

# New Raleigh Council Could Mean Higher Impact Fees

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**RALEIGH & MASH** Mayor Charles Meeker said Raleigh's new City Council could help him double the fees that developers pay to build homes, which would generate money the city could use to deal with growth.

The city raised its impact fees in April 2006 to about \$1,200 for each new home. The 72 percent increase was the first change to Raleigh's impact fees since 1988, but it didn't satisfy Meeker.

The mayor said he would like to see the city charge about \$2,500 per house, similar to what Cary and Apex charge. A tiered rate structure would charge more for larger houses and less for smaller ones, he said.

"What the new council will look at is trying to have a reasonable fee that spreads the cost of roads and parks to builders as well as to homeowners," Meeker said. "(Existing) fees aren't anywhere near the costs that have been incurred because of new development."

He is banking on the new make-up of the City Council to support his push for higher fees.

Incumbent council members Tommy Craven and Jessie Taliaferro lost their re-election bids in October, and Councilwoman Joyce Kekas didn't run for a new term. They have been replaced by Nancy McFarlane, Rodger Koopman and Mary-Ann Baldwin, respectively.

"Each candidate who talked about raising fees (during the campaign) was successful. It really is time to address this issue," Meeker said.

The impact fee discussion will begin at the next council meeting, and Meeker said he hopes to have a decision before the 2008 budget is set next July.

Even opponents acknowledged that the question is now when and how much impact fees will increase, not whether they will.

"The mayor has enough votes to accomplish his agenda that he sets out to accomplish," Councilman Philip Isley said.

Isley said he thinks people don't want additional costs associated with home-buying, citing the recent rejection of property-transfer tax proposals in 16 counties across the state.

"There's a fine line of what the citizens want," he said. "The last thing we want to do is put these at a level of that will decrease people wanting to build homes for various reasons."

Permits for new construction in Raleigh have dropped with the national housing slump, according to Tim Minton, executive vice president of the Home Builders Association of Raleigh-Wake County. About 2,700 permits have been issued this year, down from more than 3,000 permits last year, he said.

"Any additional fees added to the cost of the homes clearly will have less people out there building homes," Minton said. "It could have a severe impact. Clearly, the housing market is not running at the same pace it was running before."

The homebuilders association also wants some accountability in the city to ensure that the extra money is going into new roads and amenities that benefit new developments, he said.

Elsewhere, Chatham County recently increased impact fees by \$600 per single-family home and \$150 per multiple-family unit. The move followed the defeat of a property-transfer tax proposal on the Nov. 6 ballot.

Reporter: [Dan Bowens](#)

Photographer: [Tom Normanly](#)

Web Editor: [Matthew Burns](#)

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