



Howard County

Internal Memorandum

Subject: Testimony on Council Bill No CR 142-2019; Resolution increasing Forest Conservation Fees in Lieu

To: Lonnie R. Robbins, Chief Administrative Officer

From: Joshua Feldmark, Director of Sustainability

Date: November 11, 2019

This Resolution is filed in conjunction with CB 62, repealing and reenacting the Forest Conservation Act. The figures we are proposing for fee in lieu were determined as part of our overall process to strengthen the act and to come into compliance with state law.

In order to develop our baseline, we worked to calculate the various aspects of our costs for planting forest to meet the forest conservation obligation. The cost of \$1.25 per square foot of forest was calculated using the following components:

- Hard costs including supplies (trees, soil, stakes etc), labor, and equipment
- Staff salaries for employees specifically dedicated to the Forest Conservation Program
- Capitalized equipment, maintenance on the equipment, and fuel costs

Not included in this figure is the price of land acquisition or easement acquisition.

The \$1.25 calculation for fee in lieu inside the Planned Service Area is the basis for all of the other fees in this resolution. By state law, the fee outside the priority funding area must be at least 20% higher than the fee inside so 20% higher than \$1.25 is \$1.50.

The \$2.00 fee for abandonment was not specifically calculated but chosen as a recognition that the abandonment fee needed to be significantly higher than the original fee to dissuade the possibility of someone going through the process with the intent to abandon because it is the cheaper/easier option.

The \$1.25 fee for non-compliance, came from a recognition that this fee is nearly always paid by individual homeowners (or Home Owners Associations) who violate the easement, not by the developers. Setting it at the same rate as the base rate for the fee seemed the most practical solution.

Fiscal Impact

While it is difficult to predict how much fee in lieu will be collected for developments not yet submitted we can use the past as a way to understand the impact of these increases. Between 2013 and 2018 we collected fee in lieu for 62.4 acres of obligation, totaling \$1,685,295. Under the proposed rates and governing policies we would have collected \$2,955,982.