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Developers may pay impact fees to improve roads

By Rick Wills TRIBUNE-REVIEW Thursday, February 14, 2008

Dan Anderson doesn't know whether Indiana Township will turn out like Cranberry, the more developed and populated community to the north.

But the township manager knows his largely empty community about 18 miles from Downtown is unlikely to stay semi-rural. As traffic becomes increasingly choked on two-lane roads, the township will need to install traffic signals, widen roads and add turn lanes.

"We grew 13 percent in the 1990s, and we see that growth continuing. With this tremendous growth, there are a lot of transportation needs," Anderson said.

The question becomes who will pay for the upgrades in infrastructure, Anderson said. He believes it would be unfair for residents to foot the entire bill.

Indiana, in a joint agreement with neighboring West Deer, is considering charging developers impact fees, one-time payments used to improve roads. Such fees could apply to water usage and help pay for recreation projects.

These fees are common in high-growth parts of the country, but only 61 of Pennsylvania's 2,563 municipalities levy impact fees for transportation, according to PennDOT.

"Impact fees would not be useful in built-out communities, in communities that will not experience growth or development," said Denny Puko of the Governor's Center for Local Government Services.

But the municipalities that use impact fees say they could not operate without them.

"We realized that we were in the path of growth and that we would have to have to pay for that growth. Any community that has growth should be looking at it," said Gary Kohler, manager of Pine, which implemented impact fees in 1992.

An average 100 homes are built in Pine each year, which added to traffic at the difficult intersection of Route 910 and Pearce Mill Road. Over the years, as subdivisions in Pine sprouted and motorists from elsewhere started to use the township's roads as shortcuts, the intersection became almost unmanageable, officials said.

Last year, a traffic light was installed at a cost of about \$100,000. But unlike

most traffic lights, which are paid for by PennDOT, with municipal taxes or some combination of both, the traffic signal in Pine was paid for with impact fees.

"It's one way to produce additional resources and can help a project move forward," said Angela Watson, land use coordinator for PennDOT in Harrisburg.

Nearby Cranberry implemented impact fees the same year as Pine and has paid for expansion of busy roads, such as routes 19 and 228 -- along with smaller roads -- with fees.

Over seven years, Cranberry has collected about \$770,000 yearly in residential and commercial impact fees. A Home Depot store netted the township \$265,440 in impact fees, and the recent expansion of Wal-Mart resulted in payments of \$188,574.

For commercial establishments, such fees are based on intricate calculations of how many trips a store, gas station or restaurant might generate.

About 220 homes are built each year in Cranberry. The impact fee for each home is \$1,467 or \$1,460, depending where in the township the development is being built.

"Developers used to complain about the fees. Now, they expect it," said Ron Henshaw, Cranberry's director of community development.

Developers are not necessarily opposed to impact fees, said Scott Elliott, a spokesman for the Pennsylvania Home Builders Association, which represents 10,000 developers and construction-related companies.

"There is a complicated formula that ensures impact fees are fair. They ensure that you really are paying for the increased traffic load you are generating," he said.

Rick Wills can be reached at rwills @tribweb.com or 724-779-7123.

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