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Sierra Vista council to hear impact-fee input

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SIERRA VISTA — Neat, accessible and thorough municipal infrastructure doesn't grow on trees.

Sierra Vista officials want to keep up with local growth, lest the young city fall behind expectations of a neat, prospering Army town.

Local developers and contractors are generally more averse to development fees, levied by municipal government to accommodate public service for population growth by placing one-time dollar amounts on in-city builders.

The development fee topic is at hand now for public input at 5 p.m. Tuesday in City Hall, and again Nov. 15.

Consultant TischlerBise has been researching the issue this year and recently presented to the city estimated maximum-supportable-fee structures for residential and commercial development of all kinds.

The Citizens Advisory Committee, selected by the City Council, is on board with the idea of development fees. Committee Chairman Bob Lowe said the only alternative to development fees is higher city taxes.

At the TischlerBise presentation, Lowe also noted that targeted capital improvements of Sierra Vista public infrastructure have been temporarily put on hold by city budget restraints, for about four years now.

Illustrating the capital improvements situation is the third city fire station, still on the drawing board this fiscal year.

Emergency calls have been increasing sharply and predictably and serious talk could be in order about a fourth station by the time the third goes on line, Assistant Fire Chief Randy Redmond said last month.

Development fees, by definition of Arizona Revised Statute, are one-time payments used to construct city facilities. They aren't to be used for operational costs such as maintenance and personnel.

Historically, about one-third of all Sierra Vista's tax revenue has been spent on capital improvements, City Manager Chuck Potucek said. New development fees would change that.

Other Arizona cities comparable with Sierra Vista in size or growth either already use development fees or are considering the option.

Lake Havasu administrators in the spring said they have been talking about it for years, but haven't yet started with development fees.

It appears that the larger or more crowded a city gets, chances of finding development fees increase.

Yuma in September passed an ordinance that imposes 70 percent of the maximum allowable impact fees under state law. The city of Yuma, also a client of Bethesda, Md.-based TischlerBise, will now be collecting thousands of dollars for every new house. That money will go into funding future parks and recreation, arts and cultural facilities, sanitation, police and fire facilities, transportation, general government use, and public works.

According to Sierra Vista's assistant city manager, Mary Jacobs, a conservative expectation of the city's annual growth rate is about 3 percent. The current population within city corporation limits is roughly a little over 40,000 people, at this mid-census year.

The population on Fort Huachuca contributes to the municipal census count, as well.

Somewhat skeptical of the consulting firm's findings, representatives from the Southeastern Arizona Contractors Association crunched the

numbers themselves after the presentation and unanimous City Council vote to begin the fee-implementation process.

SACA is a chapter of Tucson-based Southern Arizona Home Builders Association (SAHBA), which claims to represent about 650 companies and 35,000 residential construction-related jobs in the greater Tucson region. SAHBA recently informed the Herald/Review that it has placed Sierra Vista's "desire to impose higher impact fees" at the top of its agenda.

SAHBA and SACA pointed out that they do not routinely oppose impact fees. But they support development fees that are "fair and reasonable," said SAHBA Vice President Roger Yohe, noting that "SACA's 120 local (Sierra Vista) businesses have a huge stake in the future of Sierra Vista."

Participation by everyone affected is necessary, Mayor Pro Tem Bob Strain said, in deciding how to provide more park, library and public safety facilities for the growing city.

Resident input is just as important as the contractors', within the "robust" local economy, Strain said.

"The more serious question that has to be answered is whether or not imposition of development fees on new construction will adversely impact either the affordability of existing housing or the livelihood of the construction industry," Strain said.

A rational decision has to be made in the imposition of development fees, Councilman Rick Mueller said.

"It changes a fundamental way the city has done business," said Mueller, who is the council liaison to the Planning and Zoning Commission. "It has to be fair and equitable."

For Mueller, the council's decisions on the last tax package, retooling it when it sunsets next year, and this development fee implementation are "probably the three most important things, policy wise, the council has voted on."

Typically home builders pass development fees on to the consumer.

A single-family house for example, would go from the current flat fee of \$1,500 to \$6,224 per home, according to TischlerBise's maximum-fee research findings.

That single-family house example comprises a per-unit fee of \$1,977 for parks and recreation cost, a \$549 library fee, \$538 to be appropriated for fire and emergency medical services, \$768 to municipal police and \$2,392 for public transportation costs and infrastructure.

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