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Council Freezes City Impact Fees

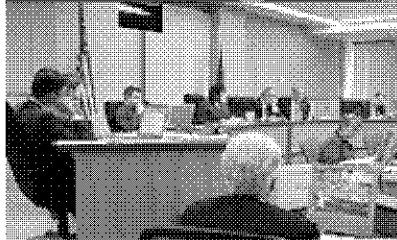
Lincoln

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Freezing temps can be hard on home builders like Jerry Boyce.
But a freeze on Lincoln's impact fee rates could help warm up business.

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"Right now we're at a point where the permits being issued this year are going to be on a par with the low point in the early 80's when we had 16-18 percent interest rates," said Boyce.

It's a low point that led the city council to vote in favor of a rate freeze.
Keeping rates from increasing 2 percent in January.

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Boyce said, "Every little bit helps. When you understand that we're under pressure from so many different sources in the housing sector."

Home builders are charged the one time, upfront impact fee on new construction to help pay for new infrastructure costs.

So naturally, not everyone supports the freeze.

The Lincoln Neighborhood Alliance is one group who opposes it.

"It would result in a two year loss of almost a quarter million dollars in revenue . The money that isn't taken in, isn't going to go toward building streets," said Stewart Long with LNA.

But Boyce and other's who testified to the council say they're concerned about how the impact fee revenue is being spent.

And the city is checking into those concerns. A committee is studying impact fees and exactly how the money is being spent and if there are any possible alternatives to the revenue structure.

In the meantime, Boyce says the freeze will keep more people on the job.

"When all the builders and subs are working on such slim margins and in many cases working basically for nothing just to have some work to do, every little bit makes a difference," said Boyce.

The council split their vote, 4-2 in favor of the freeze for one year. This will allow them time to look over the pending results of the study before making any future decisions on the impact fees.

This is the second year in a row the city council has froze the rate increase.

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