

Plan To Increase Impact Fees OKd By City Committee

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RALEIGH, N.C. – Some homebuilders may choose not to construct new homes if a fee hike is approved by the City Council.

A Raleigh City Council Committee gave the green light to a plan that would double impact fees for new construction. The money from those fees will help with road improvements.

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The impact fees rose 72 percent to about \$1,200 per home in the past two years. The new plan for road impact fees would double that amount. It would no longer be a flat fee, but based on square footage.

Mayor Charles Meeker said there's never a good time to increase fees, but he says the fee Raleigh Charges builders to pay for roads would still be lower than in Cary and Apex.

"With this increase the cost of the fee is less than one percent of the cost of most houses so it really isn't a significant factor in the cost," said Meeker.

But in a slowing economy, Raleigh/Wake County Home Builders association Vice President Tim Minton says the significance is the difference between a house being built, and an empty lot.

"What you're looking at right now are ways to save money to make sure you can survive as we're sort of doing through this flux in the market. Every dollar counts," said Minton.

And it's not just the amount of an increase that has Minton concerned, it's that it's based on square footage. That means that bigger houses would be charged bigger fees.

"The basic justification is that in looking at data both with in Raleigh and nationally, larger homes tend to generate more traffic," said Eric Lamb, Raleigh Public Works Department Manager.

It's not a done deal just yet. A public hearing will be held in March or April to discuss the impact fee increase. A final decision will be made by the City Council after that.

Officials are also planning to try to work out a rate schedule to increase Greenway Impact fees. A study is being done to determine how those fees could be put into effect.

Go Back

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