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**Delaware Wave**

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## Developers stunned by sharp impact fees

Staff Writer

DAGSBORO -- Five days before he was scheduled to present his site plan to the town council, developer of Clayton Crossing, Mike Cummings, was notified his building permit fees would cost 22 times his budgeted amount.

"This just about put me under," said Cummings, whose impact fees skyrocketed from \$4,000 to \$91,000. "What right is it of Dagsboro's to do this?"

Inundated with complaints from local developers, the town hired Davis, Bowen and Friedel to conduct a study of their infrastructure fee system on Tuesday, April 24.

In previous years, the town imposed fees based on the total cost of construction. The new fee structure, established on March 20, imposes a \$1,500 per unit public service impact fee for all new developments and property owners must pay 3 percent of the total cost for renovations and repairs.

According to Town Planner Kyle Gulbranson, the International Building Code states the average building permit fee costs \$85 per square foot. Under the new system, the town will charge 3 percent of \$85 per square foot; approximately \$2.55 per square foot.

"They're getting whacked," said Councilman Andy Engh, who stated his opposition to the increased building permit fee. "You're not only targeting large developers but small builders are facing the same increase."

Council Member Patti Adams said the fees are needed to support the town's infrastructure and argued that concerned developers should have attended the special meeting where the fees were established.

Legal notices publicising the special meeting or the new fees never appeared The Wave, however. Legal notices pertaining to other town issues were.

"I had [the office manager] pull every paper and they didn't advertise it," Cummings said. "They advertised for lawn cutting, but not something like this."

While Cummings expressed his opposition to the fees, Mayor Wayne Baker



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smiled.

"I don't mean to laugh," Baker said. "But we don't have enough money some months to buy gas for the police cars. How can the town of Dagsboro not have enough money to operate?"

Mark Chura, representative from Woodlands and Highlands at Pepper Creek -- two developments in the pipeline -- said his impact fees now total over \$1 million; 80 percent more than what he expected to pay.

"We know impact fees are appropriate but we're struggling with the amount of the fees," he said.

According to Gulbranson, building permit fees for Cummings' project would cost approximately \$91,000 in Dagsboro, Bethany Beach or Easton, Md. That same permit would cost \$14,832 in Ocean City, \$8,365 in Georgetown and \$6,692 in Bridgeville.

Adams blamed the former council for not adopting a fee system sooner.

"It would have been easier if these fees were already established. We inherited these problems," she said. "I hope you can understand that Dagsboro certainly isn't a millionaire. We can't go broke and belly-up as a town."

Baker urged concerned developers to send a copy of their written comments to Davis, Bowen and Friedel and town hall within two weeks.

"We've enacted this and it's here," he said. "If we find the numbers are different, we would certainly adjust the numbers accordingly."

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