



## **Impact fees: Despite vote serious questions remain**

**BY GLEN HAHN**

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Now that an impact fee has been placed upon the development community, the question in my mind is: What next?

Assuming monies start coming in as a result of development, do we have a plan to apply these monies wisely? During the impact fee debate, no one discussed the issue of a process of building new roads, which is why we were told we need impact fees.

Apparently, our previous process was inadequate. Or did we just not have the funds necessary to build the quantity of roads to the quality prescribed by our city's policies, which establish the criteria? I assume someone has done a study to show which roads need improvements, the magnitude of improvements needed, and the priorities for delivery so we can start completing some projects and removing them from the list.

I did hear several times that the private sector can deliver roads of the same quantity and quality cheaper than the public sector. I believe that statement. Has anybody in the city considered a public/private partnership to facilitate this cheaper delivery method? If not, does the city have the capacity to even deliver the roads in the old-fashioned, more expensive way? Has anybody considered re-thinking the design and inspection policies to possibly allow for more cost-effective construction?

'Patchwork' development

I have been amazed that two issues have not been addressed. One issue was the "patchwork" development of large subdivisions on outlying areas within the city being serviced by what had been formally county roads; the other is the poor road construction in at least one large northern subdivision.

Based on my limited knowledge, the developer who proposes to build roads in a subdivision hires registered professional engineers and surveyors to provide detailed design and construction documents, and submits these plans for a technical design review by the appropriate departments. After receiving and negotiating all comments, the final construction documents are completed and submitted for final city approval. Next, it's the developer's responsibility to enter into the required contractual relationship for project construction,

product warranty/maintenance and liability; then a construction review meeting is held and the city inspection team assigns an inspector. This process, including a qualified, bonded contractor, delivers new roads in a subdivision which then – assuming they are accepted by the city – become part of the city’s maintenance program.

What happened to the system that we have in place if we are having failed roads? Does the system need corrections? Or are the departments that provide inspections too understaffed to properly deliver the detailed quality of inspection needed? The current housing growth and impact fees should help alleviate a staffing shortage, but without the permit fees and much needed property tax revenue, can we afford to hire the new inspectors or pay the ones we have now?

### City annexation

In regard to the “patchwork” development process, the development community was always under the impression that monies paid to the city as a part of the CFA (Committee Facilities Agreement) went toward the construction of adequate roads to link the subdivisions. After all, the city annexed areas of the county with a clearly inadequate road system. Through its own process and procedures, the city allowed the development community to build these “patchwork” subdivisions. Nothing in the process required the developer to build adequate interconnecting roads. The city’s method of road construction is the same as the developer’s, except for the bidding and negotiating process and the required Minority and Women Business Enterprise participation, which adds significant cost because of the insufficient number of qualified MWBE contractors available to bid.

It is that same overworked staff that is reviewing and inspecting the development community projects that also is responsible for more complex city projects. It is obvious in the good times we have just experienced that the city was in over its head because of demand. Our current slowdown might allow for some catch-up, but the task is greater than ever. At best, the process appears to be flawed.

It seems that the only way to get our road situation under control is to institute a high-level, public/private partnership to design and build the interconnecting roads. We also must revamp our inspections to assure our citizens that quality roads are being built in new subdivisions. Perhaps private testing engineering firms could be utilized more extensively.

If we are going to collect the fees, we have to have a superior plan to accomplish the goals stated as the reason to collect fees.

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