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Desert Hot Springs council adopts new fees at reduced amount

*By Marcel Honore
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The Desert Hot Springs City Council approved Tuesday the west Coachella Valley city's first increase to its developer impact fees in seven years – but not at the levels recommended by a recent city consultant study.

The Development Impact Fee Calculation and Nexus Report, prepared by Revenue & Cost Specialists LLC, had suggested Desert Hot Springs raise its developer fees from about \$4,000 to \$15,500. Cities use these fees to build streets, parks, police and fire stations, and other facilities to accommodate future growth.

However, the city council voted 5-0 to approve a new \$11,085 fee after City Manager Rick Daniels raised concerns that the storm drainage plan used in the Nexus report calculations was insufficient and outdated. Daniels said the city will “go back and capture” the final fee once a new storm drainage study is done.

The move came after local building industry representatives threatened a lawsuit over the proposed \$15,500, saying the study lacked proper traffic and flood analysis. The Building Industry Association said the city should instead adopt a new \$10,400 fee.

Staff “has chosen to ignore” a “lack of detailed data required by law,” Building Industry Association Desert Chapter Fred Bell told the council before the vote. He did not stay for the council's deliberation, but when informed later said “I don't think there's going to be a change in our position.”

Bell said that even without storm drainage increase, the newly adopted developer fee still was flawed since it lacked a sufficient traffic study.

“We're not horse-trading with them on dollars,” Bell said.

Read more in tomorrow's Desert Sun.