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Road fees vanish after Greystone

by **Joe Blumberg**
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The city of St. Joseph leaped on board a new policy of making new developments pay a small share of road costs, but it appears that train has lost steam.

The Greystone housing development along Cook Road will pay \$500 per house for “transportation impact fees,” but none of the housing developments that popped up in recent months would pay the fees. Technically, the city only created one transportation fee “district” in northeast St. Joseph, so it can’t charge fees to other developments.

But philosophically, the city seems unwilling to apply the fees throughout the city for fear of making a new industrial or commercial development pay hundreds of thousands of dollars to help build roads.

“It’s pretty easy to agree when you’re applying that fee to a single family residence,” said Ted Allison, president of the St. Joseph Area Chamber of Commerce. “But where it gets deep pretty quickly is where we apply that to commercial.”

A manufacturing or warehousing building would pay \$500 per 1,000 square feet, according to the fees in the city’s existing district (bounded by Interstate 29, Gene Field Road, the Andrew County line and Riverside Road). Mr. Allison said St. Joseph can’t compete for new industries when the fee would wipe out some or all of any incentive package.

Also, Mr. Allison notes that major road upgrades cost millions, not hundreds of thousands of dollars. He continues advocating for a broader solution to substandard woes, perhaps a property tax-general obligation bond program.

Resident Sarah Hochshwender said it makes sense for developers to pay even the relatively small impact fee.

“I hope that it extends throughout the city,” she said. “It’s a fair tax that only applies to people who are going to make a (big) load of money.”

Councilman Bill Falkner said the city staff originally wanted to charge Greystone a simple fee to help widen Cook Road. However, the city hired a consultant who said other communities have created “districts” to avoid lawsuits alleging selective fees.

Mr. Falkner said he thought the city would create a new “district” around any new residential development. But since creating the northeast district in March, the city didn’t create districts around a 400-unit apartment complex and at least two smaller subdivisions that have moved through City Hall.

“I think those impact fees are a definite thing, we just have to catch those developments before they’re platted,” Mr. Falkner said.

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