

Million Dollar Impact Fee Settlement Obtained Against Lehi City

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Lehi City and the developers of several large subdivision located in the city settled a multi-million dollar lawsuit filed on their behalf of the developers. The suit claimed the city charged excessive and improper impact fees for municipal services. The settlement requires the City to reimburse certain impact fees and give credits against future impact fees. The settlement also requires a modification of certain impact fees charged by the city to ensure conformance with legal requirements governing impact fees. The total settlement benefits are estimated to be well in excess of \$1,000,000.00.

“Our clients, several of the largest developers of subdivisions in Lehi City, are pleased with the settlement,” said Kevin Anderson, one of the attorneys representing the developers in the lawsuit, and President of Anderson Call & Wilkinson. “The settlement, with a monetary value to our clients in excess of one million dollars is a vindication of their position and a reminder to municipalities that impact fees must be properly established and administered or they violate the law and may constitute an unconstitutional exaction.” Mr. Anderson and his partner, Craig Call, represented Ivory Homes, Ivory Development, McArthur Homes, Castle Creek Homes, Salisbury Development, the Utah Valley Home Builders Association, and several other large developers, in the settlement negotiations with Lehi City.

Impact fees are fees charged by cities for new development to cover the impacts to the city caused by the development. However, impact fees must be roughly equivalent to the actual burdens caused by the new development. Moreover, the statutory process for determining and assessing impact fees must be carefully followed. Otherwise the impact fees may be improper, illegal and unconstitutional.

Anderson Call & Wilkinson is a leading law firm in the area of real estate development, land use zoning, and takings law in the Western United States. It also practices eminent domain, condemnation law, real estate litigation, corporate, business and securities transactions and litigation, and intellectual property and employment litigation.

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