

Payson gives builders time to pay hefty impact fees

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In a bid to lure new development, the Payson Council has approved a new system that will allow developers to pay hefty impact fees over an extended period.

The council unanimously approved a plan to let developers put up a bond but not make any payment on impact fees that run to \$10,000 per house for three years and then spread the payment out over the next six or seven years.

The move could save the developer of a 50-home project half a million dollars in up-front costs, deferring most payments until the houses actually sell.

Payson several years ago ramped up the impact fees developers must pay.

Most of the money comes from the \$7,500 per-unit water impact fee, imposed by the council to raise money to pay for the \$30-million Blue Ridge pipeline.

Other fees provide money for police services and parks. The Northern Gila County Sanitation District imposes its own roughly \$5,000 per-unit impact fee for sewers, but that's not controlled by Payson or affected by the council's action.

The Sanitation District has also taken steps recently to make it possible for commercial developments facing huge impact fees to hook up to the sewer system to spread out their initial payments.

A council decision request memo by Buzz Walker notes that "at times, it is desired by some developers of new commercial projects an alternative method of paying the town's water development fee."

The current ordinance does allow developers to spread payments out over a five or even 10-year period, but still requires a chunk of money up front.

The new policy would allow the developers to make no payments at all on the impact fees due for the first three years, providing the builder put up a bond to guarantee eventual payment.

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