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Making an impact

By Timothy Boone

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After four years of discussion and planning, a proposal to assess traffic impact fees on every new development in the city-parish will go before the Metro Council later this month.

Supporters of the plan, which include local developers, say the impact fees would spread the burden of paying for Baton Rouge's traffic problems fairly and consistently across all new houses, offices and big-box stores. And while the fees are expected to generate between \$4 million and \$6 million a year for road improvements, they hope that it can be the first step toward a parishwide bond issue to reduce the traffic snarls that plague the city and have only become worse post-Katrina.

"Once the voters realize that developers are paying their fair share, we'll be in a better position to pass the bond issue," says Michael McDuff, executive director of the Baton Rouge Growth Coalition, which has spearheaded development of the impact fees.

But opponents of the plan, which include the Greater Baton Rouge Association of Realtors and the Capital Region Builders Association, say the impact fees will amount to a new tax on homeowners and would place a heavy burden on low- to moderate-income households already feeling the pinch of higher construction costs and the rapid rise in home prices.

"It's almost impossible to do affordable housing right now, and that's where you'll see the biggest impact," says Herb Gomez, executive vice president of the board of Realtors.

McDuff says members of the Growth Coalition have been working on the impact fee plan for four years, since Bobby Simpson was mayor. The issue was to find a way to meet the city-parish infrastructure needs and find a fair and consistent way of paying for the work. Right now, only projects over 30,000 square feet have to make a donation for the traffic impacts they'll have. That excludes a lot of commercial buildings that generate increased vehicular activity, such as bank branches, pharmacies, restaurants and convenience stores.

"Certain developers have to pay for turn signals; others don't have to pay," McDuff says.



The new impact plan has a detailed fee schedule. If a developer is building a big-box store of a certain size, there's a set amount. Same for a school, a hospital or a home.

"This takes the discretion, so to speak, out of impact fees," says Walter Monsour, the city-parish chief administrative officer. "There's a semi-scientific way of calculating the fees."

The fees will also be spent in areas close to development. For example, the fees paid for a doctor's office in Zachary won't be spent on Perkins Road. "Developers can be assured we will be spending their money in a way to mitigate their impact," Monsour says.

That's small consolation for Realtors and homebuilders. Lynda Evans, executive vice president of the Capital Region Builders, says the impact fees are a tax on new homes and projects.

"These amounts don't sound like a lot, but once a fee gets approved, it's very easy for the council to go back in and increase the fees," she says.

The builders played a role in getting the Ascension Parish Council to vote down impact fees last year. The council was one vote short of approving the measure.

Evans says the problem with the East Baton Rouge traffic impact fees is the same as in every case—only businesses that are applying for building permits have to pay them, and not the existing stores.

Gomez has a different argument—an estimated 75% of the people who buy new homes in East Baton Rouge are locals, either moving up or downsizing. "These people have been paying taxes for all these years, and now they have an opportunity to pay more," he says. "Like our schools aren't running people out of the parish fast enough. This will give them more of a reason to move to Livingston Parish."

But McDuff says some steps need to be taken to improve parish roads and the impact fees are the first step forward to fixing the problem. Local business leaders have said for years that traffic jams are their biggest concern and the situation continues to deteriorate.

"Our belief is this the first step forward," McDuff says. "The people who are helping to develop and grow the city of Baton Rouge need to raise their hand and support making a contribution."

McDuff says he hopes passing an impact fee leads Mayor Kip Holden to put a bond issue on the upcoming ballot. Baton Rouge hasn't used a bond issue to raise money for roadwork in more than 40 years, and it's long overdue, McDuff says.

Monsour says he hasn't heard any discussion of a bond issue for roads. The traffic impact fees are set to go before the Metro Council's Finance and Executive Committee on June 20 and before the full council on June 27.

"I can't tell you what the mood of the council will be," Monsour says. "I haven't heard any negative remarks."