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Editorial: Paying for growth

Impact fees ensure that developers and their customers pay for capital improvements necessitated by new homes and businesses.

Legislation sponsored by Sen. John Watkins, R-Chesterfield, that would allow localities to replace voluntary "proffers" with mandatory impact fees is a good starting point.

Local officials are suspicious of the bill because it is supported by homebuilders -- and it would cap impact fees at $8,000 per house in Northern Virginia and $5,000 in the rest of the state.

The bill needs to be tweaked, but it is long past time for the General Assembly to grant localities the ability to make developers pay for the extra cost their projects will place on local infrastructure such as roads, schools, sewer systems and green spaces.

The current system, in which developers offer up voluntary proffers to help pave the way for zoning changes, doesn't work.

For one thing, the fees can be levied only when zoning is an issue. But new development brings new capital costs no matter what the original zoning of the land it is built on.

Because the fees are limited to land that requires rezoning, they have become unreasonably high. In Northern Virginia, proffers reach $50,000 per home. Spreading the reach of impact fees should bring that cost down, though perhaps not as low as the caps supported by developers.

The General Assembly should study how states that have been wrestling with growth longer than Virginia -- Florida and Oregon both come to mind -- handle impact fees.

In those states, some combination of new roads, schools, sewer extensions, parks, etc., are paid for at least partially by one-time impact fees on new construction.

Impact fees spread the cost fairly and equitably, and existing taxpayers don't get stuck with the tab for capital improvements made necessary by newcomers.

Watkins' bill, aside from its questionable cap, is also too limited. Only "high-growth" localities -- those of 20,000 or more population that experience 5 percent growth between 10-year censuses -- can enact impact fee ordinances under the bill.

But growth exacts a measurable toll even when it is less than 5 percent every 10 years.

All localities should have the authority to enact impact fee ordinances. Those struggling to achieve growth would not be likely to enact such ordinances anyway.

Impact fees can be an invaluable growth-management tool that Virginia's cities and counties should have at their disposal.

The General Assembly should study the issue closely, and use Watkins' bill as a starting point for comprehensive impact fee legislation.

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