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### **Builders complain fees are piling up**

#### **Leopold proposal would add to costs already paid by developers**

By Phillip McGowan

sun reporter

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Homebuilders in Anne Arundel County are paying some of the highest development fees in the Baltimore region - and that's before county lawmakers consider how high to raise impact fees to offset the full burden of new projects.

The county charges fees for planning reviews, permits and water and sewer hookups that can exceed \$20,000 per single-family home. Factoring in a proposal by County Executive John R. Leopold to boost impact fees by as much as fourteenfold, homebuilders would be saddled -- before the first nail is driven through -- with up to \$57,000 in county charges per home site, based on data assembled by the Homebuilders Association of Maryland.

That's more than triple the fees in Harford County and quadruple Howard County's fees, according to the analysis released this month.

#### **Who pays**

Although Leopold's impact-fee plan faces an uncertain future, County Council members said the underlying county development charges should be weighed as part of any increase in impact fees. The reason: Most of those costs are typically passed on to the homebuyer.

"It's very concerning," said County Councilman Ronald C. Dillon Jr., a Pasadena Republican. "This isn't something that developers are going to absorb. This is going to be absorbed by the consumer, and most of these consumers are county residents looking to move up."

Eric DeVito, president of the county's chapter of the homebuilders association, said that counties recoup building impact costs through a combination of impact fees, permit fees and planning fees. Jurisdictions charge more in some places and less in others, but generally there's a balance when comparing the overall fees, he said.

Anne Arundel has among of the lowest impact fees in the region, DeVito said, so officials there looking



The image is a rectangular advertisement for M&T Bank. The top portion has a green background with the M&T Bank logo (a stylized 'A' and 'M' inside a square) and the text 'M&T Bank' in white. Below this is a white background with a yellow border. It features the text 'e-Money Market Account' in black, followed by '3.70%' in a large, bold, black font, and 'APY\*' in a smaller black font to the right of the percentage.

to raise them should factor in the high development fees the county already charges.

"If you're trying to say that development doesn't pay its fair share, you can't just look at impact fees. You need to look at all the fees," he said.

Still on track

Leopold, a Republican, said that potential development and impact fees of up to \$57,000 "is close to accurate," based on his discussions with Planning Director Larry Tom. County officials said that development fees are charged to cover the cost of planning reviews and inspections.

Leopold said those combined fees do not make him hesitate proposing a series of impact fees on commercial and residential development that would perhaps be the highest in Maryland. A second public hearing was held last night on his bill to replace the current \$4,904 fee for a single-family home with progressive fees for homes based on number of bedrooms. The fee for a four-bedroom home would rise to \$26,407; for a five-bedroom home, the fee would rise to \$37,017.

"That would reflect the actual cost of development," Leopold said "That is why this figure is where it is. We are interested in accurately as it is practical to capture the cost of development."

With the building industry caught up in a national economic downturn, lawmakers are worried that soaring impact fees, coupled with already high development fees, could force homebuilders to cancel projects during the next few years or push them into other jurisdictions. The impact and development fees may reach a point where they are untenable to pass along to buyers, industry experts said.

"We already have people that have shifted out of Anne Arundel County," said John S. Pantelides, a land-use consultant who represents developers.

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