

Impact fees to go up on homes

By VANESSA C. SHORTLEY

Commissioners raise rates to pay for school facilities; no Orange changes until 2010

The Orange County Board of Commissioners (BOCC) voted Thursday, Dec. 11, to raise the educational facilities impact fees in both school districts within the county, though Orange County Schools won't see a fee increase until 2010.

Commissioners voted 6-0 to increase the fees from \$3,000 to \$3,749 — a 25 percent increase — Jan. 1, 2010 in the Orange County Schools district.

Chair Valerie Foushee was not at the meeting.

In Chapel Hill Carrboro City Schools, the fees follow a different schedule to bring them up to an equivalent percentage as the OCS fees.

Impact fees are the funds contractors pay to the county when building new single-family homes and are often included in home costs. In Orange County, the fees haven't been increased since 2001.

At a previous meeting, Rick Perry, of Rick Perry Construction, expressed concerns about the impact of the increases in this economic climate. He said he had been in the business since 1976, and this was one of the toughest times he could remember. He said he feared people wouldn't move to the area because of the increased fees.

“Now is a terrible time to be raising the cost of construction at all,” Perry said Dec. 1. “... I'm knocking \$10,000 off [the price of a home], and they're not even going to look at the house.”

Commissioner Barry Jacobs said he had little sympathy for contractors who fought other attempts by the BOCC to raise money for schools and had left commissioners with fewer options.

“While many homebuilders have been respectful and conscientious ... these are the same people who fought the transfer tax,” he said.

Commissioners tried to balance the economic situation with the pressing needs the schools had. Vice Chair Mike Nelson said he had toured some Chapel Hill and Carrboro schools recently while it rained and was shocked at what he saw.

“Seeing some of the very real needs and knowing people are still moving to the area even in a very bad economy ... I'm going to support it [the fee increase],” he said.

The fees will increase over the course of four years. The increases will be set at percentages of the maximum supportable impact fee (MSIF), which were calculated by the county's consultants at TischlerBise.

Orange County single-family home residents will see their rates increase Jan. 1, 2010, to \$3,749, to \$4,686 on Jan. 1, 2011, and to \$5,623 on Jan. 1, 2012.

CHCCS' fees will increase this year to bring them up to OCS level of 32 percent of MSIF.

Commissioner Bernadette Pelissier said at the Dec. 1 meeting the rates should be increased more often, but by smaller increments, so the increase would not seem so dramatic.

Unlike CHCCS, Orange County Schools are not expecting any major capital expenditures or increase in population and demand on their schools.

Editor Josh Kastrinsky contributed to this report.

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