152. The previous rate was \$7,125 and the new rate is \$8,277, an increase of about 16 percent.

In a commercial scenario presented by the city, the new fees will increase the cost of building an 8,500-square-foot general commercial property on one acre of land using 200-amp electrical service by \$17,317. The previous rate was \$14,290 and the new rate is \$31,607, an increase of 121 percent.

The long overdue adjustments to the impact fees will help pay for capital facilities needed as St. George continues to grow. Fees will go toward developing and improving water, transportation, power and public safety services. Some impact fees have not been updated in more than 12 years and they are not adjusted for inflation.

The comments during the public hearing portion of the meeting were intense. Developer Gilbert Jennings applied the new fee schedule to a recently completed Main Street project and concluded that the approximately \$150,000 in impact fees that were actually paid would be more than \$500,000 under the new schedule. He also concluded that such a change would have doomed the project from ever being done.

Other developers lobbied for a gradual implementation over as long as two and a half years, but the council rejected that option as taking too long.

Councilors agreed that the formulas in the ordinance were not perfect and left themselves the option of reducing fees on a case-by-case basis.

In developing the impact fee plan, city staffers compared the St. George impact fees to a number of other similarly sized Utah cities and found that the fees they were proposing were very competitive.

In other business, the council approved a zone change from residential to administrative and professional office on 3.62 acres located on the southwest corner of 1400 West and Snow Canyon Parkway. Area residents opposed the change on the grounds that other nearby areas were already developed as commercial and this would negatively impact the homes in the area.

"Neighborhood sentiment is strongly against this venture," Tom Lukow, a resident of Paradise Canyon subdivision, said. Lukow also presented the council with a petition signed by 560 area residents who opposed the change. The council approved the change, noting that the parcel was always intended to be commercial.
