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Crisfield debates charging impact fees

By Deborah Gates
Daily Times Staff Writer

PRINCESS ANNE -- Recognizing that growth can be as costly as it is beneficial, town elected officials agreed last week to seek input by state planning experts on establishing impact fees, a revenue-generating mechanism used by neighboring communities to offset expenses associated with new residential and business development.

Town Manager Jay Parker said there was "a sense of urgency" to meet with Maryland and town planners on the issue that could establish one-time fees for new development.

"It is a very complicated project and it ties very much with the annexation issue," he said. "What we need is to establish with the Planning and Zoning Commission a strategy to govern in the next 20 years."

Town officials are anxious to get discussions under way and a decision reached before speculative annexations are introduced, Parker said. Proposed annexations currently under review, including the 30-plus acre Brittingham property northwest of town and the Econo Lodge going southwest, likely would not be affected, he said.

Impact fees in most municipalities are one-time costs to developers often factored by expenses for utilities and services such as water and sewer, education, public safety or garbage collection.

"In other parts of the state, towns are saying that the increased number of houses are going to cost more than the increase in the tax base for income," Parker said. "I want a policy and procedures to guide new developments and future annexations."

Crisfield officials recently approved an ordinance that increased impact fees for new construction from \$1,000 to \$3,000 per unit. The measure passed in the Somerset County town despite protests by some real estate agents who argued that the price of a new home could increase by several thousand dollars.

An impact fee hike went into effect Friday in Fruitland, from \$4,000 to \$5,000 for new lots and from \$2,000 to \$2,500 for existing lots.

"Increased fees helps us make upgrades to our wastewater treatment plant," a town spokeswoman said. "The government is not profiting, but meeting day-to-day expenses. Development is wanted, but our wastewater treatment plant must support it."

Rapid county growth could force Somerset County administrators to consider impact fees, Charles Massey, county administrator, said Friday.

"If the county grows faster and faster, we might have to consider it," Massey said. "We must look at how growth is impacting us."

Town officials want the Maryland Department of Planning to guide them on a decision that could include a recommendation on the dollar amount to charge. A decision by the county to charge an impact fee would influence town fees, Parker said.

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