

## FEES

## REGION: Supervisors eye dramatic cuts to developer fees



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The San Diego County Board of Supervisors on Wednesday is poised to dramatically reduce a set of developer fees that some say have strangled commercial development in the backcountry.

The board [approved the costly transportation impact fees](#) in April 2005 to ensure the county had enough money to build roads and infrastructure to support new development.

But since then, the fees, combined with the economic recession, have stymied growth and been a source of strong criticism, developers and town planning leaders from Fallbrook to Valley Center said last week.

County officials now say less money is needed to support new growth because the county's [newly approved General Plan](#) favors

compact, town-center development in rural communities. And it severely limits growth in areas without adequate road, water and sewer service.

Supervisors on Wednesday will consider slashing by 79 percent the transportation fee for commercial projects, from \$12.31 per square foot to \$2.52 per square foot. The fee for industrial projects would drop 76 percent, from \$4.55 per square foot to \$1.12 per square foot.

And the fee per residential unit would be cut nearly in half, or 46 percent, from \$6,725 to \$3,617.

"It's an extremely helpful change," said Herb Schaffer, a Los Angeles-based developer who hopes to build a [residential and commercial town village](#) in Valley Center, northeast of Escondido. "When the (transportation impact fee) came in five years ago, from that point on, it put a literal halt on commercial development in the (unincorporated) county. That coupled with the recession."

"It was a very smart thing for the Board of Supervisors to do," Schaefer added of the proposals.

Randy Goodson, developer of the [proposed Lilac Hills Ranch](#) in Valley Center, called the existing transportation fee "beyond punitive."

"It's one of the reasons I haven't done any commercial in a long time," said Goodson, adding that the county fee was not only costly, but also left developers in the dark about which transportation improvements they would be charged for.

If approved by the board on Wednesday, and during a second reading on Oct. 31, the new rates would go into effect on Jan. 2.

Some outside the development world also support the fee reduction.

Jack Wood, chairman of the Fallbrook Community Planning Group's Land Use Committee, said the fee for commercial developers was "totally exorbitant" and stopped many small businesses from opening in his community.

Wood added that reducing the developer fees would not strip maintenance funds for county roads. The developer fees pay for roads, ramps and signals necessary to accommodate traffic from the new subdivisions or shopping malls. They don't pay for road repairs, Wood said.

The fee reduction proposals did not arrive overnight.

County officials have held more than 50 meetings with industry and community representatives, according to a county staff report. Stakeholders included the Building Industry Association of San Diego County; members of the county's community planning and sponsor groups; the California Department of Transportation; the San Diego Association of Governments; traffic consultants, engineers and private developers, according to county spokesman Michael Drake.

Developers such as Schaefer, who said he was not involved in the county meetings, could receive an additional benefit for building within what the county has designated as the backcountry's "village" or "village core" areas.

Those projects will be eligible for an additional 10 percent or 20 percent transportation fee reduction, according to the report.

Schaefer, whose Valley Center village project must also secure a public sewer connection before it can be built, said he does not expect commercial projects will immediately "spring to life" in the backcountry should the fees be slashed Wednesday.

But, he said, it "makes all developers more positive in how they take steps forward."

More information about the county's proposed transportation fee changes is at [www.sdcounty.ca.gov/dpw/land/tifupdate2012.html](http://www.sdcounty.ca.gov/dpw/land/tifupdate2012.html) .

## Meeting info

Wednesday's Board of Supervisors meeting is set for 9 a.m. at the County Administration Center, 1600 Pacific Highway, San Diego. The fee reduction proposal is the first item on the board's agenda.