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Impact fee time restrictions queried

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SALISBURY -- A draft impact fee ordinance had council members questioning Monday night whether the city would be able to use the money generated in the time period allotted by the ordinance.

Impact fees are one-time payments made by developers to afford the growth in use of parks, fire, police and municipal facilities caused by their development and may only be used for capital costs.

Councilwoman Terry Cohen equated impact fees to the "price of admission" to live in a city, paid by residential and commercial customers.

"The people who already live here have paid their fee and it keeps rising, while those who have not moved here yet need to pay to support their coming in," she said.

Council Vice President Gary Comegys worried that if the added cost of impact fees was passed on to the homebuyer in residential developments, fewer houses would sell, though he recognized the many capital needs the fees could serve.

The draft report was given to the city in February by consulting firm TichlerBise. Since then, some council members have been anxious for fees to be put in place so that growth will pay for itself.

Councilwoman Debbie Campbell said impact fees have been discussed since she was elected but has yet to see the discussion come to fruition.

The fee structure in consideration will charge developers \$1,862 per single-family detached unit and \$1,320 per multifamily or other residential unit. Commercial space will be charged by square foot of floor area, for example 17 cents per square foot of warehouse space or \$1.24 per square foot of a commercial or shopping center under 25,000 square feet.

Since the money collected will only be available for capital expenditures -- like a new firehouse or a new park -- council members worried that the city would not be able to make up for operational costs.

"If we start collecting funds tomorrow, could we utilize that within the seven-year window?" Comegys asked.

Campbell said if the fees had gone into place about five years ago, more money would be in the pipeline for the city to work with.

Annexations caused council members to take another angle on impact fees, wondering if the annexation agreement itself could allow for money to be paid in leu of an impact fee at the time of annexation, thus removing the restrictions on how it could be spent.

But City Planner Jack Lenox said that option was a no-go, and City Attorney Paul Wilbur said any money collected toward an impact fee had to be used as an impact fee, though the presence of an

annexation contract could change the timeline put on the funds.

Wilbur and Lenox said they would answer any additional questions the council had and discuss the legislation further at a future work session.

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