

Wicomico County Council
Open Work Session
June 18, 2013

Work sessions require written minutes that reflect each item that the public body considered, the action that the public body took on each item and each vote that was recorded. **It should be noted that at work sessions, the Wicomico County Council does not take formal action, nor is a vote taken on any item discussed.**

Present: Matt Holloway, President; Bob Culver, Vice President; Sheree Sample-Hughes, Stevie Prettyman, Gail M. Bartkovich, John B. Hall and Joe Holloway.

In attendance: Matthew E. Creamer, Council Administrator; Edgar A. Baker, Jr., County Attorney; Wayne Strausburg, Director of Administration; Maureen Lanigan, Deputy County Attorney, Andrew Mackel, Director of Finance, Jack Lenox, Director of Planning and Zoning and Melissa Holland, Recording Secretary.

Fees on businesses such as impact fee:

Brad Gillis, President of Chamber; John Cannon, Vice President of Business Advocacy Division Chamber and Ernie Colburn, Director of the Salisbury Area Chamber of Commerce came before Council. Mr. Colburn thanked the Council for their work relating to the decoupling of real estate tax rate from personal property tax rate; eliminating the inventory tax and the manufacturing automatic tax exemption. He thanked them also for supporting Wor-Wic, SWED and the Tri-County Council.

Brad Gillis said they would like to discuss the impact fee and the Fire Marshall fee. Mr. Gillis said the timing of the fee is an issue. He said if the plan needs a Fire Marshall review 100% is required to be paid up front. The amount is 60% of the total buildings permit cost. He said if that developer can pick up the building permit and fire marshal permit at the same time it would make a great difference.

Mr. Lenox said the money paid up front covers all of the inspection work. He said the County needs enough up front in the event they

don't continue with the project. Mr. Lenox was not aware the County required the total fee upfront. He said he does not have an answer but feels that could be discussed. Fire Marshall does have a re-inspect fee. Mr. Gillis just said that paying 100% of the Fire Marshall Review fee is not effective at the time of the building permit.

Mr. Lenox said it is better to have the review done up front and he feels the process can be split and will bring a recommendation back to the Council after speaking with the Executive.

Impact Fees:

Mr. Colburn said they are not asking the County to eliminate the impact fees as they have provided schools and want the county to look at the timing of the fee as well. The impact fee is paid at the time the building permit is issued. Mr. Gillis said the house is not putting an impact on the community until they occupy the house. He said they are advocating looking at the timing of the fee. He said the County can either do a lien or collect as a tax. He said there is a mechanism in the code to enforce it this way. Mrs. Prettyman asked if he sees this as a problem to which Mr. Gillis said no. Mr. Cannon said no one knows the impact and he said only 75 residential properties were built during the year. He said he wouldn't support a moratorium but possibly a reduction. He said the State of Maryland has forced the county to raise taxes. Mr. Cannon said he has a friend who is a builder that won't build in Wicomico County. He said a lot of developers are going to other counties to build.

Mrs. Prettyman is not sure where the County could collect that revenue which is received by the impact fee. She said there are many schools that need to be renovated or replaced.

Mr. Lenox said the attention given to occupancy permits is very informal. He said there is a county wide fee administered in the cities and towns. Delmar, Salisbury and Fruitland would have to monitor it as well. He said then the homeowner may find out they owe money to no fault of their own. He said they have not figured out a way on how to charge the fee at the time of the occupancy permit however he is willing to look into it and discuss it.

Mr. Joe Holloway said there has to be a jump start to the economy. He said he does not feel there are enough votes for a moratorium. Mr. Strausburg said the Executive office is not in favor of a moratorium. He said they may be able to set up a mechanism where the impact fee is paid at settlement however he will have to speak with Mark Bowen, Clerk of Court. He said they are concerned about the builders who will double dip and is worried that homeowners will be charged twice. He also said the impact fee can't be financed.

Mr. Joe Holloway asked what is the last permit that is bought or approval that is needed. Mr. Gillis said the electrical, plumbing permits are needed as well. Mr. Gillis said the builder still has to pay taxes if it doesn't sell so he suggested tying the impact fee into the tax bill.

Mrs. Prettyman said the County was conservative in establishing the impact fee and has never increased the fee. She does not feel until the housing stock gets very low then building will occur. Mr. Joe Holloway said they are building the minimum home possible. Mr. Culver said that a developer will go to another county or state if they can save money. He asked why they can't base the impact fee on square footage. Mr. Lenox said that would make it a tax and not a fee. Mr. Strausburg asked if it could be based on the number of bedrooms to which Mr. Lenox will look into it.

Mrs. Sample-Hughes asked if this impact fee could be used for other things such as public safety to which Mr. Lenox said the County chose to use the fee for education.

Tom Bradshaw, Dorchester County Commissioner:

Mr. Bradshaw asked if the Council had time to think about whether they wanted to join the cause. He passed out two handouts. He said that the total amount of loading nitrogen in the bay is 169,500 tons total and 71,000 tons come from the Susquehanna River. He said there are ten counties on the Western Shore they have to implement a rain tax. He said that Dorchester County did not adopt their tier maps. He said that due to the Western Shore making poor land use decisions it is trickling down to the lower Eastern Shore counties. He said that power dredging helps the oysters as it did this year. There are seven counties involved in the coalition and the cost is \$25,000. Three out of the seven

counties have paid and Carroll County paid an additional \$42,000. Mr. Joe Holloway asked how Mr. Pollitt felt about joining to which Mr. Strausburg said he will speak with Mr. Pollitt. An open work session will be held at the next day meeting with the Executive to discuss whether to join the coalition. Mr. Chip MacLeod is very close to filing for intervention. Mr. Frederick Grant mediates between Federal and State governments regarding coordination. Mr. Grant is actually thinking of assisting the coalition.

Subdivision of Land: Legislative Bill 2013-06-

Mr. Baker said he will have to change the bill if the Council wants the extension permanently as this is normally done by the Planning Commission. If a developer needed an extension they would make a presentation to the Planning Commission he said the Council has now taken that authority for one year but if they would like to make it permanent it will have to be placed in the law. Mr. Lenox said there is an advantage as there is a blanket extension so the Planning Commission doesn't have to make a decision and be challenged. Mr. Baker said the state may feel the County is going around the Septic Law. Mrs. Prettyman asked if a resolution could be done to extend it for four years without codifying it. Mr. Baker said the legislation is doing it by two years and gives Council the right to continuously extend the date. Mr. Baker said the County could give a four year extension. Mrs. Prettyman and Mrs. Bartkovich feel the Planning Commission should keep the authority to grant extensions and are not willing to do it permanently. Mr. Matt Holloway would like to do a five year extension. The Council agreed to extend it from two to five years and taking the year by year provision out. At the end of five years Council has the option to do it again or allow the Planning Commission to continue as the authority. Mrs. Bartkovich would not like it to fall on an Election year therefore the date will be December 31, 2019 and the Council agreed. This bill was introduced at the previous meeting.

Ms. AKaye Kenney said she looked at the chart and most of those properties are land owners and not developers. She said the lots are a lot less due to perks and said there is a lot less than what appeared to be.

Open Work Session adjourned.