

THE DURANGO HERALD

Proposed county road-impact fee worries businesses

Commissioners to make decision at next meeting

by Katie Burford

Herald Staff Writer

Article Last Updated; Wednesday, April 28, 2010 12:00AM

If you go

County commissioners are scheduled to vote on a proposed road-impact fee at their next meeting, which will start at 10 a.m. Tuesday in the commissioners' meeting room at the La Plata County Courthouse.

A new county road-impact fee appears poised to pass if the positions taken by La Plata County commissioners during a discussion Tuesday are any indication.

Commissioners are scheduled to make a final decision on the proposal next week.

Meanwhile, homebuilders and economic advocates continued to express concerns that the fee would dampen new building, already hard-hit by the economic

downturn.

At the commissioners' meeting Tuesday, county staff asked for direction on the specifics of a draft proposal commissioners will vote on next week. This includes the length of time over which the fee will be phased in, how it will adjust depending on economic factors and how much ultimately will be charged.

Under the current proposal, the fee, which would be phased in over three years starting in 2011, would range from \$3,954 to \$5,110 for single-family detached houses when fully implemented.

A restaurant would pay \$12,672 per 1,000 square feet of floor area, and office space would pay \$6,634 per 1,000 square feet.

Commissioner Kellie Hotter said the fee would increase the cost of buying a home and hurt job creation.

"Right now is not the time to be doing this," she said.

But Commissioner Wally White said road costs get passed on to taxpayers when developers don't pony up.

"They are the ones that bear the brunt of us not passing this," he said.

But he suggested a five-year phase-in might help ease the blow to builders.

Contents copyright ©, the Durango Herald. All rights reserved.

"There is not a good time to be raising fees, but it is a fact of life: If you want services, you've got to pay for them," he said.

Commissioner Joelle Riddle also argued for the growth-pays-for-growth approach.

"Right now, 100 percent of the impacts are paid by the community at-large," she said.

Homebuilders have vocally opposed the fee, but in an interview before the meeting, Elizabeth Salkind, executive officer for the Home Builders Association of Southwest Colorado, said commercial development will be hardest hit by the new fee.

She presented a memo prepared by the association that shows how the fees pencil out for different hypothetical start-ups.

In one example, a 10,000-square-foot, light-industrial business would pay a \$43,000 fee, which, if financed, would increase the business' debt service by \$4,000 per year over 25 years at an interest rate of 7 percent.

Meanwhile, a new 4,000-square-foot restaurant would pay a fee of about \$51,000, or \$7,000 more a year if financed under the same terms.

"On the commercial side, it's really a deal-breaker," said Salkind, noting that the fee at its proposed level would be the highest in the state behind Pitkin County for single-family residences.

County staff has said the proposed fee schedule closely follows that adopted by the city in August 2008. The purpose of that is so developers don't flock to unincorporated areas to avoid paying higher city fees.

The city's fee schedule was based on a study commissioned by the city and county. Consulting firm Duncan Associates conducted the study, which was completed in 2007.

Staff members have noted that while other counties' road fee may be less, their mill levy is much higher.

Of the city's impact fee, Jack Llewellyn, executive director of the Durango Chamber of Commerce, said it was difficult to tell whether it had hampered commercial development.

"I think the economic downturn has really muddied the waters," he said.

He said he understands the county's reasons for considering the fee, but he also sees how it might derail a new business.

"It could possibly deter people from being able to construct a building just because the numbers won't work," he said.

Also at Tuesday's meeting: b Commissioners approved up to \$30,000 to pay Denver attorney Penfield Tate to work on the county's behalf in an effort to bring a federal judge to Durango so that participants in federal cases don't have to travel to Denver.

b Finance Director Karla Distel reported that the county's sales-tax revenue had fallen by 11 percent in March compared with the year before. Although the majority of county revenue comes from property taxes, the sales-tax decline represented a larger drop than expected, she said.

b In another sign that times remain tough for local residents, Human Services Director Lezlie Mayer reported that the number of individuals receiving public assistance rose 14 percent in the first quarter of 2010 compared with the same quarter last year, from 3,526 to 3,087.

kburford@durangoherald.com

-
1. Wednesday, April 28, 2010
at 7:06:38 AM

[Suggest removal](#)

dro says...

These impact fees sounded pretty good about 5 years ago when the building business was on fire. Now, things are different. That 5000 bucks could be the deal breaker on a project. It is hard to imagine how someone wanting to open a small restaurant or business is going to be able to make the numbers work. Do we tax payers want to help pay for this growth instead of the person building the new structure? Maybe slowly phasing in the fee, and I mean slowly ,over 10 years or so ???

-
2. Wednesday, April 28, 2010
at 6:46:49 AM

[Suggest removal](#)

Concerned Citizen says...

Placing such a huge burden on businesses wanting to build is going to make it nearly impossible for them to succeed. In the long run, this will hurt the community. And phasing it in is silly. You either do it or you don't. If it's not the right time to do it now, then don't do it at all. We don't know what our economic recovery is going to look like over the next few years, so don't bet on it.

-
3. Wednesday, April 28, 2010
at 6:28:37 AM

[Suggest removal](#)

Moffet says...

NO NEW TAXES! County needs to get its house in order, quit wasting money on silly services and extraneous staff (like the huge planning department that doesn't DO ANYTHING except lollygag around at meetings they don't need to be at). Focus your revenues on core services and you won't need to keep jumping into our pockets for more money!!

Comments for this article have been closed