

Wicomico County Council
Open Work Session
May 20, 2014

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.**

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

Present: Matthew E. Creamer, Council Administrator; Edgar A. Baker, Jr., County Attorney; Maureen Howarth, Deputy County Attorney and Melissa Holland, Recording Secretary.

Also present: Wayne Strausburg, Director of Administration; Andrew Mackel, Director of Finance and Jack Lenox, Director of Planning and Zoning.

Impact Fee Discussion:

Mr. Matt Holloway said there is a proposal in the budget that is earmarked as an offset for the impact fee in the amount of \$100,000. Mr. Culver said he doesn't want to tie this to the whole budget as he can't support the whole budget. He would like a moratorium on single family home building for the next two years as some of the other counties have done. Mr. Culver also said that Dorchester County is having a public hearing to remove their impact fee on single family and he said their impact fee goes to 911, Sheriff and the Board of Education. Mrs. Prettyman asked if Dorchester County has an excise tax or an impact fee to which Mr. Culver said it is the same thing. Mrs. Prettyman said it is not the same thing. Mrs. Prettyman said an excise tax in an instrument of writing that are filed and an impact fee is a regulatory measure and the fee is based on the impact of development on infrastructure. Mrs. Bartkovich said an impact fee crosses municipal boundaries and the excise tax does not. Mr. Strausburg asked if the county could impose a moratorium on single family homes and not multi family to which Mr. Baker said there may be a problem but he would need to research it, however, he said it would be discrimination against the multi family home if given to single family. Mr. Culver asked if the same amount could be charged for multi family and single family as counties across the Bay Bridge are doing that. Mr. Baker said Wicomico County's impact fee was based on the Tischler study and the cost was made according to the impact the dwellings have on the county. Mr. Joe Holloway said when they looked at the comparison for single family home they used the numbers of Worcester County and feels the study needs to be re-evaluated. Mr. Culver said due to the septic requirements and the new sprinkler requirements that is an added cost to the developer.

Mr. Bill Martin, Realtor, said the market is over priced as short sales and foreclosures are happening more now. He said the builder can't build a house for \$100 a square foot which is what the homes that are already sitting are going for. Mr. Martin said a large

part of the population works in the building industry.

Mrs. Bartkovich said sixty to ninety days is not enough time for a moratorium as there are many steps to building a house and permits that are needed. Mrs. Sample-Hughes said she agrees with the process and intent however she said the impact fee was put in to ensure the county is taking care of the schools and that she supports the schools. Mr. Mackel said for next fiscal year \$770,000 is being projected in impact fees. \$771,000 accounts for 252 multi family units and 74 single family units. He said the impact fee for a single family home is \$5,231 and the impact fee for a multi family home is \$1,524. Mr. Culver would like Mr. Baker look into the county charging the same rate for single family and multi family. Mr. Baker said it can't be done with an impact fee but Mr. Culver will do some research on that as well. Mr. Lenox said the fee has to be based on the study and the study is based on competent people and are the most respected in the business. Mr. Lenox said it may be time to recalculate the numbers. He said the fees are based on analysis and Tischler would have to go back and recalculate. He said that Tischler suggested updating the study every three years and it has not been done. Mrs. Prettyman said when the county implemented the impact fee the Council chose to be conservative and it could have made the impact fee much more. Mrs. Prettyman said she would be concerned changing the impact fee for multi family or single family until Mr. Baker opines. She said school needs have been deferred and these revenues have to be replaced if the impact fee revenue is lost. Mrs. Prettyman said she is looking at the big picture. She said the city does not give the county any money towards education. She said an impact fee could have been done for Recreation and Parks and Roads. Mrs. Prettyman feels that if the county does anything with the impact fee before the study is done again the county is going down a slippery slope. She said if a moratorium is put on the impact fee for a year the money would have to be replaced in the budget. Mr. Baker said the impact fee has to be based on an actual calculation and he does not feel the county could make the impact fee the same rate as they have a different impact on the county. He said it will be an Equal Protection argument that two people are being treated unfairly based on what they build. He said that is the reason for the grant as it keeps the integrity of the fee and no one is treated differently and he thought the intent of the budget was to give a grant for the impact fee which would have the same effect as the moratorium to the builder.

Mr. Joe Holloway suggested a percentage percent discount for multi family and single family homes. Mr. Mackel said a criterion is needed to establish who will receive the grant and hopefully prevent one developer from pulling all of the permits. Mr. Lenox said there are names and projects that he can match to the estimate that he has given. Mr. Joe Holloway said there are a lot of rental units in Wicomico County at this time. Mr. Lenox said there are a lot of high end 3 bedroom apartments with amenities such as elevators in rental units.

Mrs. Prettyman would like to see the criterion for the program.

Mr. Barry Glass, Developer, came before Council. Mr. Glass said apartments have a run and then bad neighbors come and people move away and then apartments run their course. He said it is time to stop building here with the way things are. Mr. Glass said

he hires local subcontractors to work on the houses. Mr. Glass said a lot of the houses that he builds the families do not have children in the household.

Mr. Hall asked if Mr. Glass was offered the grant would that stimulate Mr. Glass to begin building to which Mr. Glass said yes and it would take a month to begin with the permit process.

Mr. Culver asked if the impact fee could be taken away completely and possibly re-introduce later. Mr. Mackel said it is \$700,000 this year and outgoing years and that revenue would be lost. Mr. Joe Holloway said if the county is going to do anything with the impact fee it needs to be done. Mr. Hall said he would like to see the study looked at again and he is in favor of the grant.

Mrs. Bartkovich asked if the county put a moratorium for a year the revenue would be lost, however, she said there are still monies in the fund balance and asked that the fund balance be increased to cover the lost revenue and see what happens after a year. Mr. Matt Holloway suggested putting \$387,000 into the Economic Development account and supply grants for single family homes only. Mrs. Prettyman is also concerned about the fund balance and increasing the amount which is taken out of it. Mrs. Sample-Hughes said this can be reassessed after the grant is in place to see how it is working. Mr. Matt Holloway said if the county ran out of grant money before the twelve months is over the Executive office can come back and ask for more money to continue the program and if it is not working they can discontinue the program.

Mr. Culver asked that his letters be kept on file as they came from citizens concerned about the impact fee. He also thanked Mr. Martin and Mr. Glass for attending the meeting and expressing their concerns.

Open Work Session Adjourned.