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Impact fees ensure growth pays for itself

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SPECIAL TO THE ARIZONA DAILY STAR

The Legislature is weighing a moratorium on development impact fees. That's a bad idea. Everywhere I go, elected officials and community leaders tell me the same thing: "Growth must pay for itself." Here's why.

Growth causes a need for streets, sewers, water-treatment plants, parks, libraries, and a raft of other public facilities. Cities and towns have a choice. They can either:

- Forgo building new public infrastructure to keep up with growth and allow service levels to decline, or,
- Expand public facilities to keep up with the growth and by doing so maintain quality service standards.

The elected officials and residents I talk to almost unanimously agree: Build new infrastructure and keep the quality of life.

If the jurisdiction decides to expand infrastructure to meet growth, then they have two additional choices. They can either:

- Charge development fees ensuring each new home and new business pays a one-time fair share of the infrastructure required by that growth, or,
- Subsidize growth by making existing residents pay the cost. Fact: If new development does not pay for growth through impact fees, then the rest of us will pay for growth through our taxes.

Arizona cities and towns have required growth to pay for a percentage of the cost through development impact fees, and that seemed fair to all involved. But, in fact, today's impact fees don't cover the full cost of growth. To sustain a community takes more than utility lines, streets, school buildings and a public buildings. Impact fees do not cover items overlooked in the financial equations, including the cost of congestion, poor air quality, higher crime rates and longer commute times.

It's clear that our towns are already subsidizing the costs of growth. To give developers a pass

on the impact fees now assessed is patently unfair to those who came before and those residents yet to come. The bill for growth during any state-imposed moratorium would either fall to existing local residents or to future generations. Either way, taxpayers lose.

The stated purpose of the moratorium is to "stimulate growth and construction." While a moratorium might reduce the cost of new homes, someone would still have to pay for additional public infrastructure to support those new homes. The state picks up a few extra dollars of revenue from construction taxes, but at what cost to local governments?

I have seen well-planned, well- managed growth actually enhance a community's quality of life, but that can only happen if impact fees are there to pay the developer's fair share of that growth.

Talk to your legislators. Growth should, and must, pay for itself.

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