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Senate debates impact fee bill

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The program that Prince William County uses to make developers pay for local infrastructure is threatened by a bill that could win approval from the Virginia Senate today.

Today is the last chance that Sen. John C. Watkins, R-Midlothian, has to rally support for his impact fee bill, SB 768.

If it advances without much change from Monday's version, it could be without the support of senators from Prince William County.

The bill has improved, but it's still not good enough, said Sen. Linda T. "Toddy" Puller, D-Mount Vernon.

"The proffer system has gotten out of control," she said. "But I think it'll probably pass."

She and Sen. Charles J. "Chuck" Colgan, D-Manassas, said they wouldn't be supporting Watkins' bill if it didn't protect Prince William County from an elimination of Virginia's proffer system. Fairfax County dodged that bullet with an amendment to the bill that the Senate adopted on Monday.

Currently, Prince William officials negotiate with developers to get about \$38,000 per new home to pay for new schools, roads, parks, libraries and public safety.

Watkins' bill would trim that fee to \$12,500 for single family homes and further cut the rate for duplexes and town houses.

Watkins said counties like Prince William have gotten "out of control" in collecting money that is supposed to be voluntary. Builders say proffers aren't voluntary and end up getting passed down to the people who purchase the homes.

Watkins' straightforward set of development fees would be clearer for residential developers, he said. And he's not interested in pulling Prince William County out of the impact fee bill.

"If you start picking them off one by one, you might as well not even introduce the bill," he said.

Colgan said even though Watkins' amended version looks better than it did last week, "his impact fees aren't enough to help us."

Watkins made numerous changes to SB 768 since Friday, including doubling the fees that developers would have to pay in densely populated areas like Northern Virginia.

"I would keep in mind that this is a 50 percent increase over what the original bill had," Watkins said on the floor of the Senate on Monday. Then he asked the bill go by for another day. Today is crossover, the last day each house can consider its own bills.

If the Senate doesn't offer its support behind it today, Watkins will have to wait until next year to continue his 12-year effort to eliminate proffers.

Last week local officials offered harsh words for the original version, and even with the changes, it doesn't seem good enough for them to support it.

"We still have significant issues with it," said Dana Fenton, lobbyist for Prince William County.

Builder groups say changes in the proffer system are overdue.

Developers should no longer be responsible for paying for infrastructure that is traditionally a local government function, said Jim Williams, executive vice president of the Northern Virginia Building Industry Association.

Meanwhile, local government officials say if the impact fee changes are adopted, local land use deals would be harmed.

Too much work has gone into the program that allows localities to garner cash and land donations from home developers to allow such huge changes to occur, said Ted McCormack, director of governmental affairs for the Virginia Association of Counties (VACO).

"It overturns 30 years of policy dealing with how infrastructure needs in Virginia's development are to be funded," he said. "We do not support the bill."

He said even though the fees rose in the newest version, an additional clause restricts local governments from raising that rate by 1.5 percent a year, despite possible higher increases in building and land costs.

"As the price of land increases, the amount of money the locality would have to use to buy that land would be capped," McCormack said. "VACO supports broad impact fees for local governments, but this one doesn't meet its criteria."