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Local

Building fees would cost much less under measure

Dan Genz, The Examiner
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WASHINGTON -
Builders would pay much less for the growth-related costs of new homes in Virginia, under a Senate bill that would overhaul the development-fee system.

Advocates say the proposal would lower the cost of new homes, while critics claim it would leave local governments without money to pay for new roads and schools.

The bill, from Sen. John Watkins, R-Midlothian, would replace the cash payment system that typically costs builders more than $35,000 per home with a new $8,000 fee for roads, schools and public safety building. The Local Government Committee is scheduled to debate the bill today.

While the impact fees would be spread to all home construction, including those that are not major developments, county government leaders have raised concern that the measure would reduce their ability to accommodate growth.

“It probably undoes 20 years of process that has been in effect and replaces it with a major shift,” said Ted McCormack, government affairs director for the Virginia Association of Counties, who said counties want to see the proposal studied at length before consideration.

Proffers, the system for reimbursing local governments for the cost of growth, have evolved from solely site improvements or land donations for schools or parks over the years to a system for reimbursing local governments for the cost of rapid growth.

While homebuilders had long opposed prior impact fee proposals, they actively sought the legislation because they now believe the amounts they must pay have spiraled out of control, said Jim Williams, executive vice president of the Northern Virginia Building Industry Association.

By including home construction that had been exempt from proffer fees, because they were not in a major development, Williams said the bill would actually bring in $3,000 more per home than assessing a smaller number of hefty fees.

“They would have created more money than they have on the current scheme,” Williams said.

But Prince William County Supervisor Martin Nohe said the plan could have “catastrophic effects,” and make it tougher to build classrooms and lay asphalt required to accommodate new residents.

“The point is, the local governments need to be able to extract from developers an adequate amount of money to build the necessary infrastructure to support development,” Prince William County Chairman Corey Stewart said. “If we can’t do that, we can’t in good conscience approve a development.”

Payment plan

The amount some counties require builders to pay for each new house:

» Prince William: $37,719

» Loudoun: $47,000

» Stafford: $38,151

» Spotsylvania: $35,295

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