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## News

### **Council to review impact fees' punch Councilman McAtlin considers temporary hold**

**By TONY WAGGONER**

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The Lake Havasu City Council will look at the impact of impact fees in the city Tuesday.

With the implementation of the fees in August 2008, the city expected the fees would help to pay for growth within the community. Several times, Mayor Mark Nexsen has said growth should pay for growth. Tuesday, the council will discuss whether this is happening.

As of Feb. 29, only 80 building permits had been issued in Lake Havasu City since impact fees were put in place. That number consists of 34 single-family residential units, 39 multi-family residential units and 7 commercial units.

Councilman David McAtlin brought the discussion to the council table. McAtlin said he is curious to see what would happen with the city's building industry, especially the commercial aspect, if the fees were to be placed on hold temporarily through the end of the 2009-10 budget cycle.

"Right now I just can't see where we are doing ourselves any good by having them," McAtlin said.

Placing the fees on hold temporarily might allow the city to measure the impact the fees have had for a specific period of time. McAtlin said it could add some incentive to the building industry, especially if a new commercial development is currently on the fence about moving forward. Without collecting impact fees on the building permit, developers could rethink their start dates for construction, which McAtlin says could create some immediate construction jobs.

In the long run, the tax dollars collected on building and commercial sales — if the development were used for commercial purposes — could be of greater benefit to the city financially than the amount collected from the impact fees, McAtlin said.

McAtlin said he would just like to get input from other council members about the issue.

He pointed out construction is one industry that seems to not be showing much improvement in the city. While sales tax revenue is beginning to look a little better, McAtlin said construction is not. He would like to see what additional tax revenue could be collected with placing impact fees on hold for a period of time.

"I believe the rest of the economy is doing better this year than it was last year," he said. "Our sales tax revenue is trailing the numbers from 2003 and 2004 real closely."

McAtlin says he wonders what an increase in construction would do to tax revenues. He noted it could be a missing piece to the puzzle in bringing tax revenues up to the level of previous years.

"A positive impact is what I am looking for," he said.

Also on Tuesday, the City Council could vote to approve an amendment to the city's current contract with Red Oak Consulting that would allow the firm to prepare alternatives to raising water rates.

The amended contract would allow the consulting firm time for additional analysis and study of suggestions made by the council at the March

31 meeting. The firm's original contract with the city was for \$93,775 to conduct a water rate study and analyze water impact fee development.

An extension of the Red Oak contract would cost the city an additional \$13,300, bringing the total amount of the contract to \$107,075.

The contract is for one project manager, task manager and analyst from the firm. Labor expenses look to cost approximately \$12,300 with an additional \$1,000 for anticipated expenses.

At the request of the City Council, Red Oak will investigate increasing Irrigation and Drainage District revenue to its previous levels in a single year, while being phased out over the next three years. They will also be looking into a preferred rate structure for water rates.

The City Council meeting will take place April 14 at 6 p.m., inside the council chambers at the Police Facility. It is open to the public.

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