

Phoenix may boost impact fees

Builders on city's fringes could have to pay 400 percent more for roads, utilities, parks

by **Casey Newton** - Nov. 20, 2008 12:00 AM
Arizona Business Gazette

The cost of building a home in undeveloped parts of Phoenix may soon go up, and the cost could be passed along to home buyers.

Phoenix has convened a panel to advise the City Council on a staff proposal to increase impact fees, a series of charges the city makes to home builders for such items as roads, sewer hookups, parks and libraries.

The staff proposal calls for some fees in northeast Phoenix to be raised by nearly 400 percent, a consequence of soaring construction costs and the fact that the fees have not been adjusted in several years.

The city uses the fees to pay for new roads and libraries and to hook up new developments to the city's water and sewer systems.

Only projects in areas that have yet to be developed are charged the fees.

Desert View is the name planners have given to a swath of northeast Phoenix that includes

most of the city northeast of Loop 101 and Interstate 17. The impact fee for streets in Desert View could rise from \$2,176 per dwelling unit, to \$10,818. The per-unit fee for parks would also rise, to \$4,145, from \$2,910.

In past years, developers have pressured the council to delay increases to the fees, saying they would discourage development of new homes. Those delays have led to this year's proposals.

"Had the fees gone up then, we wouldn't be looking at so much of an astronomical increase this year," said Tim Tilton, a principal planner for Phoenix.

Exponential increases in the cost of concrete and asphalt also contributed to the increases, particularly on the streets fee, Tilton said.

Sometimes, developers choose to build items like roads, parks and libraries themselves, hoping they can do it more cheaply than the cities. In those cases, the developers' costs are subtracted from the impact fees.

Phil Richards, a member of the impact-fee advisory committee, said developers have expressed some support for the higher fees.

"There's a spirit of cooperation," Richards

Advertisement

GET A FREE GIFT CARD

TO USE FOR GAS OR GROCERIES!



Get the best available rate on your *Arizona Republic* subscription. Change to EasyPay's monthly payment program. Take control of your bills, save money and get a free \$10 Safeway gift card!

THE ARIZONA REPUBLIC

CALL 888-303-8949 OR VISIT EPG.AZCENTRAL.COM TO SIGN UP!



EASYPAY
 Easy to do. Easy to save.
 Change the way you pay.

PRINT CODE EPG

Print Powered By 

said.

Councilman Greg Stanton said increasing the fees is essential to ensure that Phoenix recoups its costs on capital projects on the outskirts of town.

"Central Phoenix residents shouldn't subsidize development on the outside of town," he said. "It's critical that growth pay for itself."

The committee's recommendations are due to the council Nov. 28. The council is expected to act early next year.

Advertisement

Find a dealer in your area
with our dealer locator.



Confidence Comes Standard.™

©2008 Classified Ventures, LLC. All rights reserved.

Print Powered By FormatDynamics™