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Commissioners kill school impact fees

By David Anderson

Staff Writer

Worcester County Times SNOW HILL -- The Worcester County Commissioners last Tuesday rejected a proposal to impose school impact fees on new developments in the county.

> Following a 3-hour hearing that featured testimony from Realtors, builders, civic activists, residents and various county and municipal officials, the commissioners voted 4-3 to defeat a bill that would have allowed them to impose impact fees on developers to fund school construction.

"My argument has not been bad legislation, but bad timing," said Commissioner James "Bud" Church, who voted down the bill along with President James Purnell, Vice President Louis Gulyas and Commissioner Tom Cetola.

Church, who is a Realtor, declined to put his name on the bill when it was introduced last month.

He defended his decision at last Tuesday's hearing, and called criticism that he did not support impact fees because of his profession "bunk."

Church stated his unwavering support for education, but said the proposed impact fees, which ranged from \$5,900 for single family homes to \$355 for condominiums, were not necessary because the "huge volumes" of revenue from currently soaring property assessments and other taxes could fund school improvements.

John "Sonny" Bloxom, who supported the fees, along with fellow commissioners Virgil Shockley and Judy Boggs, countered Church's argument, saying that tax revenue could only cover school operations, but not the necessary overhauls of aging buildings that house student bodies at or above their capacity, which impact fees would support.

"(Fees are) a way to make growth pay for itself," Bloxom said.

The commissioners, spurred by the need to replace and renovate three county high schools at an estimated cost of \$90 million and also facing an influx of thousands of new residents in the coming decades, have been studying the idea of impact fees in recent months and had hired the

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Paul Tischler, the firm's principal, presented his findings Nov. 1.

During last Tuesday's hearing, Harold Higgins, the county's finance officer, presented his studies showing how the county could have saved taxpayers \$8.1 million -- nearly half of the total cost -- had impact fees been in place before the construction of Ocean City Elementary School, which opened recently.

While civic activists largely supported impact fees as a way to "make growth pay for itself," several home builders characterized them as a "dagger in the heart" of the county's economy.

Builders and Realtors said they would have to pass the cost of paying impact fees on to homebuyers, making it extremely difficult for small-scale builders to stay in business.

Builders also said the impact fees would make construction of affordable housing less cost-effective.

"I'll be out of business," said builder Steve Rakow, who testified on behalf of the Eastern Shore Building Industry Association. "I cannot sell a house for half of what it costs to build it."

Citing the concerns raised by the builders and Realtors, who are concentrated in northern Worcester, Commissioner Louise Gulyas, who represents Ocean City, said she could not support impact fees.

"(Fees) could hurt too many small business owners," she said.

Gulyas added: "No one can ever say I don't support education."

Gulyas had called the proposal a mere talking point during an earlier Ocean City council meeting, which has opposed the county proposal.

Gulyas had said the fee would be an unnecessary burden on affordable housing projects, but added the dollar amount was in many cases less than what other counties charged for similar impact fees.

Town planner Jesse Houston said at the council meeting the proposal also did not meet a "nexus test," which determines if a fee is relevant and applicable.

He said the nexus test has three points: A reasonable connection between the fee charged and the needs generated by the development; the fee charged must be attributable to that development; and a proportionality between the amount charged and the needs generated must exist.

Houston said the Ocean City community meets none of the standards of the nexus test for an educational impact fee.

At Tuesday's commissioners meeting, President James Purnell, who represents the outskirts of Berlin and much of rural eastern Worcester, said affordable housing advocates in his district had also pleaded with him not to support impact fees.

"This is wrong," he said.

The legislation itself did not set impact fees; it was merely "enabling

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legislation" that would give officials the power to levy them if needed at some future date, but the commissioners' vote Tuesday killed the entire concept for the time being.

The vote caused great frustration to Carolyn Cummins, head of the county's planning commission, who had testified in favor of the legislation.

"I believe it is a tool that needs to be in our arsenal," Cummins said later. "We do need to have to right to have an impact fee, but you don't always have to charge one."

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