

New growth may be too high

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Publication Date: [02/01/08](#)

A committee Thursday debated remedies to help revenue-strapped Amarillo pay for growth, including property tax increases.

Members of the city's Development Policy Review Committee also debated which remedies city leaders, developers, builders and homeowners might swallow.

"At some point, I'm afraid, the City Commission's going to have to bite the bullet and move toward incremental (property) tax increases," committee member Matt Griffith said. "If you don't start now, where are we going to be 10 years from now?"

The cost of growth has outstripped the city's ability to pay for millions of dollars in water, sewer, road and other capital improvements needed to serve new development, according to city staff reports.

The City Commission appointed the committee to study and make recommendations about how to raise revenues to fund growth.

Much of Thursday's discussion was aimed at difficult choices, including raising the city's property tax rate, which stands now at 28.371 cents per \$100 of property value.

"I haven't been to a City Commission meeting in years, but it seems they're kind of in love with that rate, and at all costs," member Bill Daniel said. "So we have our hands kind of tied at what kind of recommendation we can take to the City Commission that they're going to want to hear about."

Committee member Steve Bergstrom suggested the city require developers to pay up front for infrastructure installation and wait to be reimbursed as they reach agreed benchmarks of completed houses, a tactic he said he's seen work in other states.

"The only way the city pays for a sewer extension, a water extension, the capacity of the roads, is that the developer is doing it first," he said.

Houses in the subdivision would therefore come onto the tax rolls as the city begins reimbursement, when funds are available, he said.

Committee members also discussed developer impact fees.

Dr. William Carroll said he favors having developers pay fees that cover the

capital improvements for their projects.

"The homeowner is burdened too much as it is," he said, speaking against the idea of raising taxes or water and sewer rates.

"The water fee, that's just the same thing as a tax to me."

But Griffith and builder Ron Connally said impact fees will be passed through to homebuyers.

"The impact fee is also a tax," Griffith said. "A developer can't absorb it, nor can a builder."

Impact fees also could wind up driving more developers, builders and home buyers to projects outside the city limits, Connally said.

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