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**Builders
Association
of Greater
Indianapolis**



Where the Quality Standards are Set.

May 7, 2012

Dear Mayor, Council Members and Plan Commission Members,

On behalf of the Builders Association of Greater Indianapolis, please accept this letter as you consider the proposed increase in the City's road impact fee. As the professional trade association representing the residential construction industry, we are in support of impact fees for infrastructure to support new development and economic growth.

However, the process and planning to develop impact fees must take into account various technical and practical considerations. Our review of the plan indicated the following items warrant your further consideration and discussion:

First, the proposed increase more than doubles the existing road impact fee for single family homes from \$1800 to \$3,837. Such a dramatic fee increase will choke any positive steps the industry and market are making towards a solid recovery. Such an increase will dramatically and negatively impact homebuyers. Now simply is not the time to add such a significant burden.

Second, it is not clear why the fee for new homes would go up so dramatically when the projections for new home growth have slowed so dramatically since the last Zone Improvement Plan. As a result, the increase cannot be justified based upon an increase in the pace of new home construction. If anything, common sense instructs that the impact of new homes would be reduced when the pace of new home construction has slowed.

Third, it appears that the increased fee may be driven by improvements needed to be made as a result of the US 31 improvements and not necessarily due to increased impacts by new developments on the roadways. To that extent, it does not seem that those US 31-related improvements should be attributable to new development.

As you know, the cost of planned road projects/improvements not only adds burden to the cost of new housing construction but the level of service in the plan requires the City to identify taxes or bonds to pay the existing population's share of the improvements. Thus, the higher the fee, the greater funding the existing population must also bear, too. The improvement plan does not adequately address this item.

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We appreciate your consideration of our comments and look forward to an opportunity to work together in creating an impact fee that meets the needs of all segments of the community. The common goal to ensure that positive economic growth continues in the City of Westfield is in everyone's best interest.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Lains". The signature is stylized with a large initial "S" and a long horizontal stroke at the end.

Steve Lains
Chief Executive Officer

Jennifer Miller

Subject: FW: Follow-up

From: Steve Lains <SteveL@bagi.com>

Date: May 11, 2012 1:07:35 PM EDT

To: Matt Skelton <mskelton@westfield.in.gov>, <jmiller@westfield.in.gov>

Cc: David Compton <David.Compton@PulteGroup.com>, Steve Lains <SteveL@bagi.com>, <Steve.Hardin@bakerd.com>

Subject: Follow-up

Thank you for taking the time and meeting Dave and I for lunch yesterday. We both appreciate your willingness to discuss and find solutions to help continue the positive economic growth that Westfield is experiencing.

To recap our issues re: the road impact study we discussed yesterday beyond those already presented in our previous letter to the APC:

- 1) The impact of the US 31 improvements on the existing resident's travel patterns and how that shifting of existing traffic onto different roads was accounted for in the model is still not clear to us. We simply want to make sure that the increased traffic in the 2021 projections account for that shift and does not add the entire burden of those street improvements onto new development. A percentage of approximately 25% of future roadway projects being the result of existing resident's needs seems on the low side when one does just a quick, non-technical review of the info and unique situation with US 31.
- 2) Are the planned roadway improvements feasible within the 10 year timeframe indicated? If so, how will those projects that are the responsibility of the existing residents going to be funded? That is an important piece of the study. My interpretation of the enabling statute (IC 36-7-4-1321(d) (1)) prescribes that the fee calculation has to include a deduction for the new residents tax payments towards that portion of those projected projects costs. Again, I am not an attorney but simply providing you my lay person's interpretation of the statute that was intended to keep the new resident from being "double dipped". I can forward you a copy of the study recently completed in Zionsville for parks and their handling of this issue if you would like to see that example.

It is clear that we all want to get to a point in which the new fee is reasonable to allow for the continued growth of Westfield and its infrastructure. As discussed, we will continue to be engaged as a part of the solution to that end and would be happy to attend the meeting with the consultant to further discuss these items. If you agree to that, please let me know the date and time of that meeting and I will make sure we have a representative there.

Thank you and under separate email I will send you an outlook invite for a couple of regularly scheduled meetings to keep the lines of communication open as we discussed. Also, I'll send you a link to BAGI membership info per your request.

Have a great weekend and do not hesitate to contact me directly re: this or any other issues.

Steve Lains
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