



Greater Flagstaff
Chamber of Commerce

April 1, 2014

Mayor Jerry Nabours &
Flagstaff City Council
211 W. Aspen Avenue
Flagstaff, AZ 86001

Dear Mayor Nabours and Members of the City Council:

Thank you for the opportunity to present this letter to you expressing the views of the Greater Flagstaff Chamber of Commerce on the proposed changes to the city's Development Fees (a.k.a. Impact Fees). In 2008, when the city council first adopted the use of Development Fees, the Greater Flagstaff Chamber offered its input requesting that these fees not be adopted. Six years later, our position has not changed.

In 2008, we were only just beginning to see the effects of the global economic downturn when these fees were first considered. Now we are in a recovery, albeit a fragile recovery and there are many factors that continue to contribute to Flagstaff's delicate revitalization. The chief among these factors is our cost of housing, which in 2013 was 52% above the national average, as reported in the Cost of Living Index, prepared by the Council for Community and Economic Research.

Increasing the fees on residential and commercial buildings could have a ripple effect on our city's future economic growth. When so much of our community is invested in attracting and retaining business to our region, it would be a significant disincentive to tell a prospective company that they will have to pay more taxes on their new building and that their employees will have an increased cost in housing. The latter message would be especially stinging on retaining our city's talent when Flagstaff already suffers from a shortage of housing.

Understanding the need to support public safety with existing fees we respectfully ask that no additional impact fee be imposed at this time due to the uncertain nature of our existing potential for sustainable economic prosperity.

Thank you for your consideration.

Sincerely,

Julie M. Pastrick

Julie M. Pastrick
President/CEO
Greater Flagstaff Chamber of Commerce