

City's Impact Fee Program Should Be Fair to Everyone

By Debbie O'Malley / Albuquerque City Councilor on Mon, Nov 19, 2012

The current impact fee program is one of the critical underpinnings of the city's Planned Growth Strategy that was adopted by the City Council in 2004. At its heart is the city's Impact Fee system, which is designed to ensure that new development/growth pays its fair share of the costs of city infrastructure.

The city's recently hired Impact Fee consultant recalculated the impact fees that would be necessary for the city to maintain its current level of service for roads, parks, public safety and storm drainage. The proposed fees before the City Council this evening sponsored by Councilors Trudy Jones and Brad Winter, and supported by Mayor Richard J. Berry, will collect less than half of the amount necessary just to maintain the city's current levels of service. That's grossly unfair to the city's taxpayers.

The proposed floor substitute will reduce the amount of impact fee revenue available for specific service areas, some of which are in high need of development. Under the current program, impact fees generated by growth in a certain area stay in that area to improve the infrastructure. Under the new proposed plan, the revenue generated in one part of the city could possibly be used in an entirely different part of the city.

Additionally, the phased-in fee structure proposed reduces the impact fee revenue for road projects by more than \$53 million from those proposed by the city's impact fee consultant. That's more than the cost of the Paseo del Norte/I-25 Interchange project. In fact, the proposed fees provide only between 8 percent to 30 percent of the funding anticipated for projects required by new growth.

As one example, the city's capital plan for impact fees has identified \$119 million in road projects needed to accommodate projected growth. Using the consultant's recommended fees, the city would generate approximately \$89 million to help construct those roads. The proposed impact fees are projected to generate only \$36 million. That shifts the burden of paying for growth related infrastructure from developers to the city's tax payers, and that's just not fair!

Instead of totally dismantling a carefully constructed system to pay for future infrastructure, let's implement a program that is fair to the citizens of Albuquerque. Let's adopt an impact fee program that is predictable and that doesn't unfairly place the burden of new growth on the city's taxpayers.