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House builders should pay for schools, legislators are told

Don't bill taxpayers for developers' impacts, Slate Belt engineer says.

By Joe McDonald

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A state committee studying impact fees on developers as a way to help school districts facing a tsunami wave of



new students listened to 4 hours of testimony Thursday at a hearing in the Slate Belt.

The idea to collect impact fees, money that a school district could charge developers to cover the demands new homes place on the district, is not new.

State Rep. Richard T. Grucela, D-Northampton, who pushed for impact fees six years ago, re-introduced impact fee legislation last year.

After the hearing, neither Grucela nor state Rep. Robert L. Freeman, D-Northampton, would say if they thought the proposed legislation would pass this year.

Most of the testimony they heard inside the Upper Mount Bethel Township building Thursday was in favor of impact fees and against the proposed Marshfield Village development in Upper Mount Bethel that could add 1,257 dwelling units. Opponents say the development would add too many students to the school district's already crowded buildings.

Robert E. Gerwig, a licensed engineer who lives on River Road, said the Marshfield project is a "similar scenario [that] is being played out at many other municipalities across eastern Pennsylvania."

If Marshfield is built, as many as 1,800 new students may come to the district, requiring two new schools over a five-year period, costing \$40 million to \$80 million per school, he said.

"If the existing 2,000 households are forced to finance this kind of imposed tax increase, they could be facing bills that increase every year by 20 to 25 per cent per year," he said. "It is even worse when we include our other normal growth figures in addition to this developer."

"We are counting on the impact fees from House Bill 72 to help us out," Gerwig said, while admitting even if the school district had those fees to collect, it would not be enough to cover all the costs those new students would cause.

Mark Mitman, representing the Pennsylvania Builders Association, disagreed. Mitman said his group has seen studies that show new homes "do pay their way, often generating revenues in excess of the expenses they require."

He said his organization fears school boards, "reluctant to control costs, issue a bond or raise taxes," will see impact fees as "the easy way out."

When pressed by Grucela for a specific example of where new homes had generated more revenue than expenses, Mitman was unable to name the city. He said he would get that information to Grucela at a later date.

At another point, when Mitman was questioned by state Rep. David R. Kessler, D-Berks, Mitman's clarified his comments about revenues and expenses and new homes and students. He said he was referring to municipal taxes, not school district expenses.

Freeman said all anyone has to do to see the impact new housing is having in the Lehigh Valley and in the Poconos is to look at property taxes.

East Stroudsburg School Board member Christopher Baj, who is a certified public accountant, said his school district has seen a 77 percent increase in student enrollment since 1992 and is in the process of expending and renovating buildings.

He said the growth and ongoing construction has placed a heavy debt burden on the school district, accounting for 20 percent of the budget.

If the school district were one of his accounting clients, "they would be looking at a Chapter 11," referring to bankruptcy law.

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