

# Builders say home buyers will absorb fees

By Gustavo Reveles Acosta / El Paso Times

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EL PASO -- The \$1,500 the city will charge developers to hook up new houses to water and sewer systems will ultimately be passed on to homebuyers, El Paso builders said Wednesday.

The City Council late Tuesday voted to create fees of between \$1,469 and \$1,617 to help offset the costs of building \$226 million worth of pumps, reservoirs and other equipment to serve new subdivisions on the fringes of El Paso.

"The builder can't absorb that money. It's going to have to go to the consumer," said Ray Aduato, executive vice president of the El Paso Association of Builders. "In the end, it's that person who wants to buy a house that is going to have to spend another \$2,000 to pay for what the city is doing."

Although Aduato and other builders said they opposed any so-called impact fees, they offered a compromise that would force them to pay just half of the maximum amount the state said the city could charge developers.

A split City Council, though, said charging developers 50 percent of the fee did not make sense. In the end, the council approved a fee that is 75 percent of the state maximum.

Mayor John Cook cast the tie-breaking vote to approve the fees. He said he felt comfortable with the compromise the council reached, and he predicted that the burden on homebuyers would be minimal.

"On average we're charging the home builders \$1,500 per home," he said. "If they chose to pass that along to the consumer, that's \$1,500 spread over a 30-year mortgage. That's

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not a lot of money."

Cook also said that the impact fee imposed in El Paso would be comparable to or even lower than the fees in other large Texas cities.

Fort Worth charges the lowest overall fees for water and sewer at \$1,314 a home. San Antonio is at the other extreme, charging between \$3,778 and \$5,342.

Impact fees in Austin range between \$1,100 and \$3,900. They run \$1,493 in Houston.

Dallas is the only large Texas city that does not charge impact fees for new residential and commercial construction.

The idea behind the fee seemed logical to East Side resident Carlos Solis, who is working with a real estate agent to find a home. But Solis said he also was worried about the economic ripples the fees could create.

"I have lived in Central before, and I agree that it's not right for people there to be paying for new development on the far East Side," he said. "But if we charge too much, and then the builders stop building new homes, we are going to run out of places to live."

Impact fees in El Paso will be charged only for new development on the desert areas of the East Side, West Side and Northeast -- places that lack the basic features of water and sewer systems.

Adauto, who said the fees would slow down new-home construction, said the greatest impact would be felt in commercial development.

According to his figures, new commercial buildings require larger water and sewer pipes. That means higher fees.

"We're talking tens of thousands of dollars for each pipe that needs to be installed," Adauto said. "That could be the difference in whether the Walgreens at the corner or the Popeye's Chicken down the street gets built or not."

South-West city Rep. Beto O'Rourke disputed Adauto's claims that impact fees would affect consumers.

He said developers oppose the fees because they finally will pay for services that had been subsidized by taxpayers for decades.

"There are developers on one side and (taxpayers) on the other side. Those number in the hundreds of thousands," O'Rourke said. "I will chose the (taxpayers) over the developers any day."

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