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### **Phased rise in fees considered**

#### **Charges for impact of development will get Sept. 2 hearing**

By Chris Guy

Sun reporter

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Four months after shelving a contentious plan to increase impact fees on new construction, the Anne Arundel County Council is considering a less drastic proposal at a time when the development industry is reeling.

The new version, backed by County Executive John R. Leopold, and sponsored by Councilmen Edward R. Reilly and Joshua Cohen and Chairwoman Cathleen M. Vitale, aims to raise historically low fees paid by developers to finance schools, roads and police and fire service necessary to handle growth.

Under the bill that is scheduled for a Sept. 2 public hearing, the fees would be based on square footage, not number of bedrooms, as the rejected proposal dictated.

The impact fee on a 2,500-to 3,000-square-foot house would be \$7,887, compared with the current flat fee on all new homes of \$4,904. A second phase would increase fees to as much as \$13,146.

Fees for a 100,000-square-foot commercial building would increase to \$592,800, from \$174,600 the first year and to \$998,000 in the second year. Developers typically pass the fee on to buyers.

"We have to keep pace with inflation or we're just adding to our backlog of roads and schools," Cohen, an Annapolis Democrat, said at a council work session Tuesday. "Somebody has to pay for those roads and other services. All seven council members need to take a rigorous look at the numbers. We've had impact fees since 1987 and they have been changed or added to three times in 20 years."

Leopold's first proposal in January, based on a consultant's report, would establish a progressive fee structure that would range from \$2,636 for a new one-bedroom home to \$37,017 for a five-bedroom home. The council balked at the substantial increases and commissioned its own panel to take up the matter.

Cohen said he prefers a two-part fee increase, as does Leopold, but members of an advisory panel appointed last spring by the council would allow five years to implement the fees.

County officials on Tuesday took pains to soothe the few business leaders who sat on the advisory



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committee. Led by Robert R. Neall, a former county executive and state senator, the panel recommended that fees be calculated by square footage rather than basing the fee structure on a flat, "one-size-fits-all" amount or basing the fees on the number of bedrooms.

"I don't believe anyone here today wants to stop or destroy economic vitality in this county," said Vitale, a Republican from Severna Park. "I don't think anyone believes the economy is in an upswing. We need to look at the numbers, but this is the place we start with."

Business leaders, including Dwight Taylor, say they understand the need to raise the fees, but this proposal could hamstring long-range planning for commercial developers.

"These fees are going to affect plans we started years ago," said Taylor, a member of the advisory panel. "It takes years to develop a project, and to suddenly get hit with these fees - the economy of our projects are seriously damaged. Anne Arundel County is already a difficult county."

Eric M. DeVito, an Annapolis developer who heads the county's chapter of the Maryland Home Builders Association, said developers would agree.

"We're talking gigantic fees for commercial projects," DeVito said. "This would be very damaging for development. With these fees, I'd say half of my projects would fail. At the least, we support the idea of a longer phase-in, a grandfather clause, something."

Supporters expect the proposal to generate as much debate as it did earlier this year, said Councilman James G. Benoit, a Democrat from Crownsville.

"I'm thoroughly undecided," Benoit said. "I've got meetings stacked up for two weeks with people who want to talk about it. We'll hope for some kind of consensus."

[chris.guy@baltsun.com](mailto:chris.guy@baltsun.com)

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