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Burgaw officials consider outcome of lifting of impact fee

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Lifting impact fees for a year may help one proposed housing project in Burgaw, but town commissioners are considering whether such a moratorium is best for the town.

Former county Commissioner Norwood Blanchard requested that the town waive impact fees for new developments of at least \$1 million. Blanchard is working on an estimated \$1.5 million project that he says will create 24 to 28 affordable apartments for Burgaw residents who are at least 60 years old or disabled.

He said suspending the fees for a period of time would help his project. "We need every break we can (get). This isn't a get-rich thing by any means for the developer," he said.

Blanchard said he wants the board to think about waiving impact fees not just for his project but anytime there's a \$1 million development opportunity for the town.

"I can tell you as a former commissioner when somebody talks to the county about a \$1 million or \$2 million investment, we sort of did everything we legally could to try to get them on the tax roll," Blanchard said.

Commissioner John Wharton said he had concerns about setting the benchmark at \$1 million dollars. "I believe if you're going to do for one, you gotta do for all," he said, adding that it would be unfair to exclude people who want to build smaller developments. Wharton also said he doesn't want people to think the town is showing preference to Blanchard because he's a former county commissioner.

Impact fees, one-time charges applied to offset costs of additional public services needed to accommodate the new development, are paid up front before a building permit is issued. The costs sometimes deter potential developers.

"There have been concerns brought to us about impact fees, especially with the economic downturn," said Chad McEwen, Burgaw's planning administrator. "These types of costs when factored into the development costs can make a difference in whether or not the project will be developed."

"Some comments we have received are about restaurant impact fees, which are based on the number of seats in the restaurant," McEwen said. "Depending on how much seating, it can cost thousands and thousands of dollars. There have been people who have wanted to start businesses but simply couldn't afford to pay those fees."

But Interim Town Manager Martin Beach said the revenue from the fees has helped the town financially.

"Impact fees were put in place so that the town could expand its water and sewer system without the town having to go and borrow a bunch of money," Beach said.

Beach said the last time the town had a moratorium on impact fees, it lasted six months and cost the town \$250,000.

As for Blanchard's project, Beach said about \$60,000 or more in impact fees could be lost if a moratorium were established.

According to McEwen, the town charges a \$5,400 impact fee per single-family dwelling or equivalent residential unit.

Mayor Kenneth Cowan said before the board makes a decision about Blanchard's proposal, the commissioners will get more information from the water and sewer committee about the financial impact. The issue probably will be discussed again in January.

Blanchard said he hopes his affordable housing project will be funded by March or April.

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