



Howard County Citizens Association

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The Voice Of The People of Howard County

Date: 18 November 2019

Subject: **HCCA Testimony – CR142 -- Increasing Forest Conservation fees-in-lieu.**

Members of the County Council,

I am testifying on behalf of the Howard County Citizens Association to urge you to rethink the practice of fees-in-lieu as a way to allow developers from not fulfilling their obligations. As we approach another budget season and an almost certain record deficit, we can look to this practice as a main contributor.

Howard County fees-in-lieu do not reflect the actual cost to the taxpayer and the forest conversation fees are a prime example. Here we are, facing cataclysmic disasters from climate change, declaring that “we’re still in” the Paris Agreement proclaiming our commitment to stand for decisive action, while setting fees of cutting down trees that do not reflect their true worth.

First, HCCA does not support the use of fees-in-lieu as a way for developers to get out of fulfilling their obligation. A fee-in-lieu is ideal for a counter-party that is a steward of its community, who would not abuse the process for the sake of profits. The current structure is abused and enables developer profit subsidy. A fee-in-lieu makes sense when zero practical solutions exist to overcome the obstacles. It is a last resort. But in Howard County it’s really more of a first resort.

Second, if a fee-in-lieu should exist, we think it should be based on sound fiscal and economic evaluations. Most fees in Howard County are pulled out of thin-air and there is little proof the forest conservation fees are any different.

While we appreciate the explanation provided in the administration’s testimony that provided some basis for the fees, we think the fee should also include the cost of carbon abatement. Governments, businesses and NGOs are adding these climate-related costs to their budgeting and a county government that prides itself as forward-thinking leader on climate issues should also.

An acre of mature trees can sequester as much as 5,800 pounds of carbon dioxide per year. Just going by CB62 requirements of 100 trees per year leads to 58 pounds per tree per year. Assuming a carbon cost of \$50 per ton, a social discount rate of 1 percent, each tree would add up to 30 cents to the fees within the planned service area boundary making it \$1.55 per square foot and closer to \$1.90 per square foot outside the PSA. By the way, number of trees per acre specified in CB62 assumed 20 feet, while many recommendations are 10 feet or less, which would lead to \$1.20 per square feet just due to carbon abatement alone. This fee doesn’t take into account the fact that not all trees are created equal. Mature trees have more benefits and the time needed for small trees to mature should be reflected in the fee-in-lieu.

The fee for abandonment would need to be at least double the cost – closer to \$4 or \$5.00 if the intent is to dissuade the possibility of someone going thorough the process with the intent to abandon because it is the cheaper option.

Ideally, fees-in-lieu would be eliminated as a way to comply with regulations as they have been abused by developers for years. Alternatively, we ask that the calculations incorporate a defensible account for the impact of climate change and the benefits of trees in protecting communities from flooding.

Hiruy Hadgu
HCCA Board of Director