



June 1, 2009

## Impact fees on table again

*By Laura D'Alessandro  
Staff Writer*

SALISBURY -- The time may soon come when growth has to pay its own municipal burden in Salisbury. But for many, the implementation of a fee structure to do so will come too late.

The Salisbury City Council is expected to bring impact fees to the table again today during a work session and could push legislation forward for a public hearing.

Impact fees are one-time payments used to construct system improvements needed to accommodate new development and can only be used for capital improvements. In Salisbury's case, that includes a fire house, police station or public park.

Councilwoman Debbie Campbell said she's heard murmurs of an impact fee ordinance since she's been on council -- five years -- and recently elected Mayor Jim Ireton, who touted growth paying for growth in his campaign, said heavy growth has already taken its toll on area resources, and it may be too late to stem it with impact fees.

During his campaign for mayor, Ireton said repeatedly that he favored an Adequate Public Facilities Ordinance over impact fees.

Before he resigned from the City Council in 1999 after a 16-month stint, Ireton is even on record voting against impact fees.

"I don't believe impact fees work," he said from the campaign trail earlier this year. "I believe it's piecemeal."

Though an APFO and impact fees are similar, Ireton said he favors the ordinance because it allows the city to specifically target needs.

"It allows us to state, 'this is the number of cops we need to service this (project); this is the number of fire and EMS people; this is the number of school classrooms that we have to have,' " he said in March.

## Now or never?

With growth slowed, some people think there's no need to put fees into place now, but experts counter there's no better time. But after years of tossing around the idea of impact fees and performing studies, some council members may want more discussion.

Council Vice President Gary Comegys said he's reluctant to move forward until the council is sure the city can afford to use the money collected.

According to Salisbury-Wicomico Planning and Zoning Department Director Jack Lenox, the city has never implemented impact fees for municipal facilities, though water and sewer capacity fees and annexation fees are currently in place.

In 2008, Salisbury lost the business of a restaurateur's fledgling microbrewery to Delmar because the city's water and sewer capacity fees were too high. At the time, then-Mayor Barrie Parsons Tilghman said it was a concession the city couldn't make. Comegys said he's worried if fees are imposed in addition to the ones that already exist, developers will run for the hills -- or the Delaware line -- even faster.

"I want to hear from the business community how that will impact some of their decisions moving forward," Comegys said. "We still want to encourage economic development. We need jobs ... and we don't want to put an obstacle in place that may impede growth."

But according to Clancy Mullen, executive vice president of Duncan Associates in Austin, Texas -- a firm that advises numerous cities on impact fees -- Comegys' fear is common and supported by some evidence; the effect of impact fees is very specific to where they are implemented.

"Generally speaking, commercial development wants to go where the market is, and that's the primary consideration," Mullen said. "There's all kinds of other factors -- property taxes, water and sewer rates, the labor market -- that go into that decision-making for businesses. Surely an up-front fee is a factor, but not a determining factor by any means."

On the positive side, Lenox said having the fees set makes planning easier on land owners and developers by eliminating any surprises that could otherwise pop up during the permitting process.

But one of Salisbury's major developers begs to differ. Palmer Gillis, chief executive officer of Gillis

Gilkerson and a former councilman whose time in office saw the passage and repeal of an impact fee ordinance, said more fees will deter developers, and the city needs to create more customers to foot the bill for its wastewater treatment plant upgrade, which ultimately is expected to cost more than \$80 million.

While developers and planners have made their voices heard, the debate has yet to be opened to the public, and Comegys said that's what he's waiting for.

[laurad@dmg.gannett.com](mailto:laurad@dmg.gannett.com) 410-845-4630

---