

Ocean City Impact Fees Reduced

Written By: Bryan Russo, Staff Writer

OCEAN CITY — When it came to impact fees, the Ocean City Council passed on an opportunity to cut them entirely, but chose to chop them in half for the foreseeable future.

City Engineer Terry McGean was tasked to come before the Mayor and City Council on Tuesday at City Hall to explain what some officials thought was a complicated multiplier formula for the installation of new plumbing fixtures in Ocean City.

In the end, the council opted to cut in half the current multipliers associated with impact fees in hopes of providing an easement for small businesses trying to improve their properties or simply just open for business.

Although McGean said that impact fees have been charged to ensure that “growth pays for growth”, some council members believed that the multipliers associated with impact fees were in fact adversely affecting the potential for commercial growth in the resort.

“We want more commercial growth in the town, but this is just adding up the costs and making it almost impossible for them to do so,” said Councilman Lloyd Martin. “I know a lady that wanted to open a coffee shop uptown and she would have had to pay several thousand in impact fees just to put in a new bathroom. We want to be business friendly, and right now, I think we are actually penalizing businesses with these impact fees.”

McGean explained the formula for the so-called multipliers, which essentially are added to the listed costs for commercial fixtures at \$126 per water fixture, \$220 for sewer fixture, and 75 cents per square foot for anything else.

For instance, when a new urinal is being put into a commercial business, the fee would be \$326 times the multiplier in the town’s equation, which is four, or \$1,304 in total impact fees.

McGean says that the impact fees only manage the additional cost and strain that the new fixtures put on the town’s infrastructure and water flows.

“We are taking these multiplier numbers from the Maryland State Plumbing Code and it is currently the most widely accepted methodology,” said McGean. “Right now, we have to be able to fund future expansion and if we don’t do it this way, we have to fund expansion by using money out of either the general fund, or the water and wastewater budgets. Either way, people are going to have to pay, but right now, they are paying their share.”

Councilman Jim Hall hoped that the council would move to place a moratorium on all impact fees until the economy and local development started to pick back up again.

“We passed these impact fees when the town was on fire and we just aren’t there anymore,” said Hall. “These fees are wicked because you don’t realize that these multipliers in some cases make things six times more expensive than you expected them to be. I’d like to suspend it a few years because the fees are high enough, and I think it’s really hard for some of these small little niche shops to open up.”

However, Councilman Joe Hall said he believed that tabling all impact fees would essentially make existing businesses help fund the growth of their competition and said that there has to be “a fairness” in addressing the associated costs of growth in Ocean City.

“The impact fees need to be proportionate with the amount of impact that these new fixtures have on the system, and I think they currently do that,” said Hall. “Obviously, a dishwasher in a restaurant uses much more water than one in someone’s home, and a bathroom on the Boardwalk gets flushed probably six times more than your home toilet.”

At Tuesday’s end, Councilman Doug Cymek made a motion to cut the current impact fee multipliers in half, not to go below “one” as a multiplier, and set in place an ancillary motion that would waive the impact fee for anyone who goes “above and beyond” what is required in the town’s code.

“If you are only required to have three bathrooms, and you put in a fourth, we will waive the impact fee for that fourth one,” said Cymek.

Martin’s mantra throughout the entire conversation was “business friendly,” although it seems that he was looking for a total stop to impact fees, but had to live with the compromise.

“Most stores don’t have public restrooms, and if they wanted to put one in, we should be thanking them, not charging them this much money to do it,” said Martin.