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St. George council looks at raising impact fees

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ST. GEORGE — If the city of St. George takes its consultant's advice, both residential and commercial impact fees could increase significantly in the near future.

Impact fees are assessed on new construction in the city to help fund costs associated with growth. The city's most recent impact fee study was for the storm drain impact fee in 2001, but some categories have not been studied since 1994.

A recent study showed that approximately \$47 million in capital facilities is needed in St. George by 2011. Of that number, 21 percent is related to growth.

Because the city has grown so much since it last addressed most of the impact fees, the recommendations by the city's consultant, Lewis Young Robertson & Burningham, Inc., showed significant increases.

Jason Burningham presented his firm's recommendations to the City Council on Thursday, but the council did not make a decision on the fees at that time. Among the recommendations were a 57 percent increase in residential impact fees and a 187 percent increase in commercial impact fees, though the commercial recommendations may be lowered because of concerns by the City Council.

During the presentation, Councilman Larry Gardner questioned the recommendation to raise the commercial impact fees so significantly.

"It's pretty easy to price business out of town," he said.

In determining the recommendations, the consultant looked at the projected capital projects in the city and what percentage was growth-related. Burningham said if growth-related projects are not funded by impact fees, then the funding will have to come from somewhere else, which could end up affecting all city residents or businesses, not just new ones.

Among the significant changes in commercial fees was a 1,763 percent increase in transportation impact fees.

Currently, an 8,500-square-foot general commercial property on one acre of land would be assessed \$14,290 in impact fees. Under the initially suggested increase the same building would be assessed \$44,150.

Since the Thursday meeting, however, the city and its consultant have reexamined the transportation impact fees. Larry Bulloch, city public works director, said several corrections and refinements were made to substantially reduce several of the higher fees.

But Bulloch said the challenge remains that there are pressing transportation needs in the near future. The city has identified more than \$20 million worth of projects addressing traffic flow issues that need to be funded within the next three years.

Burningham said it is atypical for a dynamic city like St. George to go as long as it has without looking at impact fee changes. If the city does not study its fees often there is a chance to get behind because of the massive growth, he said.

The recommended increases for residential impact fees were not as high as those for commercial, but still represented a 57 percent increase from what the city is currently assessing. Among significant changes were a 243 percent increase in local wastewater impact fees and a 336 percent increase in police impact fees.

Burningham said his firm's study supports the council adopting any fees up to the maximum supportable fee, based on growth projections and city needs. But if the city does not adopt the maximum supportable increases, it will have to figure out how to fund the projects otherwise.

The council will discuss the proposed increases during a meeting at a later date.
