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## Impact fee increase meets friction on County Council: Some call for another study

By ERIN COX, Staff Writer

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County Executive John R. Leopold's proposal for as much as a ten-fold hike in impact fees met hostile scrutiny from county councilmen yesterday.

During a three-hour work session, councilmen dissected the 32-page consultant's study, which showed Anne Arundel charges new developments around a quarter of the true cost to build schools, roads and to employ police and firefighters to serve new homes and businesses.

"The numbers that were produced were not based on one specific methodology," said Council Chairman Cathy Vitale, R-Severna Park, referring the study commissioned by the county administration. "That makes the numbers suspect."

Mr. Leopold and the Planning Advisory Board citizen group recommended the council raise the current fees charged to for a new home from \$4,900 to as much as \$49,000. They are suggesting increasing fees on hotel rooms, hospitals, marinas and commercial projects, moves that would add \$2 million in fees to building a 199,999-square-foot office building.

Mr. Leopold and his staff argue that current fees are artificially low, and the increases are necessary so that current taxpayers do not pay for new development.

"We know it's going to be a long and spirited discussion, and we look forward to it," said Alan Friedman, Mr. Leopold's director of government relations.

"The county executive believes that new development should pay for itself - not one cent more, but not one cent less."

Several councilmen expressed concern over whether the highest impact fees proposed by the study were necessary, and even questioned whether the proposed impact fee increase would be the best way to pay for the county's infrastructure needs. The councilmen offered an array of other options, including increasing the recordation and transfer taxes collected any time property changes hands, which would allow the fees to be spread over more people and give the council authority to spend them on backlogged school construction projects instead of only school expansions, councilmen said.

They pondered creating a parallel track of lower fees to encourage affordable housing, and changing the way impact fees are spent.

Councilman Ed Middlebrooks, R-Severn, pointed out that other jurisdictions such as Baltimore County do not have any impact fees and said the proposed new fees for homes combined with permit fees would discourage affordable housing.

"You're looking at \$60,000 (in fees) before you even start building a house," Mr. Middlebrooks said.

After telling the administration they kept council members in the dark about the plans and the research on impact fees, Mr. Middlebrooks suggested the council hire its own consultant.

"You guys don't tell us what you're doing, so we have to sit up here and guess," Mr. Middlebrooks told Mr. Leopold's representatives.

Councilman Jaime Benoit, D-Crownsville, agreed with the proposal to have their own consultant, adding that "we, as a legislative body, we ought to do our own homework."

Members of the development community balked at the proposed higher fees when they were unveiled two weeks ago, saying that building in Anne Arundel would become cost-prohibitive if the council enacted Mr. Leopold's plan.

According to the consultant's study, following Mr. Leopold's plan to raise the impact fees would make Anne Arundel's development fees nearly double the average in Maryland and nearly triple the nation's average.

Anne Arundel developers currently pay about 45 percent of the state average of \$2,120 for roads and about 51 percent of the state average of \$7,462 for schools.

The study was completed by James C. Nicholas, a University of Florida professor emeritus who is widely considered an expert on impact fees. Mr. Nicholas completed studies for the county when Anne Arundel first implemented impact fees in 1987 and

Impact fee increase meets friction on County Council: Some call for another study - The Capital ... Page 3 of 3

when the county updated them in 2000. He was paid approximately \$30,000 for this study.

Ms. Vitale, after polling the council two weeks ago, chose not to introduce the impact fee legislation on Jan. 7 as Mr. Leopold had requested. She said yesterday that she planned to introduce the bill at the council's next meeting on Jan. 22, which would be followed by a public hearing on the issue on Feb. 19.

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