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Developers balk at impact fees
Economic woes no longer a barrier

BY ANDREW KENNEY, Staff Writer

CARY - Developers are concerned about a new proposal that would require apartment builders save room for parks and open space or pay a fee to the town.

At a meeting in Cary last week, representatives of the apartment industry cautioned that new fees could sink apartment projects with the economy still weak.

"How competitive do we want Cary?" asked Jeff Glenn, a land broker for apartment builders. "This is a way of saying we don't necessarily want luxury apartments in Cary - let them go to Raleigh."

Town leaders now acknowledge they share the same concerns.

The town won state authority to implement the rule in July 2007. But Town Manager Ben Shivar said an open space fee for apartments didn't get serious discussion because the economy tanked and apartment growth came to a standstill.

"We didn't feel like initially, when that happened, that we should move forward," said Town Manager Ben Shivar, who was assistant manager at the time.

In subsequent years, as the downturn continued, the same concerns remained, he said.

Asked what changed, Shivar said he no longer believes that the town can outwait the economy. "It didn't appear that things were going to get a whole lot better any time soon," he said.

The discussion comes in a year when developers have shown increasing interest in building affordable apartments in Cary - a move that has generated considerable controversy as residents in more established neighborhoods fight high-density developments that could clog area roadways and resources.

"I think it resurfaced because of all this angst about putting in additional apartment units," said Councilwoman Julie Robison.

In 2009, the town approved only 21 new apartment units, compared to 700

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the year before. The number is rising again with 184 approved in 2010 and hundreds more now up for consideration.

Some council members accept that an impact fee on apartments could hurt development.

"Nobody's building a lot right now, but they will when the economy improves," said Councilwoman Gale Adcock. "Will it slow growth down? Maybe. If we don't set aside this open space, and we continue to build more dense housing, that's something that we can never change."

Neighbors Apex, Holly Springs, Chapel Hill and Raleigh require that park land or fees accompany multi-family and single-family projects.

Cary has released few specifics about the open space requirement. But the council unanimously supports the concept, saying it mirrors policies that have long existed for single-family houses.

Developers already are pushing to minimize the costs they'll pay.

At the meeting, Roger Waldon, the town's consultant, suggested that the town could "justifiably" tell developers to set aside or pay for the equivalent of 1/45 of an acre per new apartment unit, about 13 percent more than a similar Apex requirement.

An apartment developer and a complex manager called the early number "astronomical" and "staggering."

The council said it would weigh developers' input at a meeting Sept. 13.

Developers "have an opportunity to tell us what they think they can absorb," said Councilwoman Jennifer Robinson. "We're looking to set a fee that is reasonable for the apartments. It's not intended to be a deterrent in any way."

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