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How to pay for growth is issue

By: Jack Smith

Eufaula Mayor Jay Jaxon believes Eufaula is poised for growth.

He cites a number of factors that have created a perfect storm of sorts.

The analogy fits since Eufaula has seen intense interest from Floridians suffering from hurricane fatigue.

And the high cost of real estate has developers, and Florida residents alike, looking for cheaper, and perhaps simpler, places to look to live.

New lakefront developments are under way. More are planned.

News has circulated that developers hope to put together an enormous tract of land near Hwy. 165 in north Eufaula. If the deal goes through, developers envision a massive retirement village that would dwarf any of the projects either under way or in the planning stages.

Add to the mix transportation infrastructure improvements, its steady and diverse industrial base and Eufaula's proximity to a Kia plant planned in West Point, Ga., and the Bluff City's best days may be ahead.

The widening of U.S. 431 north of Eufaula is moving ahead at a rapid-by Department of Transportation standards-pace. The DOT is close to returning to Eufaula with its final plans for a western U.S. 431 bypass. Jaxon says that expanding infrastructure could open another corridor of growth in Eufaula.

So Eufaula, only a few years ago mired in slow if not stagnant growth, might finally be on the move. But a fundamental question remains: Who will pay for all the growth?

Cities dealing with rapid growth face new pressures Eufaula hasn't seen. Growth in new areas doesn't happen by accident. They need water. They need sewer. And they need roads.

Jaxon has spent a lot of time lately thinking about how to encourage growth-and how to pay for it.

"How do we manage this growth," Jaxon asks, "and pay for it?"

He says there are three concepts cities consider when they expect developments that require public water and sewer infrastructure to tie into those developments, where the developers bear the cost for their own infrastructure internally.

The developers can bear the cost. Developers and municipalities can share in the cost of public infrastructure needed to tie into the developments or the city and water board can make the investment needed in expanding infrastructure and try to recoup the fees.

"You don't make money on sewage treatment," Jaxon said. "You can make some money on water."

Eufaula might find itself in a position other growing cities face. Many of them charge developers access fees, or impact fees as they are called in some places, to help expand city infrastructure and relieve the strain on, for example, water treatment facilities.

"But you're not able to recover it all through fees," Jaxon said. "All of that data has to be pulled together, and a conceptual approach has to be adopted."

Bob Powers, a Eufaula city councilman and real estate agency owner, has for years talked about the importance of not only having a grandiose vision, pointing to LDR's Downtown Action Plan or Eufaula 2020 as examples, but having a way to pay for it.

"The hard part is making it all come together," Powers said.

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Powers says the city needs to explore incentives for developers to come to Eufaula and should proceed cautiously when talking of access fees.

He also says Eufaula's existing infrastructure is lacking even in established neighborhoods. The end of Country Club Road, for example, is still not served by city sewer.

And most of the major paving of city streets in recent years has been in low-income areas.

"If we didn't have a grant, which we typically get for low-income areas, we haven't pursued it," Powers said.

He also points to other examples where the vision didn't come together, like when the city required new developments to include sidewalks.

"It never happened," Powers said. "It's always been waived. It's primarily cost."

Powers would like to see the city become more creative in developing the infrastructure that will bring more growth.

"It's going to have to be some kind of venture where maybe the city finances the infrastructure," Powers said. "This is a matter of public policy."

Addressing the idea of fees for developers, which are common in Florida and other high-growth areas, Powers said that arrangement works-if the growth is sufficient enough to not only push property values higher but to sustain them and still allow developers to recoup their costs.

"As long as values keep going up, that works," Powers said. "But we've not had that yet."

Eufaula's slower pace of growth makes it harder for a developer to come in, spend huge amounts of money on infrastructure and then make money.

"If that property doesn't turn quickly, and that's been the case here, it makes it difficult."

Powers says the city needs more detailed plans to expand infrastructure, including main water and sewer lines.

"That helps direct where the development goes," he said.

Powers recently read a report from the 2020 Vision Implementation Committee. It addresses some of those issues, he said.

"There are some good ideas coming in from this vision report," Powers said. "Those things do need to be addressed."

Jaxon, always keeping an eye on the distant future, says one issue should remain paramount as Eufaula prepares for growth and seeks answers to questions about how fund infrastructure improvements and other issues.

"We need to make sure we protect our number one asset, which is the lake, and our quality of life," Jaxon said. "We have to protect those."



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