

Impact-fee bill could stall Chandler improvements

by [Edythe Jensen](#) - May. 7, 2011 07:20 AM
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The promised parks and improved roads in newer parts of Chandler is in question as city leaders grapple with legislation that restricts how they can collect and spend development-impact fees.

But things could have been worse, they agree.

Earlier versions of the Senate Bill 1525 were more restrictive than the one [Gov. Jan Brewer](#) signed into law last month. And the city's nearly built-out state leaves fewer projects to be funded.

Chandler collects \$22,079 in impact fees on each new single-family home, an amount higher than other Southeast Valley municipalities. Mesa collects \$8,532 per house; Gilbert, \$19,684.

Homebuilders have for years opposed the fees as unfair burdens that increase prices. City officials argue they make growth pay for itself and don't strap existing taxpayers with expenses associated with expanding populations.

The legislation requires cities to change the way they collect impact fees and forces them to give refunds to current property owners if the infrastructure that is the subject of the fees is not built within 10 years.

The bill also limits what cities can fund with that money and creates public-notice and hearing procedures to replace current

systems by Aug. 1, 2014, or a municipality will be unable to continue collecting fees.

For Chandler, the 10-year limit is a stumbling block that could further delay or cancel road and park projects that were postponed during the recession, Management Services Director Dennis Strachota said.

"Land acquisition is something we're immediately concerned about," he said.

Before the bill became law, the city could use impact fees to acquire land for new parks or road expansions many years before the projects were built and when real-estate prices were lower. Now that's not possible.

Chandler also pushed back several capital projects during the recession because property-tax revenues were dropping with lower real-estate values and the [construction](#) slowdown caused impact-fee revenues to drop, he said.

Some of those may have to be scrapped because they were going to be funded with impact fees and might not be built within 10 years. Strachota cited a planned Shawnee

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Park satellite recreation center as one that could be affected.

Patrice Kruas, the city's lobbyist, said many of Chandler's libraries, aquatic centers and recreation centers would never have been built had the new impact-fee restrictions been in place years ago.

The bill limits the size of parks funded with impact fees to 30 acres and libraries to 10,000 square feet. That's smaller than most in the city.

Strachota said if Chandler had been required to build facilities within 10 years of collecting impact fees during its fast-growing periods, the city would have had to borrow the money through bond sales and pay millions in interest.

That scenario and higher property taxes may be required in the future to finance new parks and roads, he said.

Mayor Jay Tibshraeny, who was in the state Senate last year, said because Chandler is nearly built out, the legislation won't be as damaging as it will be to communities like Queen Creek and Gilbert. "We're still analyzing the effect on current Chandler taxpayers and if it will restrict our ability to make growth pay for itself," he said.

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