

Bill could cease impact fees; SB 19 would end fees on school construction projects

By James Diehl, *Sussex Post*

GEORGETOWN — A recent bill aimed at limiting costs associated with school construction projects in Delaware has sparked concern among Sussex County town officials.

Senate Bill 19, co-sponsored by Sen. F. Gary Simpson, R-Milford, would prohibit towns, counties or other municipalities from assessing impact fees and other one-time fees against district school construction projects.

It passed the Senate by a 13-7 vote on April 27 and is currently being debated in the Delaware House of Representatives.

"My rationale for this bill is that school districts don't create their own demand — municipalities and counties do that by approving more homes in a particular area," Sen. Simpson said. "With those homes come more children and greater demand on our schools. So those impact fees should be placed where they belong."

However, managers in Georgetown and Millsboro don't necessarily agree with that line of thinking.

"These impact fees are to pay for capital improvements associated with new construction coming on board and utilizing the infrastructure," said Georgetown Town Manager David Baird. "In a sense, it's a return to the town for earlier investments that have been made. If that's taken away, there's no way for the town to recoup its investment other than to charge higher fees for everyone else. So, the people in the towns would once again be asked to shoulder a bigger burden."

In a hypothetical situation, if the new Sussex Central High School had been built within the town limits of Georgetown, water and sewer impact fees would have amounted to \$787,000, according to Mr. Baird.

That figure, based on Georgetown's current impact fees, would have to be covered by the town's taxpayers if the new law passes the House of Representatives.

"It just boils down to simple math," Mr. Baird said. "If the impact fee is \$50,000, then that \$50,000 is being spread out amongst 2,000 people in the town instead of amongst everyone in the school district. And it's only going to become more and more of an issue as this area continues to grow and there's more of a demand for school construction."

The formulation of Senate Bill 19 can be traced back to the tremendous growth Delaware, in particular Sussex County, has enjoyed over the last several years.

Many legislative bodies, especially the Sussex County Council, have received their fair share of public condemnation over that growth.

"My basic premise is that until our municipalities and counties truly realize the effects of growth, then it's going to keep going on and on and we're all going to have to pay for it," Sen. Simpson said. "The towns need to send a message to the county that if you're going to approve growth, then you need to start accessing impact fees to pay for some of these things.

"I see so many of these towns annexing more into their towns to have more taxes coming in, but they're not thinking about what this might cost them in the long run. We're taking a short-term approach to growth and not thinking of the long-term effects."

Millsboro Town Manager Faye Lingo said her town doesn't enter any annexation or growth issues lightly, but the town council would probably negotiate fees for any school project based on the size of the school and the impact it would have on the town's water and sewer systems.

"We haven't had a new school built since we established our impact fees. The council would have to look into it if we did, but (if this bill passes) I guess they won't have to do that now," Mrs. Lingo said. "If indeed there is an impact by the school construction, it needs to be picked up by someone. To say that any town can absorb those costs is simply not true, it's coming out of somebody's pocket.

"It takes the burden off of the school project, but it doesn't take the burden off of the people who are paying for this use."

One program both Mr. Baird and Mrs. Lingo point to is Delaware Gov. Ruth Ann Minner's 2001 "Livable Delaware" initiative that unveiled her strategy to direct growth to areas where state, county and local governments are most prepared for new development in terms of infrastructure, services and planning.

"The biggest challenge in creating a more livable Delaware is to direct growth and development into our already existing cities and towns and prevent unwanted development in rural areas without adequate infrastructure," Delaware Lt. Gov. John Carney said at that time.

Many towns are now experiencing a population boom, including both Georgetown and Millsboro.

The Georgetown Town Council even imposed a six-month moratorium on development earlier this year so they could essentially "regroup" and develop a more comprehensive plan to handle that town's future growth.

"The legislature really needs to consider what the impact of this is because it contradicts the intent behind the 'Livable Delaware' initiative and that's to encourage growth in the communities," Mr. Baird

said. "By doing this, all you're doing is raising the cost of development and those people who are looking to relocate their homes or businesses here would be asked to pay a higher share of the costs."

"We've done our studies and that's why we adopted the (impact) fees," Mrs. Lingo added. "Livable Delaware says that the growth should be in and around the towns so I don't know what they want from us."

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