

[back to article](#)



Printed on page BN1

Rollback of fees could continue

By *CHRIS GERBASI CORRESPONDENT*

Published: Tuesday, January 13, 2009 at 1:00 a.m.

County commissioners may extend an impact fee rollback for builders another six months to try to spur construction.

The County Commission will hold a public hearing at 10 a.m. today on an ordinance extending the expiration date of the residential and commercial impact fee rollbacks.

Impact fees are assessed on new construction to help pay for roads, parks, other infrastructure and public safety needs, such as fire and law enforcement buildings.

The rollback to 1998 assessment rates, which was a significant reduction in fees, took effect one year ago. The reduction cost the county \$2.4 million in lost revenue on building projects in 2008, said growth management director Jeff Ruggieri.

Ruggieri has recommended the extension, and said commissioners indicated support late last year.

"The board enacted the rollback as a gesture to local builders, who are the foundation of the county economy," Ruggieri said.

"It was a gesture to say the board is trying to help out the industry.

"Over the long haul, have we lost revenue? Yes, we have," he said.

Despite the lost revenue, Ruggieri said it is difficult to gauge the rollback's effect. He said he has dealt with a "handful" of small businesses that said they were locating in Charlotte specifically because of the lower impact fees.

But construction remained flat in 2008. Ruggieri said the county issued 300 residential certificates of occupancy and 37 commercial certificates of occupancy for the year.

The 1998 impact fee rate for a single-family home is about \$2,500, according to

the county. A 2006 change based fees on square footage and increased the rate for a 2,000-square-foot home to about \$8,200.

Commissioner Robert Skidmore said consideration of the revenue loss should be weighed against the difficult economic climate. Had the rates not been rolled back, he said, few builders would have wanted to pay the higher impact fee anyway.

Skidmore said he supports extending the rollback for consistency and efficiency, rather than returning to higher rates and contradicting the county's "open for business" appeal.

"I think it could encourage some growth as opposed to prohibiting it," he said.

The county is also looking at moving from a flat rate to a tiered rate for impact fees. Commissioners will hold a board workshop at 2 p.m. today to discuss different methodologies for assessing impact fees.

The rollback ordinance, approved in October 2007, is set to expire Jan. 22 for residential construction and on Feb. 12 for commercial. Skidmore said the extensions, if approved, would last until July 22 for residential fees and Aug. 12 for commercial fees.

An extension of the impact fee rollback would not affect the current year's budgeted revenues, according to the growth management department.

This story appeared in print on page BN1
