Cary Aims to Make Developers Pay

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CARY &MDASHThe Cary Town Council considered increasing impact fees to make developers, rather than taxpayers, fund infrastructure costs, Mayor Harold Weinbrecht said Thursday night.

Council members scrapped a recommendation in a recent study to raise water impact fees by 43 percent, sewer fees by 75 percent and an irrigation-meter fee by more than 300 percent.

Instead, members agreed to consider raising development fees for water, sewer, transportation and irrigation meters by 75 percent of the maximum increase recommended by the study.

"If that cost is not paid for by developers that are creating the cost, then that cost is picked up by our taxpayers," Weinbrecht said. "What we're doing by raising the impact fees is trying to take the burden off our taxpayers."

The total impact fees for a 2,500-square foot single-family home would increase from \$5,940 to \$8,965. The largest increase would be in the irrigation meter fee, which would go from \$374 to \$1,161. Water fees would go up by 7 percent, sewer by 31 percent and transportation by 47 percent.

Impact fees for a 150,000-square-foot office building would go up by nearly \$100,000 to \$492,225 for a 29 percent increase.

Developers, though, warned that increases on that scale could stunt growth in Cary.

"People need to make the numbers work for their business," Suzanne M. Harris, government affairs vice president of the Home Builders Association of Raleigh-Wake County, said. "And if their fees get to a point where they're too high, then decisions will be made to build elsewhere.

"Apex and surrounding municipalities to Cary are becoming very popular places to live as well. They're not necessarily the small towns they were, either, so they're very attractive for builders and developers," Harris continued.

Statistics released by the town and the association differed on whether Cary's current impact fees are the second- or fourth-highest in the county. Both agreed that Holly Springs has the highest impact fees and Fuquay-Varina, the lowest.

Town officials said the proposal being considered would make Cary's impact fees the third-highest in Wake County, behind Holly Springs and Morrisville.

Town officials acknowledged that Cary's rate of growth has a direct correlation to increases and decreases to its impact fees. Growth decreased when fees went up in 2002, but increased in 2004 when impact fees dropped to 1999 levels, officials said.

Weinbrecht said he desires to use that correlation to encourage growth in some areas of town and discourage it in others. He upset incumbent Mayor Ernie McAllister in October 2007 polls by campaigning for "balanced growth."

The proposal to manage growth through impact-fee zones appealed to some downtown business owners. Under Weinbrecht's plan, downtown would be spared impact-fee increases.

"There are a lot of disadvantages to trying to operate in a congested area like we're in," said Paul Ashworth, owner of Ashworth Drug Store, which has been in downtown Cary for more than 50 years.

"I think it is fair to give us a break at least on the impact fees, and let us be able to compete with some of the other newer, larger retail centers in the community," Ashworth continued.

The Town Council will again take up raising impact fees at its next meeting on Feb. 28. Any changes to impact fees would likely not take place until July, Weinbrecht said.

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