



PRESS-REGISTER

Fairhope latest city to adopt impact fee

Fees will be capped at 1 percent of value; expected to generate \$7.3 million over next five years

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FAIRHOPE -- Officials here unanimously adopted impact fees Thursday, making the city the latest in Baldwin County to do so since April 2006.

Officials in Gulf Shores and Orange Beach have already approved the impact fees, and county officials, along with Daphne, are also looking into doing so.

Planning Director Gregg Mims said the purpose of the impact fees is to create revenue through new development to address future growth needs.

City Council President Bob Gentle said the fees will go into a separate account from the city's general fund, and that the money can only be used for capital improvements to the Fire Department, parks and recreation, Police Department or traffic and transportation services.

"Those who have been here awhile have already paid their share of police cars and fire trucks," Gentle said. "It's time for the fellow moving in tomorrow to pay his share."

According to a study performed by the consulting firm TischlerBise, Fairhope is projected to collect \$7.3 million during the next five years. Mims said the project total will break down to about:

\$4 million to parks and recreation.

\$2 million to transportation.

\$1 million to fire protection.

\$300,000 to police.

Mims said the fees will be assessed when the Building Department issues a permit on a particular project. State regulations cap the total charge at 1 percent of the combined value of the land and proposed improvements. Permits for additions to existing structures will be exempt, Mims said.

Anyone who applies for and receives a building permit starting this past Friday will be required to pay the fee, Mims said. Currently, Mims said, there are applications with the Building Department for permits for nine commercial and eight residential projects. Those permits, Mims said, will be grandfathered in and exempt from the impact fees.

Fairhope's permitting jurisdiction could become an issue between the city and county. Mims said that, according to state regulations, the city can only collect impact fees on permits issued within Fairhope's corporate limits.

Gentle said if the county adopts a similar impact fee ordinance, the city will need to work out something with Baldwin officials.

"Well if it's in our police jurisdiction, and we provide the police service, but the county accepts the fee," Gentle said, "we'll need the county to cooperate with us. Since it's a new state law, I imagine we'll be tweaking it down the road."

In April, the city hosted a public hearing on the impact fees. Several weeks ago, there was a council work session on the issue that was open to the public.

"It was surprisingly quiet," Gentle said.

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