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Council strikes compromise on impact fee



Annapolis



Church Hill

But it's not clear if there are enough votes for final passage

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After nine months of discussion, the County Council struck a compromise on the impact fee debate last night that would offer a one-year discount before the fees climb to rates two or three times higher than the current level.

The discount is meant to encourage development during the current economic downturn, then adjust the fees to more realistically reflect the cost of expanding schools, roads and public safety facilities to accommodate new growth, council members said.

Despite a 5-2 vote for the compromise, it remains uncertain whether councilmen will pass the deal when it comes to a final vote on Nov. 3. Two of the councilmen who voted for the amendment that forged the compromise said on the dais their support did not mean they would vote for the final bill.

Councilmen Ron Dillon, R-Pasadena, and Daryl Jones, D-Severn, couched their votes for the

amendment saying it offered a better plan than the current bill, which has occupied the council's attention for the past two months.

"This amendment makes the bill less onerous than what has been presented," Mr. Jones said.

"Aye for the amendment. We'll see for the bill," Mr. Dillon added.

The current plan offers discounted fees for one year beginning in Jan. 1, 2009. A year later, the fees return to approximately their current level. On Jan. 1, 2011, the fees would jump dramatically to what most councilmen agree reflects the impact of development on the county's infrastructure.

For example, the current fee charged to build a 3,000-square-foot home is \$5,096. The plan proposes the fee drop to \$2,272 for 2009, rise to \$4,546 in 2010 and then jump to \$11,363 in 2011. The cost to build a 90,000-square-foot office complex would drop from the current rate of \$201,690 to \$112,950 in 2009, then rise to \$225,900 in 2010 and ultimately jump to \$564,840 in 2011.

Anne Arundel's impact fees are among the lowest in the state. County Executive John R. Leopold in January proposed a dramatic hike that, in some cases, generated an increase of 12 times the current level. That plan was withdrawn, but public support remained for the idea of raising the fees to help pay for infrastructure.

Proponents of the newer measure that promotes more modest, but still large increases, have been stymied by the reluctance of a fourth councilmen to sign onto the plan. Councilmen Cathy Vitale, R-Severna Park, Ed Reilly, R-Crofton, and Josh Cohen, D-Annapolis, introduced the measure in August and have since dropped the rates even lower than proposed.

The global financial crisis put another twist in the debate last month when three other councilmen began rallying to kill the bill, arguing raising fees on the brink of a recession was a bad idea.

Last night's compromise, which closely resembles one Mr. Leopold proposed last week, tries to balance the current economic reality with setting fees high enough so taxpayers are not subsidizing the cost of new growth.

"To me, this debate is pretty clear," Mr. Cohen said. "Somebody is paying the price for new development. And if developers are not paying the price, then taxpayers are picking up the tab."

Ms. Vitale, who has been trying to broker the compromise, said this morning: "I'd like to think that the choice is obvious. We have a responsibility to the citizens of the county to make sure they're not being asked to pay an unduly heavy burden."

Alan Friedman, Mr. Leopold's chief lobbyist, said he was pleased with the compromise forged by the council, even though the rates are much lower than originally proposed.

"This is an instance where the product at the end of the process is better than when we started," Mr. Friedman said.

This morning, Mr. Leopold called it "a fair and sound compromise."

Councilman Ed Middlebrooks, R-Severn, who has consistently opposed any hike in the fees, repeated his stance last night.

"At this time, for this body to raise any more taxes or any more fees on any more of our citizens is a bad idea," he said.

For weeks, it appeared the bill's passage hinged on Councilman Jamie Benoit, D-Crownsville, who has publicly offered arguments both for and against the plan without committing his vote. Last night, he offered an amendment to increase the fees, but at a much slower rate spread out over five years.

His plan did not offer any discounts and did not receive the council's support. He joined Mr. Middlebrooks in voting against the compromise plan.

"If the point of this is to stimulate the economy, it's my view that we've picked the wrong fee to cut," Mr. Benoit said. "There are other fees in this county that are more closely related to economic growth. ... I want to vote for an increased impact fee, I really do. And this doesn't get us there for two years. I'm perplexed with the decision-making of my colleagues on the council. I'm not sure it's good economic policy."

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