

Planning committee votes against impact fee bill

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HILO -- A proposed impact fee bill was knocked down in a 5-3 negative vote by the Hawaii County Council's Planning Committee at the conclusion of a 13 1/2-hour marathon meeting Tuesday.

The proposed impact fee bill -- which will head to the full council with a negative recommendation -- would replace the county's fair share cost system if adopted. Council Chairman Pete Hoffmann, Kohala, said the fair share system doesn't net enough money to pay for the impacts caused by development.

The impact fee would require all new buildings, ranging from homes to churches, to pay a certain amount of money based on the size of the development. The money collected -- it's estimated the county would collect about \$11 million annually from impact fees -- would be used toward new roads, fire and police stations, parks and solid waste systems.

Bill proponent Hoffmann introduced an amendment to it that was approved in a 5-4 vote. He then requested to postpone the bill to give his colleagues and the public time to digest the amendment, but the request was voted down.

Planning Director Chris Yuen told the council that under the fair share system, somebody building a single-family home wouldn't have to pay a fee. Under the proposed impact fee bill, the same person would have to pay a fee, he said.

The maximum amount the builder of a single-family home would pay, according to the bill, would exceed \$6,000.

Hoffmann argued that

the committee, during the same meeting, approved a bill that will require a family to pay more than \$11,000 in fair share cost fees to build a new home as part of a rezoning.

Puna resident Paul Bailey said he's against the impact fee bill, but if the council does approve it he wants to make sure the money generated in his district is spent on infrastructure in Puna.

"If not, please don't charge us impact fees," he said. "Now is not a good time to add fees to our lives. ... Please do not kill the last affordable place for young and poor people (to build a new home)."

Ocean View resident Maria Schenkeir presented a petition signed by 326 residents opposed to the bill.

Waimea resident Bob Hunter said not having impact fees will continue to be a drain on county infrastructure.

He said money for roads is being paid with property tax revenues when it should be paid for with impact fees.

"What it is, is corporate welfare," Hunter said.

Hoffmann insisted the impact fee system would not adversely affect the general public, only new developments.

He said the infrastructure in the county is "substandard" and that many mainland communities have used such a system successfully for years.

"It's not an aggressive tax," Hoffmann said. "It's an investment. ... Our current system is bankrupt."

Hamakua Councilman Dominic Yagong fought back tears as he offered reasons why now is not the right time for such legislation.

He said, among other things, the unemployment rate is growing and "what we need to do is not add cost."

Only Hoffmann, Ka'u Councilman Bob Jacobson and South Kona Councilwoman Brenda Ford voted in favor of the bill. Puna Councilwoman Emily Naeole was absent for the vote.

The committee also voted 9-0 in favor of the South Kohala Community Development Plan.

So far the council has approved CDPs for Puna and Kona and is poised to approve a CDP for North Kohala.

In another matter, the council's Finance Committee voted unanimously in favor of a bill to phase out the nonspeculative residential use program. The program was designed to protect homeowners from excessive property tax increases if they agree not to sell their homes during dedicated time periods of either five years or 10 years.

Hilo Councilman J Yoshimoto submitted the bill, however, because he believes the program is no longer necessary because of the 3 percent cap on assessed valuation now available for those in the homeowner's class.