



# The Daily Courier

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## League fights state use of local impact fees

**By Joanna Dodder Nellans**

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PRESCOTT - Representatives from the League of Arizona Cities and Towns told the [Prescott City Council](#) Tuesday that they are fighting the state Legislature's attempt to use municipal development impact fees to help balance the state budget.

That would violate the Arizona Constitution, said League Legislative Director Jeffrey Kros, since the fees are supposed to go toward new infrastructure for development. The League has an attorney's opinion agreeing with its position and it distributed that to legislators, he added.

"We're opposing this all out," Kros said. "This is our DEFCON 1 issue right now." DEFCON 1 is a military phrase representing defense ready condition 1, or expectation of imminent attack.

Municipalities impose impact fees on new homes to cover the cost of providing infrastructure. Prescott uses a formula and charges about \$12,000 to \$13,000.

Prescott needs its impact fee money for projects such as wastewater treatment plant expansion, Mayor Jack Wilson said, adding that the Arizona Department of Environmental Quality was close to halting new development because of the system's lack of capacity.

"I think it's insane that they would even think to do this," Prescott Council Member Bob Luzius said of the Legislature.

"Insane" is the same word Wilson used in a letter to legislators last week.

The Arizona House Appropriations Committee approved budget bills Tuesday that included the impact fee

### City hall could get new security measures

PRESCOTT - Some [Prescott City Council](#) members on Tuesday lamented the idea of separating the public from city staff with windows and doors.

But others said it's necessary to increase City Hall security.

"We've got a lot of employees fearful of stuff they've seen," and the council needs to rectify that, Mayor Jack Wilson said. Council Member Bob Luzius agreed.

City staff is proposing to spend \$68,000 to add bank teller-style windows on top of public counters at City Hall, as well as a door between the windows for access to council and staff offices.

language in House Bill 2635. It seeks \$210 million in municipal impact fees across the state for the general fund.

The bill summary says the municipalities would be required to send the state impact fee money. But that language was changed to make payments voluntary before the committee even approved the bill on an 8-5 vote, said House Majority Whip Andy Tobin, R-Paulden, who co-sponsored the bill.

"When bills are first drafted, that's a starting point," Tobin said after the meeting in a call to his Phoenix office. "The whole idea here is to have a debate on these things."

The Legislature is asking for help to avoid raising taxes, he added.

The bill summary says each municipal impact fee contribution would be based on how much the municipality receives in revenue sharing money from the state.

In return, the bill would allow municipalities to use impact fee money for operating and maintenance costs instead of limiting the use to new infrastructure.

"The Legislature has been after the city revenue sharing for a long time," Kros said.

League Legislative Associate Cheyenne Walsh showed the Prescott council the League's new PowerPoint presentation it created to respond to a presentation by the Homebuilders Associations of Central Arizona.

Taking development impact fee money would hurt residential growth, the presentation argues.

The Homebuilders group said impact fees have outpaced construction costs by 93 percent since 2002.

That's not an accurate comparison because the construction index doesn't include costs for land and water resources, the League countered.

While the Homebuilders argued that reductions in housing permits hurts the state economy, the League said new homes would only exacerbate the current housing excess supply problem.

The [Prescott Chamber of Commerce](#) has asked Prescott to delay planned water and wastewater impact fee increases scheduled to take effect July 1, and David Maurer, the chamber's CEO, reiterated that request at Tuesday's council meeting.

A delay would send a message that Prescott is interested in creating new jobs and expanding its economy, Maurer said.

The council plans to discuss the request before the fee increase takes effect.

"I really hate to see this happen," Council Member Mary Ann Suttles said. "It's taking more and more away from the [City of Prescott](#)."

Council Member Jim Lamerson agreed.

"It's too bad the world's come to what it has," Lamerson said. "There was a time you didn't have to lock a house in Prescott and now you do."

The council is scheduled to vote on the security improvements at its next meeting May 12. Suttles asked to take the issue off the consent agenda so the council can discuss it more.

Staff provided some written examples of recent incidents that have scared employees. In the past three months, at least 15 upset utility customers have been "openly hostile and used profanity towards our cashiers," the narrative stated.

For example, a woman upset that the city turned off her water said officials don't realize how much power she has.

The woman allegedly told staff that "if she calls Samantha, she could have us all killed," the narrative related.

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