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## City outlines early plans for dealing with cost of growth

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Development of a housing project goes up on Buckley Air Force Base. (File photo/The Aurora Sentinel)

AURORA | The city may implement impact fees or excise taxes to address what they say is a \$5,100 shortfall between the city's expenses and its net revenue from growth.

During a Management and Finance Committee meeting March 27, city staff and consultants suggested measures to recover capital costs associated with the construction of single-family and multi-family homes. Staff recommended two different solutions for the gap between cost and revenue: a potential impact fee of \$5,100 per housing unit that would place the financial burden on the homebuilder, and an excise tax that would charge new homeowners \$1,000 annually for five years.

The impact fee would garner \$5 million for the city within a year, while an excise tax would bring the same amount after five years.

The suggestion drew dissent from representatives from the development and construction community, who questioned the costs calculated by the city.

"We would be paying for infrastructure with these fees," said Susan Peterson, general manager of Aurora's South Shore development and spokesman for the Developers Advisory Group. "We're not trying to avoid a fee at all, we just want it to be fair."

Staff's recommendations were drawn directly from a development cost study dated March 18 - the latest incarnation of a document that's been a work in progress for more than a year.

Though the cost study involved input from the DAG, they presented differing data from their own study, claiming that the city's cost estimates were too high. Committee members discussed ways to lower the suggested fee of \$5,100.

"I'm trying to get to a solution that you all think is fair," said committee chair and City Councilman Brad Pierce. "I don't think we should make you pay the whole \$5,100."

The DAG also suggested that alternative funding sources, such as a mill levy or a tax on construction materials, in lieu of an impact fee or an excise tax. City staff advocated the use of such cost recovery elements as a complement to the suggested fees and taxes.

Such disagreements between the city and the DAG stemmed any major resolutions during the session, though both parties hinted that a final agreement would be possible at a Management and Finance Committee meeting next month. If the DAG and the city resolved disagreements over specific figures, recommendations could go

before the city council by May.

"I want to keep this process moving forward and not get too bogged down looking at the line-by-line discrepancies," Pierce said. "I want to make sure it's done right."

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