

Deseret News

Spanish Fork ups impact fees for building permits

Published: Wednesday, Aug. 4, 2010 11:29 a.m. MDT

SPANISH FORK — For homebuilder Rick Salisbury, the fees cities charge to allow him to get building permits to construct new homes is part of the cost of doing business. But he wasn't expecting a hike in impact fees in a down economy, where major construction jobs have been curtailed as buyers have gone away.

Impact fees are a way to pay for new growth, rather than spread those costs among existing residents through sales or property taxes, which is politically unpopular.

Salisbury and his son, Chris, only learned of the city's option to increase fees — one for street expansion and another for public safety to pay the bond on the new police station — hours before the council's regular Tuesday meeting. They were especially perplexed that the fees were now going to be based on square footage, rather than the flat fee most cities charge.

"It's illegal to charge by the square foot," Chris Salisbury said, adding that he didn't get much advanced notice on the issue.

City Attorney Junior Baker assured him it was not only legal, it was the most equitable way to charge for the fees. The city posted notice of the impact study in April.

Officials expected that information to trickle down to local builders and building associations. Apparently, it didn't.

"If you want to spur building and (draw) more buyers, this is not the way to do it," Carol Merrill, of the Utah Valley Home Builders Association, said. She was especially critical of the increase in a down economy, where builders and home sales have already been hurt.

Several council members apologized for the timing before voting on the increase, which will take effect Nov. 2. The last impact fee increase was in 2007.

Under the new fee schedule, a typical 2,400-square-foot home on a 12,000-square-foot lot would cost \$11,044 in impact fees, up \$1,757 from the \$9,282 it costs now. Larger homes would cost more, while smaller homes, less. The fees are going up to the maximum level allowed by law.

Fees typically include sewer, water, storm drains and pressurized irrigation, which were not part of the most recent increase, and power and parks; however the big increase is in new fees to cover streets and public safety, City Planner Dave Anderson said.

Hikes in sewer, water, storm drains and pressurized irrigation fees are expected to come this fall.

Rick Salisbury expressed disappointment, but said he would just have to pay the higher fees. However, his workers and the folks who buy his homes will be the ones who suffer, he said. Builders typically pass costs on.

Councilman Keir Scoubes cast the lone dissenting vote, saying he objected to using impact fees to pay for projects already completed, such as the new police station.

e-mail: rodger@desnews.com

© 2010 Deseret News Publishing Company | All rights reserved