

From the Baltimore Business Journal:

<http://www.bizjournals.com/baltimore/news/2011/01/04/development-fees-rise-in-arundel-for.html>

Development fees rise in Arundel for 2011

Baltimore Business Journal - by Daniel J. Sernovitz , Staff

Date: Tuesday, January 4, 2011, 11:14am EST

The cost of building went up significantly in Anne Arundel County with the new year, as a new set of fees charged to developers goes into effect after two years in the works.

Jan. 1 marked the third step in an overhaul of the county's impact fee program, put into place back in November 2008. A developer seeking to build a 200,000-square-foot building in the county, for example, will now pay \$1,039,400 in impact fees, up about 274 percent from 2008. The fees are structured based on the size and type of building being constructed, as homes are charged a different rate than office buildings or warehouses. A developer looking to build a 3,000-square-foot home in the county now has to pay \$12,164 in impact fees, up from \$2,272 back in 2009.

Robert Hannon, CEO of the Anne Arundel Economic Development Corp., said the pace of development in the county is already down significantly because of the economy, and many developers are still struggling to find financing for their projects. The added fees could make it tougher for those developers to launch their projects, but he does not think the increased costs on their own will cause projects to stall that were otherwise slated to start construction.

"The projects we expect to move forward, they certainly have to do that in light of the additional costs," Hannon said. "We're kind of monitoring the situation."

Anne Arundel County Council [approved the new fees as a way to pay for added infrastructure needs](#) from a wave of new construction tied to growth at Fort George G. Meade.

The National Security Agency is ramping up its operations there as it prepares to take a larger role in the nation's cyber security efforts, and several other agencies are being relocated to Fort Meade as part of the Pentagon's Base Realignment and Closure plan.

The county has been preparing for BRAC since it was announced in 2005, and there [has already been a significant amount of new construction at and around Fort Meade](#). The bulk of the military jobs will start to shift to the base later this month. A wave of private defense contractors is expected to follow over the coming years as they shift their own workers to new office buildings that will need to be built to accommodate those new workers.

Those buildings that are not already under construction will be subject to the new fees, which the county is hoping will help pay for road upgrades and other preparations.

dsernovitz@bizjournals.com or (410) 454-0515.
[Twitter.com/dsernovitz](https://twitter.com/dsernovitz)