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## Aurora citizens look to triple fees on new home construction

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### *Face the State Staff Report*

The City and County of Denver recently waived fees for some building permits, with citizens clearing the way for over \$6 million in construction spending. Meanwhile, a group of Aurora citizens are working to place an initiative on the November ballot that would triple a recently enacted impact fee assessed on new home construction. The proposal is being made in the name of equity, but developers say the change will result in a downturn in construction spending in an already soft market.

Currently, Aurora assesses a fee of \$1,204, which is designed to offset the cost of a new home to city infrastructure for transportation, parks, general government, police and fire protection. The fee is generally paid by developers, but applies to any "new dwelling" and is a requirement for receiving a building permit. The collected money is accounted for separately from general revenues and must be used to cover capital expenses.

A 2008 city study determined the net financial impact to local government from each new single family home built to be \$5,100. The difference between the collected fee and the total estimated impact is expected to be made up through general tax revenues from the new resident.



The proposed initiative, backed by Citizens for Development Paying Its Fair Share, would raise the fee to \$4,041. In addition to the current fee, the proposed increase includes money for offsite transportation improvements and removes an exemption for use taxes paid during construction. The group is led by Aurora resident **Arnie Schultz**.

"I care about this city," said Schultz. "I'm seeing the changes around here and I don't like them. The developers have sort of talked the city council down from what the true costs are."

Schultz references a [March 2008 study \(PDF\)](#) conducted by a group of developers, citizens and city leaders to determine an appropriate development impact fee. The \$1,204 dollar fee was implemented by city council in January 2009, but city finance director John Gross says it has so far generated little to no revenue for the city.

"There hasn't been a lot of development going on," said Gross, noting there are only a projected 360 new homes expected be built in Aurora during 2009.

Developers and contractors are opposed to the increased fee, claiming it will cause developers to build in other jurisdictions with lower costs.

"People think developers pay the fees, but it's ultimately passed on to the homeowner," said **Bob Moody** of the [Commercial Real Estate Development Association](#). "At some point the cost of a home in Aurora with increased impact fees is going to get so out of hand that people will move to other jurisdictions. The developer is not going to build at a loss. The sooner people recognize that the better off we'll all be."

Councilwoman **Molly Markert**, who supports the initiative, says developers don't have a choice. Aurora has ample land and water supply, making it an ideal place for development. She believes the developers will simply have to pay the new, higher fee if it is passed.

"There's no other municipality in the state that has water and land available," said Markert. "So where else are they going to go? I'm not anti-development, we're not Boulder. But the conversation about growth is long overdue in Aurora."

The group has until August 6 to collect 5,278 signatures to make the deadline for November's ballot. Schultz is submitting over 500 signatures Tuesday for review by the city clerk.

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