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Impact fees would touch many

Raleigh's proposed higher fees would affect schools, churches and universities as well as developers

BY DAVID BRACKEN, Staff Writer

RALEIGH - Many city residents think a proposed doubling of impact fees would mainly affect developers planning new submissions.

But the increases, outlined in a one-page summary given to the Planning Commission earlier this week, would be much more far-reaching.

Higher fees would be assessed on everything from schools to cemeteries to day cares, and the increases would be more than double for some, including churches and universities.

"This has been framed solely as a fee on developers," said Brad Mullins, chairman of the Planning Commission, a volunteer board. "My general concern is that this is much bigger than any sound bite. It's much more complex. It's not just as simple as the sound bite of growth paying for itself."

City Council member Philip Isley, the lone Republican on the council, said he's amazed the city is still considering substantially raising impact fees, given the deteriorating economic conditions across much of the country.

"It is certainly far-reaching," Isley said of the proposal. "Tax them all, that's the new mantra."

Under the proposal, the road impact fees for adding 1,000 square feet to a major research university would increase from \$814 to \$3,451, a 324 percent jump. Road impact fees for churches would increase from \$232 to \$865 for each 1,000 square feet of space added, a 272 percent increase.

For a church such as Wake Cross Roads Baptist in northeast Raleigh, which is about to undertake a 32,000-square-foot expansion, the new fee structure would have added \$20,256 to the cost of the project.

Bryan Brown, head of administration for Wake Cross Roads Baptist, said the church doesn't have a problem paying impact fees, particularly since it doesn't pay property taxes. The increased fees likely wouldn't have caused Wake Cross Roads Baptist, which has about 1,000 members, to scale back its project.

But Brown figures other churches may not be as flexible.

"It could take its toll on a church," he said.

Raising impact fees was a major issue in October's election, when two incumbents were defeated by challengers who promised to raise the fees.

The city's news releases about the current proposal, which was discussed at a public hearing last week, have focused almost exclusively on how the fee increase would affect new single-family homes. The one-page summary was not distributed before the public hearing, as it was

made by city staff at the request of the Planning Commission.

The City Council must ultimately approve any changes to the fee structure.

Raleigh charges impact fees to pay for parks and roads. By law, those fees must go toward capital improvements that benefit the people paying them. While the park fees apply exclusively to residential development, the thoroughfare fees apply to development of all kinds.

The revised road impact fees for different land uses are based on the size of a facility and the amount of traffic created by the development. A golf course, for example, would be charged by the hole, with an 18-hole course paying \$80,748 in road impact fees.

Mary Belle Pate, who is chairman of the Southwest Citizen Advisory Council, has been a strong advocate for raising impact fees. She said she was not aware that the fees would apply to churches, schools and others wanting to expand, but she still supports the increase.

"I would say this is one of those times that it has to be across the board," she said. "Everybody participate."

The Planning Commission delayed making a recommendation on the proposal Tuesday but agreed to take up the issue again at its meeting next week.

The current proposal follows the recommendations made by Duncan & Associates, a consulting firm that evaluated Raleigh's impact fee structure in 2006.

Lower than most

Duncan & Associates' report concluded that Raleigh's fees were about one-third of those charged by other cities in North Carolina and around the country. Durham currently assesses higher impact fees than Raleigh on churches and research universities, though Raleigh's fees would eclipse Durham's if the current proposal is adopted.

The City Council voted to increase impact fees by 72 percent in 2006, but Mayor Charles Meeker and council members Russ Stephenson and Thomas Crowder sought much larger increases.

Meeker, Crowder and Stephenson all said Raleigh's current fees are low, which has resulted in existing taxpayers paying more than their fair share.

"If the proposal is not fair, we will look at that," Stephenson said. "But if certain segments have been getting a sweetheart deal, the only other choice is taxpayers have to pick up the tab."

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