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Prince William board nixes impact fees

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The Prince William Board of County Supervisors informally agreed Tuesday not to levy transportation impact fees.

The General Assembly had recently given localities the option of adopting impact fees that would mean builders would contribute thousands of dollars for transportation improvements for each new home or business that is constructed.

It seemed like a good idea until officials started explaining the fine print. After that, supervisors were less than impressed.

"It seems to me we've been promised a pig in the poke again by the General Assembly," said Chairman Corey Stewart (R).

Prince William currently collects money from developers based on the proffer system in which developers donate funds to the county in exchange for the right to build new homes. The proffers, which run about \$37,719 for each single family home, are meant to offset the cost that new residents have on roads, schools, police and other services.

The alternative is the impact fee system, under which the entire county would be divided into an eastern district and a western district. Single family homes built in the western district would be subject to a \$3,623 fee and those in the east a \$3,111 fee. Businesses could also be required to pay a similar fee, although supervisors have long stated their reluctance to add the burden of new fees or taxes to the business sector.

The upside of impact fees is that they're issued when a home is built. Proffers are issued when a development is initially approved or later rezoned, which means that "stale zoning" developments, which were approved decades ago but were never built, have no proffers attached. Having won approval for a subdivision 30 or 40 years ago, a developer can decide to build it now without paying proffers.

Since impact fees are levied when the home is actually built, all new homes would be subject to the fees.

But there are problems with the impact fee plan, said County Executive Craig Gerhart.

For one thing, in order to collect enough fees to make a difference to transportation funding, "we've got to build a lot more," he said. And more residential development is just what supervisors don't want.

For another, the legislation doesn't include money for transit – only for roads.

Plus, he said, it "makes it more expensive to develop in places we really want to develop." For example, he said, the county is trying hard to encourage revitalization and positive development along the Route 1 Corridor in Eastern Prince William. Impact fees would make it more difficult to lure in new builders there.

But mostly, there's the fact that the legislation was approved by the General Assembly and there's little confidence in the legislators' ability to improve transportation. Last year, the General Assembly adopted a complicated system of tax and fee increases to be levied by the Northern Virginia Transportation Authority in order to fund the region's transportation. Only months after the tax hikes took effect, the Virginia Supreme Court ruled them unconstitutional, leaving months of transportation planning in the

trash and the NVTVA with the job of tracking down taxpayers to refund their money.

The legislators' attempt to fund transportation with abusive driver fees last year didn't fare much better. Public outcry led the General Assembly to repeal the fees a year later, leaving an even bigger hole in the transportation budget.

So there's every chance, Gerhart said, that the impact fee law will change or disappear when the General Assembly convenes in January, especially because the Northern Virginia Building Industry Association has indicated that they'll be lobbying hard for changes.

It's possible, he said, that "We'll do a lot of work only to have all the rules change."

County staffers are planning to draft a letter to the county's legislative delegation, outlining changes that they'd like to see in the law. The board will then wait to see what the General Assembly does in the spring before considering the issue again.

Supervisors said they were disappointed by the details of the plan, which they had been hoping would help to boost the county's efforts to solve transportation on its own.

"This too turns out to be a colossal flop," Stewart said. "I don't think that's an accident. I think they knew what they were doing when they passed this."

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