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MY TURN

Lisa Markovitz

Will raising developer fees help fix the county budget?

Howard County has a budget crisis. How do we fix it? Do developers need to pay higher fees?

The County Council will soon take on the issue of increasing residential development school fees.

Get ready for the same scenario we always see unfold when faced with development concerns. The County is polarized. The civic advocates end up in opposition to the enjoined business community. Those viewed as NIMBY (not in my back yard) people are pitted against fiscal business interests.

But is that right? Are Howard County commercial interests really well-served by defending all density increases?

The long County history of granting virtually every residential development project has created a low supply of commercial retail space and rising rents.

Partly due to the County's long-term woefully low housing development fees, business customers across the County are now facing a large property tax increase, which will decrease spending.

Why do we need a property tax increase? If development is profitable, and given our massive growth, why isn't our current tax base covering our costs?

The answer is simple: It is a fallacy that residential development is a profit center for the County.

Public services are greatly overwhelmed and development should be slowed down. Expenses saved via student enrollment and reduced costs from traffic, health services, and public safety needs, far outweigh the taxes produced by new homes.

For too long, Howard County has collected incredibly low home development fees compared to our neighboring counties. Average new home building fees for 2019 are \$5,400 for Howard County. Compare that to \$13,390 in Anne Arundel, \$12,950 in Calvert, \$17,385 in Charles, \$15,515 in Frederick, \$45,159 in Montgomery, and \$24,094 in Prince George's!

It is time for residential development to pay more of its share of the impact that it has on public services such as schools, roads and public safety. Development will continue but let's have it add to the county coffers rather than subtract.

This July, the Howard County Council

will have the legal right to change the fees that developers pay per new residential unit. The Council and County Executive need to work together to increase these developer fees as soon as possible, and not allow unfounded concerns about lost tax revenues add to the County's fiscal hole any longer.

Some other wedge issues that get thrown into development arguments need debunking.

**Average new home
building fees are \$5,400
in Howard County and
\$13,390 in Anne Arundel.**

For example, some say that increasing developer fees will raise housing costs and lower the affordable housing supply. It is a little-known fact, though, that the school fees don't apply to lower-priced homes.

Also, the amount of affordable housing required in development is very low – none for low income, and only a small percentage for moderate income. And, while affordable housing should be spread across the County, it is currently segregated because higher market projects pay a fee-in-lieu of providing it.

Currently, almost 250 fees for construction permitting, and development are up for annual review. Notably, these fees have not been increased for almost 20 years! The County doesn't need a change in the law to increase these fees.

The Council has not acted on these potential increases yet, but let's make sure the school charge fees are increased as soon as possible. Residents and the business sector are in dire need of these new revenues.

Lisa Markovitz is president of the Maryland civic/political group, The People's Voice.

YOUR TURN

Share your views on this month's My Turn. Submissions must be signed, include a phone number and email address. Please keep your comment to 250 words or less and send them to info@bizmonthly.com