



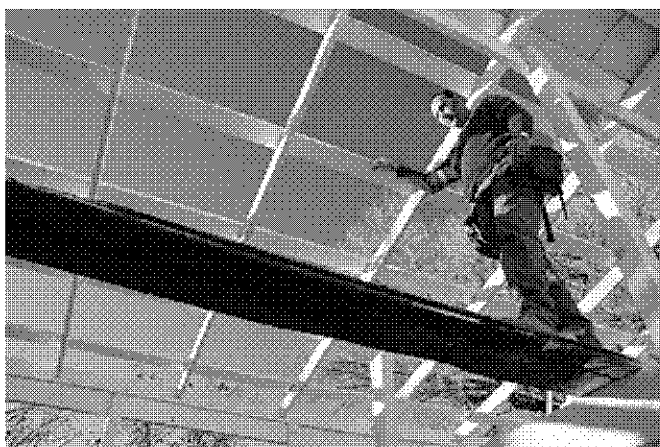
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## Slow economy may have impact on impact fees

**By Steve Ayers**

Staff Reporter

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VVN/Jon Pelletier Construction sites such as the one Danny Bassett worked on have grown uncommon around the county.

It was just a couple of years ago that impact fees were all the rage.

With record numbers of homes being built, local governments began to feel a strain on services and infrastructure. They realized that if they did not find a way to force growth to pay for itself, they would be overwhelmed.

Impact fees were considered to be the simplest, most effective and least discriminatory option.

But then came the recession.

Clarkdale's impact fee went into effect in November 2007. Their consultants predicted they would receive \$243,000 in the first year. Five months later they had yet to receive any revenue. No new houses have been built this year.

Camp Verde's consultant predicted the Town would receive \$3.8 million in the first five years. Two years into the experiment, the Town has received less than \$170,000.

Not only has the economic slowdown put a crimp on impact fee revenues, but it is also generating interest in having the fees suspended, temporarily or otherwise.

The Home Builders Association of Central Arizona has never taken a stance against the fees in principle, said Sheldon Kamps, vice president of legislative affairs, but suspending them at the present time makes sense to his organization.

"Suspending the fees sounds like a very, very reasonable position to take, right now in these economic times," Kamps said. "Reducing fees to stimulate economic activity and create jobs, is always a good thing."

To date, opponents of the fees have lost more arguments on the issue than they have won. But most of those arguments took place when things were booming. Times have changed, and now some attitudes toward the fees have changed also.

One of those is Yavapai County Supervisor Tom Thurman. On Monday, the former builder plans to discuss the idea of suspending the county's \$3,500 per home road impact fee. What sort of reception it will receive is anyone's guess.

Not only will he have to overcome the belief that growth needs to pay for itself, he may also have to overcome

some legal hurdles.

According to Phoenix attorney Andrew McGuire, who has worked with the League of Arizona Cities and Towns, freezing fees may be feasible but suspending them poses a problem.

"The statute says the fees have to be assessed in a non-discriminatory manor. I am afraid if they were suspended, you would be in danger of being discriminatory," McGuire said.

McGuire said he would be concerned that since some people have paid for their impact to a community and those who might come later do not, it would be grounds for a challenge.

He said he knows of no instances where fees, once instituted, have been rescinded.

According to Kamps, the cities of Tucson and Yuma are currently discussing the idea of suspending their impact fees.

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