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Salisbury City Council backs off impact fees

Move angers Ireton

*By Laura D'Alessandro
Staff Writer*

SALISBURY -- The City Council wants to send the fee structure for developers back to the drawing board.

Council President Louise Smith suggested the course of action after another impact fee discussion left her uncomfortable with moving forward.

Impact fees have been discussed by city councils in Salisbury for more than a decade. The one-time fees paid by developers to create new infrastructure needed to support the impact of development have been enacted and repealed by the city. Currently, nothing is on the books.

The decision to keep it that way could be a carrot to developers in a soft economy. But to Mayor Jim Ireton and his two council allies, it signaled an unwillingness to change on the part of opponents.

"It's disappointing that the council majority has again left the cost of development and all those things we need -- snowplows and trash trucks included -- on the backs of existing taxpayers," he said.

Ireton threatened to finally bring out his campaign-promised Adequate Public Facilities Ordinance if the council couldn't "get its act together." An APFO has yet to be introduced publicly since Ireton took office. The ordinance differs from impact fees in the way money can be spent, though an APFO still generates money that would be spent to offset the impact of new development.

The use of impact fee revenue is strictly regulated by the state. It can only be used on capital costs and has a short timeline. Once an impact fee law is adopted, no exceptions or concessions can be made. While such guidelines ensure the fair assessment and proper use of the fees in a timely manner, they make some council members nervous about enacting them without enough consideration.

"Once we impose this, we have no latitude in who we collect it from and who we don't," said Council Vice President Gary Comegys, who has expressed similar concerns about the fees during past discussions. "This will do nothing to stimulate the economy in our city."

Comegys went so far as to suggest the city look at a way to reduce its existing fees -- which include water and sewer capacity fees, traffic light contributions, paving and others -- for a short time to encourage development.

According to local developers, the city's fees without an impact fee ordinance are some of the highest on the Lower Shore. But that's not the worst part: City Council members say, for developers, the city's building and permitting department is notoriously difficult with which to work.

"I've heard we are the toughest jurisdiction to deal with in going from concept to plan," Comegys said.

Palmer Gillis, CEO of Gillis Gilkerson and a former city councilman, said he works with every municipality on the Shore in his business. He agreed with Comegys.

"I think we need to take a bottom-to-top look at this process," Comegys said.

While Councilwoman Terry Cohen agreed to look at the existing fees and structure, she was disappointed the other council members wouldn't move forward with impact fees.

"I have been ready to move forward for quite some time," she said. "After years of continued delay and broken commitments, the status quo has once again been protected at the expense of the existing taxpayers."

But Gillis countered that enacting impact fees could harm taxpayers, too, if the ordinance deters growth. Gillis said the city's \$80 million wastewater treatment plant depends on new users to pay its construction tab.

"There are other ways to get income than just hitting the new guy," he said. "The city needs the new guy. If you discourage development, the people who will get hurt the most are the existing water and sewer users."

laurad@dmg.gannett.com

410-845-4630
