

BEAVERTON VALLEY TIMES

EDITORIAL

County wisely delayed fee vote; work remains

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Washington County commissioners acted wisely last week to put on hold a proposal to substantially increase development fees on new construction and growth to pay for transportation improvements spurred by growth.

The decision by the county means that voters will not be asked to vote on the new fees in the May primary election

The issue is not whether development should pay its share for impacting traffic in the county. It should – and has in Washington County for the last 20 or so years.

However, the essential question that county commissioners, city officials throughout the county and leaders need to agree on is two-fold: Exactly what is the fair share that new development should pay? An equal importance, there needs to be agreement over just how much transportation improvement can be afforded.

Those are tough questions to answer in increasingly tough economic times. Washington County and cities have huge shortfalls in funding the maintenance of existing local roads, highways and pedestrian paths, while also needing to expand the transportation system. Yet taxpayers, including businesses, can't afford to pay so much to make things better.

If taxes and development fees cross the line of affordability, fairness and equity, a further decline in the economy will occur.

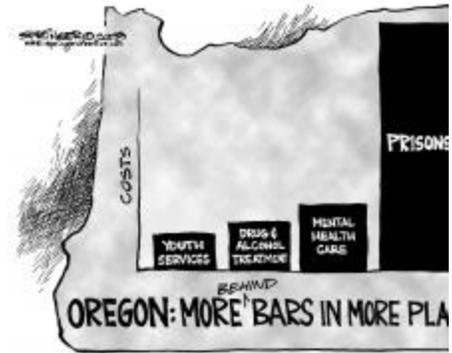
Commissioners seemingly understood that when they put on hold the proposed increased traffic impact fees. The decision was made as opposition to the fee increases mounted among many folks in the business community, and even as some local mayors were saying that the new fees appeared to be too steep of an increase.

How high? The traffic impact fee to be assessed on the construction of a single family home would have increased from \$3,200 to \$6,772 and the fees charged a new fast food restaurant would have increased from \$13,888,945 by one analysis and as much as \$177,331 by another estimate.

On their own, such fee increases would be hard to easily accept. But commissioners need to remember that traffic impact fees are not the only fees that new development is charged. New construction pays an assortment of other fees, including assessments for planning review, storm and sanitary sewer, water hook-ups, fire and Metro construction excise tax to pay for growth planning – and soon in many communities a school construction impact fee.

The cumulative impact of these fees is presently significant. In Hillsboro, a new office building will pay more than \$4.25 per square foot in development or close to \$300,000 on a 70,000-square-foot building. In Beaverton and Tualatin, the cost would be almost \$100,000 less but still a high number. If Washington County's traffic impact fee increase had gone into effect, the cost on development would have been even higher. And like the owner of a home, businesses pay general property taxes, road improvement property taxes, state gasoline taxes.

While the average Washington County resident supports business paying its share of the impact of growth



taxpayers must also remember that fees charged to a business will largely be passed on to the consumer. Whether you buy a new home or a hamburger, for example. Or fees that cannot be passed on or absorbed will cause a business to stumble, close or never locate here in the first place.

A resolution of this matter is needed.

Local cities and the county have verifiable needs to improve the local transportation system. And development should fairly contribute to that effort.

But before an increased fee is proposed again, elected officials need to more realistically determine what transportation improvements are needed and balance that list with what the ability of the general public, business community and taxpayers to afford those improvements and programs.

There is a tipping point of where – despite many real transportation needs – where the cost is too high.

That's why city, county, civic and business leaders need to sort out these questions over the next few months before any talk of placing an increased fee on the November ballot resurfaces.

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