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Talk of fee in Suffolk worries developers

The City Council wants builders to help pay the costs that result from an influx of homes.

[BY SHAWN DAY](#)

247-4816

November 5 2005

SUFFOLK -- Six years ago, city leaders adopted a comprehensive plan that left more than 10,000 residential lots in fast-growing sections of Suffolk. They figured that 800 new homes would be built each year.

Developers have blown past that prediction.

In the past three years, more than 3,300 homes were built in Suffolk. It is the second-fastest-growing city in the state, and its average new-house price hit \$276,400 last year, more than double the price six years earlier.

This year, Suffolk leaders want to cash in by charging builders a fee for new homes, which would pay for new roads and upgrades needed because of development. The fee could mean even higher prices for home buyers.

"You would hope the developer wouldn't pass on all the cost," Mayor Bobby Ralph said. "You'd hope they would absorb at least some ... but that's the way free enterprise works."

The City Council voted this week to ask the General Assembly for the authority to impose the fees for transportation.

Neither a specific rate nor a specific area has been established.

Money raised through the "impact fee" would send tax money to other city agencies and projects, City Manager Steve Herbert said. Last year's request for an impact fee to finance education didn't make it out of the legislature, he said.

The city cites Stafford County, about an hour north of Richmond, as precedent for a local government imposing impact fees for transportation. The county charges a transportation impact fee in two sections of the county, said roads planner Sue Faulkner.

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In the central-western section, it charges \$1,603 per single-family house, Faulkner said. In the southeast section, it charges \$5,171 per single-family house.

Since being adopted in 2003, the impact fee has brought in \$1.5 million for Stafford County, Faulkner said.

"We're a rural county that's becoming very, very urbanized," Faulkner said.

Like Suffolk, many of the county's winding roads aren't designed to handle rapid growth, she said. The impact fees help offset the costs of updating those roads over time.

"These are not to fix the problems we have now, but to fix the things we are foreseeing in the future due to new development," she said.

But the fees worry some developers, such as Branch Lawson, president of the Hampton Roads division of East West Partners.

Lawson says his company has worked well with Suffolk. He said he hopes impact fees aren't imposed because they unfairly target home development and could strain Suffolk's already short supply of affordable houses.

"That's putting an awful lot on the backs of new housing," he said.

Lawson's company is building a 1,200-home community called The Riverfront in northern Suffolk.

It will include about 650 single-family homes, he said. Under Stafford's southeast impact fee rate, those single-family homes would cost East West Partners \$3.4 million in transportation fees.

The remaining condos and town houses also could be subject to an impact fee.

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