

THE ROANOKE TIMES

roanoke.com

Wednesday, June 01, 2005

The real cost of development

Impact fees could help local governments pay for infrastructure needs generated by new growth - but only if the General Assembly will allow it.

Once upon a time, most people were convinced that growth paid for itself. "We must expand our tax base to survive," was the rallying cry of many pro-growth governments.

But that myth has been exposed, as numerous studies have proved that most development costs municipalities far more in added services and infrastructure than it generates in additional taxes. Recognizing that fact, Franklin County supervisors are considering a cash proffers system to ensure that developers, rather than existing taxpayers, foot the bill for some of the infrastructure improvements required by the growth they bring.

The proposal is a welcome development, as far as it goes. But it does not go nearly far enough. The cash proffers would be required only in cases where developers ask for zoning changes. If no zoning changes are required, then builders would escape responsibility for the road improvements, sewer upgrades, new schools and other infrastructure additions their subdivisions and shopping centers inevitably require.

But don't blame Franklin County for being timid. Unlike many states that allow localities to levy impact fees on any new development to cover the costs of roads, sewers, schools and even parks, Virginia allows impact fees only for roads, and then only in a few localities in Northern Virginia.

Legislative efforts to broaden the use of impact fees failed in the General Assembly last session.

The state should not continue to handcuff the efforts of municipalities to recoup at least a portion of the cost of growth from those who profit handsomely from it.

Impact fees are an important tool in many other states for managing growth. By forcing developers to face the real costs of urban sprawl, such fees encourage infill growth in areas where services and roads are already available.

And not all developers oppose them, since they help pay for the infrastructure that allows development to continue.

In most parts of the country, the fairy tale that development pays for itself has been laid to rest. Virginia should recognize that reality, and grant local government the ability to recoup the costs associated with new growth.

Otherwise, current residents are unfairly left to pick up most of the tab for the roads, schools, sewers and other costs that invariably follow expansive development.

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