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## Impact fees don't get Raleigh off the hook

### City must match whatever is raised

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RALEIGH - Add the city of Raleigh to the list of groups that will bear the brunt of a proposed doubling of the fees the capital city charges on new development.

No, the city won't be levying an impact fee on itself. But it will still pay a price, because the state law that gives Raleigh the power to charge impact fees requires that the city match each dollar it raises to pay for parks and roads.

Mayor Charles Meeker has said the proposed fee increase could bring an additional \$7 million to \$8 million annually into Raleigh's coffers, which means the city would have to find an additional \$7 million to \$8 million to contribute.

"I think it could be a significant amount of money," City Manager Russell Allen said.

Raleigh currently uses money from park and road bonds to match what it raises from impact fees, and the city is likely to dip more regularly into those funds if the fees are increased.

Raleigh voters overwhelmingly approved \$88.6 million in bonds for parks and recreation facilities in October. City officials anticipate putting a transportation bond measure on the ballot as early as this fall, though Allen noted that more road bonds would be needed even if the impact fee increase were not approved.

Voters approved \$60 million in transportation bonds in 2005.

The matching requirement ensures that Raleigh taxpayers will always contribute half the money allocated for growth-related capital improvements. Cary, which is also considering raising its impact fees, does not have a similar matching requirement.

Eric Lamb, Raleigh's transportation services manager, said anticipating how much the city will owe in matching funds is like following a moving target.

"In a down economy, those revenues are going to be depressed," Lamb said.

The proposal to increase Raleigh's impact fees is being reviewed by the city's Planning Commission.

Open space and transportation fees levied on an average single-family home would increase from \$1,200 to about \$2,500 under the proposal.

Fees would be tiered, meaning larger homes would incur larger fees. Houses that are between 2,000 and 2,999 square feet, for example, would be charged \$1,386 in transportation fees and \$924 to \$1,129 in open space fees, depending on where in the city the homes are located.

At its meeting last week, the Planning Commission agreed to study the proposal for at least another 30 days before making a recommendation and sending it on to the council.

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