

Builders in Redding balk at preliminary impact fee study

By Jenny Espino

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A consultant's study indicates Redding would have to nearly double its park development impact fees to maintain the level of services the city offers.

The study, barely a draft at this stage, is part of a comprehensive evaluation of whether the city's development impact fees are where they should be.

The potential fee for a single-family unit would become \$7,862.27 and \$6,271.81 for a multifamily unit, a 79.9 percent increase after adjusting for a 21 percent drop in land values in the past five years, according to the report by PMC World of Rancho Cordova.

The current fees are \$3,996.28 and \$3,115.47, respectively.

The report got its first presentation Wednesday at a Community Services Advisory Commission meeting but drew a sharp rebuke from a member of the advisory committee making recommendations to city staff and the consultant.

"I'm not saying you don't need to know what's going on but this is completely premature. It's incomplete. It doesn't say anything about what the advisory group told them," said Mary Machado, Shasta Voices executive director, who countered the local housing industry cannot afford the steep increase. "Go back to the drawing board ... and see what you can do to get things closer to where they are now."

Machado said the city's standards are too high and called to lower them.

She's referring to the city's targeted goal of 10 acres for park development per 1,000 residents. Under the 2004 master plan for

parks, trails and open space, the city has 6.78 acres per 1,000 residents. The acreage would increase to 7.2 acres under the new calculations.

Jeb Allen, a Redding builder, cautioned the commission that if the new fees are implemented Redding's building community would disappear.

"I probably can speak for 80 percent of the residential construction people who are out there right now," he said. "We're all fighting to keep our houses. It's very, very hard to make ends meet in the construction industry."

Kim Niemer, community services director, said the report likely will be brought for the commission's review in January or February. The entire study will be presented to the City Council in late spring or summer.

She said she brought the report to the commission's attention as a heads up that a review of all fees is in process.

Commissioners were taken aback by the increased costs to build parks.

Adam McElvain questioned whether a reduction in land value of 21 percent was accurate.

"Property tax is not a good indicator of land values," he said, adding that he thought the drop was closer to 40 percent to 50 percent.

The report also indicates the cost to develop a 7-acre park would be closer to \$2.2 million.

Currently, the cost to develop an acre is about \$378,000

Commissioner John Wilson quipped, "We all get shocked at the grocery store (by the prices), so why is this any different?"

Commissioner Susan Hinz responded, "A few more zeros."

Impact fees were last updated 12 years ago, though growth has been far below the projections made in 2000.

The city last increased water and sewer rates in 2009, although it also implemented a rate adjustment for solid waste last year.

City officials in June voted to reduce traffic and sewer impact fees on 100 new permits to build new homes, duplexes and multiunit buildings, by half (\$6,250) for the first 50 permits obtained between July 1 and Dec. 31 and by 25 percent (\$3,125) for the first 50 permits taken out between Jan. 1 and June 30, 2013. The partial reductions will cost the city \$470,250 in lost revenue.

It was an expansion of the fee discount program, which builders credit for creating jobs in the community.



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