

Friday, November 04, 2011

Prescott Valley council chastises Legislature, homebuilders association on impact fee law

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The Daily Courier

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PRESCOTT VALLEY - The Town Council Thursday chastised the state Legislature for approving a state law that council members believe restricts the abilities of Arizona cities and towns to collect development impact fees.

"I think, to summarize it, the Legislature should get a life," Mayor Harvey Skoog said at the start of the discussion during the work/study meeting.

The council members accused the Legislature of meddling in local affairs. They also had harsh words for the Home Builders Association of Central Arizona, which successfully lobbied the Legislature to pass Senate Bill 1525.

The association lobbied the Legislature after losing a lawsuit that challenged decisions by the <u>Prescott Valley Town Council</u> and <u>Prescott City Council</u> to exempt commercial and industrial development from the one-time fees. The association contended the exemption was unfair to homebuilders.

Prescott Valley initially suspended the fees in 2003 for three years with the goal of stimulating development that would create jobs. The town adopted a fee for recreation in 1995.

The council members met Thursday to discuss SB1525 and a model ordinance that the Arizona League of Cities and Towns devised for its members to comply with the new law.

The law in short bars cities and towns from waiving fees for commercial development and enacts refund provisions if projects are not finished within 10 to 15 years, according to a memo to the council from Deputy Town Manager Ryan Judy. It also requires towns and cities to conduct a study on impact fees and update a rate structure by Aug. 1, 2014.

Judy said a study could cost \$100,000.

Councilman Rick Anderson commented, "This is one of the things on the surface I can't believe in. I think we need to look at the next election and put up a fence."

Councilman Henry Schmitt suggested trying to repeal SB1525.

"This is one of the unfunded mandates," Schmitt said. "Is there anything we can do to repeal 1525?"

Vice Mayor Patty Lasker responded, "If we don't, they will keep sending us this crap."

Contacted after the meeting, Spencer Kamps, vice president of the 700-member homebuilders association, said SB1525 sprang from a number of issues besides the actions of Prescott Valley and Prescott, including an impact fee for art in Mesa.

"It is time to step in and stop the abuses and create specific rules on how these fees need to be charged and implemented," he said. Kamps said the Legislature more than 20 years ago adopted statutes to allow cities and towns to charge impact fees.

"The Legislature certainly in its prerogative has the right to modify or change the enabling authority that they gave to the cities more than 20 years ago," Kamps said. "We have been very open about running bills over

the past eight years to modify this authority."

He said the association negotiated with the league in drafting SB1525.

Ken Strobeck, executive director of the 91-member league, corroborated the account, saying, "We did not get everything we wanted."

Prescott Valley must abide by the new law, or it will lose its ability to use the fees, Town Attorney Ivan Legler advised the council.

Councilwoman Lora Lee Nye said, "The homebuilders association had better sit down and talk to us. Everything is at a standstill."

The council drew support from Sandy Griffis, executive director of the Yavapai County Contractors Association.

Griffis, who attended the meeting, said afterward, "I support the Town Council. I think we should revolt."

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