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Salisbury impact fees debate stalled

City officials wait for research results

*By Laura D'Alessandro
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SALISBURY -- City councils have for years been trying to agree on an impact fee ordinance.

After commissioning a study, the City Council discussed implementing the fees on at least two occasions this year, but nothing was moved past a work session.

City Administrator John Pick said the questions generated during the last discussion in June have kept the subject tied up.

"We are wrapping up the research we were doing in response to questions asked the last time the council discussed impact fees," Pick said. "We expect to have that done shortly. We will then be able to schedule this for further discussion."

He said no date has been set yet. Mayor Jim Ireton said he's been waiting to hear from the council to bring about a discussion. Council President Louise Smith would make the move to put the subject on a city agenda. Smith didn't return requests for calls close to the holiday, but Ireton said the ball is in the council's court.

Ireton said he isn't a proponent of impact fees. The mayor campaigned for an Adequate Public Facilities Ordinance in the spring election. But according to Pick, the council shot down his proposal during the June impact fee discussion. Ireton said he now awaits the impact fee discussion to bring the APFO proposal back.

During Ireton's brief stint on the City Council in 1998, he voted against impact fees. He said during the campaign that an APFO would allow the city to get money and direct it specifically toward need for facilities in the community.

Coulda, woulda, shoulda

Even through the housing and commercial boom in the city in the early 2000s, developers erected their various neighborhoods and shopping centers without putting money toward the public facilities their development might call for. And nothing to make that requirement has ever been implemented.

The city in 2008 completed an \$8 million firehouse on Cypress Street. The money could have come from a stockpile generated by impact fees, had the city been collecting impact fees for public facilities since 1991 -- when the first water and sewer impact fee ordinance was passed only to be repealed one year later -- or even since 1998 when a second ordinance was also repealed.

Impact fees are one-time payments by developers meant to pay for the "impact" of whatever they build. In Salisbury, developers only pay water and sewer capacity fees, meant to foot the bill for the additional capacity they require from the system. Those very fees drove away a fledgeling

microbrewery in 2008, and owners chose to locate the now successful Evolution Craft Brewing company in Delmar, Del. But even those fees may not be working properly if the city had to raise its water and sewer rates by about 15 percent each year in recent years.

Nothing is collected in the way of public facility fees. While impact fees can be tricky -- they can only be used for capital costs and they may come with an expiration date -- it's something some council members have been saying "we should have" for quite some time.

Councilwoman Debbie Campbell is on record saying the fees have been "a long time coming." But on the other side of the argument is Council Vice President Gary Comegys, who's concerned businesses like EVO will run for the hills if there are more fees imposed upon them. He said anything to deter economic development is a bad idea, especially if the money collected has such limitations put on it.

The debate is sure to continue in 2010.

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Additional Facts

Impact fee ordinance history

- ⌘ July 22, 1991: First water and sewer impact fees imposed.
 - ⌘ March 23, 1992: Ordinance was amended.
 - ⌘ July 27, 1992: Ordinance was repealed.
 - ⌘ Nov. 22, 1993: Impact fees were reenacted.
 - ⌘ July 27, 1998: The further collection of impact fees was discontinued.
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