

Council approves impact fee increase

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RALEIGH -- Starting next month, developers will pay double the amount to build an average sized home in Raleigh as city council voted to approve a hike in impact fees on Tuesday.

John Kerr and his crew from Kerr Smith Homes worked on a new home in a north Raleigh neighborhood while the council decided to double impact fees on new homes like it.



Impact fees are on a sliding scale, meaning developers of larger homes pay more than for smaller houses.

"All it's doing is costing us more to develop lots and improve Raleigh, which we have to pass along to the consumer," said Kerr.

But council members say it's past time for the increase and say the higher charges bring the city more into line with towns like Cary and Apex.

"Our fees are quite a bit lower than other municipalities that are growing quite a bit faster than us," said council member Russ Stephenson.

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Fees on a single-family house of 2,000 square foot will now increase from \$528 to \$1,386. Fees also go up for new commercial, industrial, and recreational properties. The boost in fees goes to pay for parks and roads in Raleigh. City council members say the increase will bring in \$7-8 dollars to the city a year.

Council member Philip Isley was the only member to disagree with the fee hike.

"I just feel like in my heart we're setting up the city in tumultuous economic times....for more pain and heartache,' he said in Tuesday's meeting.

Instead, he favors a recommendation from Raleigh's Planning Commission to phase in fees for new homes over several years.

But council members argued the time is now.

"The time to move on is now. Get this behind us," said Stephenson.

For Kerr, it's another major expense as he tries to cut costs in tough economic times.

"It's a big hit to take right now," he said.

The increase takes effect June 1. For more, click [HERE](#).

