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Public tells Sierra Vista officials about possible impacts if development fees are OK'd

BY GENTRY BRASWELL

HERALD/REVIEW

SIERRA VISTA — City Council members pledged to take their time and thoroughly review proposed development fees during a work session that brought many warnings from residents and builders about possible impacts.

A private consultant has recommended to the city a “maximum supportable” development fee schedule to fund public infrastructure such as third fire station, a second police station and roads to connect large planned developments on the west side.

Before the public comment began, Mayor Tom Hessler noted the discussion Tuesday was purely speculative.

“We can do nothing, change nothing or we can go all the way to the maximum supportable fees,” he said.

Assistant City Manager Mary Jacobs said the only local fees that currently can be described as development fees are the park fee, which went up from about \$350 to \$1,500 per home two years ago, and the sewer connect fee at \$48.65 per fixture.

She explained what such fees could be used for.

“We can only charge impact fees to pay for what our current level of service is,” Jacobs said.

A fire training facility is an example of what Sierra Vista could not use development fees for, since one doesn't already exist here.

“We don't have an existing fire training facility, so we couldn't include that,” she said.

Jacobs outlined where the proposed rates would be directed, if approved as the consultant recently submitted to the city.

City tax revenue would be saved as new development fees paid for capital improvements for fire and emergency medical service, police service, parks, roads, and aquatic center and public library costs and debt service.

Members of the public began to line up at the podium as the opportunity came to speak Tuesday.

“As you are aware, I am the only developer who has built multiple-family apartments in Sierra Vista in the last 15 years,” said Emery Chukly, president of Tucson's Emery-Stephen Holdings. “These fees will need to be waived or even reduced from the current rates.”

The developer gave a guarantee that no multiple-family apartment projects would be built in the next 20 years if the development fee rates are implemented as recommended to the city.

Susan Tegmeyer, president/CEO of the Greater Sierra Vista Area Chamber of Commerce, said the chamber hasn't yet taken a position on this local issue but intends to. She said the group wishes to gather as much information possible before querying the chamber's membership on this issue.

George Mountjoy, a local Realtor and 36-year resident, also talked about the proposed fees.

“These categories either, I think, are confusing or unenforceable,” he said.

Mountjoy listed examples in Sierra Vista history of a development occurring only to mutate into some other kind of business, classified in what would be a different development fee schedule than the one it would have been built within.

“How are you going to control that? You can't. You're zoning requirements won't let you,” Mountjoy told the council.

The longtime resident said he understands that the city needs more money with more mandates being placed on city government, adding he isn't against development fees outright. But a gradual, reasonable implementation of such fees must be the way, he said.

Another point Mountjoy made came as a warning against the nationwide trend of development favoritism for large national franchise development in given local markets. He used Wal-Mart as an example.

"I would like to hear the city say, 'There are no waivers,' " Mountjoy said. "It seems like if you're big you get a break, and if you're small you get penalized."

Jacobs said a fee to compensate for change of use exists in the proposed fee schedule, but there is no stipulation for if a fee was reversed.

Such discussion and possible provisions are the reasons for the public forum Tuesday and on Nov. 15, and the council ought to consider them, Jacobs added.

Any development fee waivers for particular developments would only be possible with council cooperation, Jacobs said.

"You do so with your eyes wide open," she told the council.

Southern Arizona Home Builders Association's Executive Director Tom Heckendorn remained critical of the city's consultant's numbers.

The maximum supportable fee estimated by the consultant, TischlerBise, for a single-family home is about \$6,200, and the figure estimated by SAHBA's consultants is about \$4,700.

Heckendorn said his association would bring all the details of its number crunching to the Nov. 15 development fee public forum at City Hall.

"Growth is coming, and how it comes and we will pay for it is in all of our best interest," Heckendorn said.

Environmental Affairs Commission Chairman Charlie Narburgh said that with all the proposed costs and all of the fears about effects on local building market, "green building" isn't necessarily cheap either.

He warned that the proposed fee schedule was likely based on "how you used to build," not estimations of progressive environmental development.

Planning and Zoning Commission Vice Chairman Joe Kraps said the city told TischlerBise consultants a number they wanted to some extent, and the firm gave it to them.

"You must be sure that the information being presented to you is correct," he said.

Kraps warned of the ripple effect from such fees in the local economy, which he said is already evident in the rising costs of building supplies, fuel and housing all over the nation.

"It's definitely not a done deal by a long shot," Hessler said. "We're talking about a ripple effect. This is something we will not consider in isolation. We're not going to rush it, and it's going to be fair."

Councilman Craig Johnson said he unfortunately didn't see any of the people in the audience of lower and middle income who would be most affected by such a rise in the cost of local housing.

Johnson said an affordable housing commission needs to be created by the city to actively address this issue.

Passing such fee implementations, he said, results in further decreasing the constituent competitiveness of those who oppose these development fees, and noted a new city employee who cannot afford to live within Sierra Vista city limits even right now.

"I have no intention of making a quick decision on this," Councilwoman Hank Huisking said.

GENTRY BRASWELL can be reached at 515-4680 or by e-mail at gentry.braswell@svherald.com.