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## New developer fee OK'd amid dispute

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*The Desert Sun*

The Desert Hot Springs City Council on Tuesday approved the first increase to developer impact fees in seven years — but not at the levels recommended by a recent study that local building industry representatives have threatened to challenge in court.

The Development Impact Fee Calculation and Nexus Report, prepared by city consultant 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 instead voted 5-0 to approve an \$11,085 fee after City Manager Rick Daniels raised concerns that the storm drainage and parks studies used for the Nexus report weren't "sophisticated enough" to endure a court challenge by the Building Industry Association.

The association threatened to sue over the proposed \$15,500 fee, saying the study lacked proper traffic and flood analysis.

Daniels said he discussed with City Attorney Ruben Duran and city finance officials Tuesday before the meeting the best fee to recommend, following months of wrangling with BIA officials, led by desert chapter executive director Fred Bell.

Daniels said Bell had not given him time to fully review the fees and Tuesday was the first chance he had. "He got his panties in a bunch," Daniels said of Bell's lawsuit threat, during a break. "If he wants to continue to try to sue a poor minority community," then that's his prerogative, Daniels added.

Bell, however, told the City Council before it voted that staff "has chosen to ignore" a "lack of detailed data required by law." He did not stay for the vote, but when later informed of the reduced fee, Bell said, "I don't think there's going to be a change in our position."

Even without a storm drainage increase and a lesser parks increase, the adopted fee is still flawed because it lacks sufficient traffic study, Bell said. "We're not horse-trading with them on dollars," he added. The BIA has recommended Desert Hot Springs adopt a nearly \$10,400 fee.

"At \$11,000, that's quite a bump," Councilman Al Schmidt said. "It's been admitted that a couple of our studies are a bit weak" and could expose the city to potential litigation. "I don't think anyone wants to go through that."

"It may sound like quite a bump, but it's not enough," Councilman Russell Betts said. "It's a matter of whose wallet we're digging into," he added, referring to existing city residents.

The city could update its park fees in about six months, once city officials finish a "parks master plan," Daniels said. The city also would update the storm drainage fees after Riverside County completes its own flood plain study — a process that could take another two years, Daniels added.