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## City imposes impact fee hikes, with six-month delay

**By Cindy Barks**

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PRESCOTT - For local contractor Gary Hudder, the "developer vs. citizen" tone of the recent argument on water and sewer impact fee increases has not presented an accurate portrayal of the matter.

"There's a real economic impact for what the developers do," Hudder said this week, noting that developers' payroll and taxes help to fuel other parts of the local economy as well.

"This isn't an issue that (should have) developed into the developers vs. the citizens," Hudder said.

But for local resident Leslie Hoy, the argument comes down to who will be paying for the infrastructure improvements that will be necessary because of growth.

And she worried that a postponement of the proposed impact fee hikes by the city would put more of the burden for growth-related costs on residential water and sewer customers like her.

"We don't have a choice; we're already stuck paying our 20 percent," Hoy said, referring to the city's recent increase in residential water and sewer rates to cover a portion of the necessary water and sewer improvements.

The two divergent views summed up the quandary Prescott City Council members found themselves in as they debated whether to increase the fees that new homebuilders pay, even though the building industry is suffering a major downturn.

Ultimately, council members split on the matter. In a 4-3 vote on Tuesday, they approved the increase, but imposed a six-month delay in implementing it.

Council members Bob Bell, Bob Roecker, Mary Ann Suttles, and Jim Lamerson voted for the motion, while Mayor Jack Wilson and council members Lora Lopas and Robert Luzius leaned toward imposing the fees now, and voted against the motion.

The proposed schedule would have made the fees effective in January, but the schedule that the council approved will defer the start date until July 2009.

At that time, the hike will add about \$2,235 to the water and sewer impact fees for a new home (up from about \$11,841), and thousands more for a new business, depending on the size of its water meter.

In recent months, the impact fee discussion has centered on the local economy, and how the increase might affect the already lagging home-building industry.

But Lopas maintained this week that the city's fee hike would have little effect on the matter, when compared to the larger issue in the lending industry.

"Delaying this impact fee isn't going to change the credit crunch," Lopas said. "That's beyond what we can control. If people can't get a loan, they're not going to build and they're not going to buy. That's the bottom line."

Others maintained, however, that the thousands more in impact fees could affect business decisions - especially for those who are planning commercial projects, where the impact fee increases would be significantly greater than the residential hikes.

That led the council to ask Prescott Economic Development Director Jane Bristol for her views on how the fee increases might affect business development.

While Bristol said any cost increases concern her, she pointed out that a postponement in the impact fee increases could serve to delay necessary water and sewer improvements projects.

Noting that Prescott is running out of commercial space, Bristol said a delay in developing such property with the proper infrastructure "is of equal concern."

Contact the reporter at [cbarks@prescottaz.com](mailto:cbarks@prescottaz.com)

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