

# Citizens

## FOR COLLEGE STATION

City Hall would like you to think that Maximum Impact Fees are only levied against developers - a cost of doing business developers (alone) absorb. The fees represent a small percentage carved from their substantial (fat cat) profits. It isn't true. Impact Fees simply pass through to the businesses looking to build retail or office space, to homeowners who see their property values soar, and to the leaseholders that face higher rates per square foot. All developers currently pay Impact Fees, but the higher they go - the more gets passed along to the citizens of College Station.



### **DOUBLE DIPPING: PROPERTY TAX EXAMPLE**

Naturally, home appraisals are based on comparable property sales in an area. When Maximum Impact Fees are passed through to homeowners, it is reasonable to expect a 15-16K addition to a new home that closes for the first time. That means all the adjacent properties see their values climb over the next few years. So let's examine the tax rate and resulting home valuations to see what happens - the difference between A&B.

Just for fun, we include a scenario that shows a 4 cent rate increase because the City Manager Bryan Woods indicated at one point that might be an alternative to charging the Maximum Impact Fee. In Scenario C - the 4 cent tax rate increase would only increase the homeowner's tax by half the Max Impact Fee.

*Let's compare the increase in cost to ALL citizens from both scenarios:*

### **BASELINE:**

Today a \$400,000 home at current tax rate of 2.258618% would cost the owner \$9034.47 (our "baseline").

### **SCENARIO A -**

MAX Impact Fee imposed will increase sale prices on new homes which will spread to all home sales, which will then increase the sales comps used by the county to determine taxable value. So everyone's taxable value goes up by \$15,000.

\$415,000K (NEW figure for the same home) at today's current tax rate of 2.258618% tax would now cost the owner \$9373.26 or +\$338.79 each year.

### **SCENARIO B -**

Simple tax rate increase with 0 Impact Fees

\$400,000 home at a very slight 2.298618% increased tax rate would cost the owner \$9194.47 - an increase of \$160.00 each year

**\*\* The takeaway: implementing Maximum Impact Fees will actually cost the taxpayer 112% more than raising the tax rate by 4 cents - and don't forget that gets factored into your 30-year mortgage! There are ways around this Maximum Impact Fee that don't pinch the citizens of College Station nearly so hard, and that is worth discussing with your city council. Plus, don't forget, you also paid \$15,000 more for your home on top of the effective tax increase! The double-dipping needs to stop.**

## OH! BY THE WAY

Impact Fees are the most **REGRESSIVE TAX** known to our American political system. Taxing the middle class at the same fee rate hurts middle-class homeowners more. \$15,000 added to a \$300,000 home is a 5% increase, whereas that same \$15,000 added to a \$1,000,000 home is only a 1.5% increase. It is a disproportional tax burden to middle-class homeowners and penalizes our citizens.



*REMEMBER - The citizens are already paying for this anyway.  
The City is double-dipping and then they keep dipping.*

### **DIP ONE:**

All the citizens pay property taxes and sales tax to the city, and you've probably noticed that we have a beautiful city with many new city buildings. Our property taxes are sufficient to keep us thriving. (Even if you rent, you pay property taxes because it is factored into your rent-- and your rent will go up from Impact Fees.)

### **DIP TWO:**

Calculating the Max Impact Fee includes over \$30,000,000 in projects the citizens are already paying for in the current tax rate. The law allows them to include "old debt" that is still being paid out of the current tax rate. So, unless they lower the tax rate, then we are paying for it twice.

### **DIP THREE:**

Calculating the Max Impact Fee includes a massive amount of infrastructure the city knows it will never build. Up to 60% of the infrastructure included in their cost estimate will be built and paid for by the developer. This is simply factored into the price of the lot or home - the city NEVER pays for it, so they are making the citizens pay for it a third time.

### **DIP FOUR:**

When calculating the Max Impact Fees, a hyper-inflated amount of potential infrastructure is used for the costs and a grossly understated amount of growth is used to divide it by. This creates the impression of greatly over-stated needs. The result? A government surplus that can be used for whatever they desire. And the citizens are paying for it a fourth time.

### **DIP FIVE:**

Finally, new Impact Fees make prices go up significantly AND everyone's taxable values increases, therefore the city gets more revenue AGAIN! The citizens pay for it a fifth time!

Our City Hall is about to make a big mess. The City Council needs to be notified of this going on and make moves to stop it. It's up to us, the Citizen of College Station, to make sure they get the message loud and clear: 'stop double-dipping me!'

Let your City Council members know:

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**Sample Script for phone or email:**

*Good afternoon City Council Member - I am a citizen of College Station and I care about growth, small businesses, and keeping College Station affordable for all of us. Would you please commit to stopping the Impact Fees? Stop double-dipping me!*  
*Sincerely -*