



PRESS-REGISTER

Baldwin governments getting money for infrastructure

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ORANGE BEACH -- When Gov. Bob Riley signed state Sen. Bradley Byrne's impact fee legislation earlier this month, Baldwin County and its 12 municipalities were handed a way to force developers to help pay for the road, utility and other work needed to keep up with rapid growth.

Under the law, the first such in Alabama, local governments can collect up to 1 percent of a development's retail value -- be it a cul-de-sac of single-family homes, a shopping mall or a Gulf-front high-rise -- and use the money to pay for police and fire services, road and bridge building, public schools, parks, sewerage, drainage systems and the like.

Now, however, Baldwin County's governments must figure out how to implement the law. Orange Beach officials have scheduled a meeting next month with a Maryland consulting firm that does nothing but draft development impact fee laws, and the city is inviting other local governments to attend.

The meeting is slated for 2 p.m. May 3 at the Orange Beach Community Center. The firm, TischlerBice, submitted a proposal to Orange Beach last week and agreed to travel to south Baldwin County to make a free presentation to local leaders in hopes of inking consulting contracts, Orange Beach Community Development Director Jim Lawson said.

"If all the Baldwin County communities can use the same methodology, I think we will be less likely to have legal issues," Lawson said. "We probably won't use the same fees, but if we use the same methodology and we have a clear understanding of the law, I think it will make it better on everybody."

In January, the same grand jury that indicted then-Mayor Steve Russo and City Attorney Larry Sutley on public corruption charges also wrote in its report that "the fees and other charges required by Orange Beach officials are inconsistent, based upon no standards and without legislative guidance or oversight." Further, the panel, which concluded that the city was right to seek payment from developers to help cover costs of infrastructure necessitated by the growth, called on legislators to set the framework for which expenses could be recovered.

City leaders, who over the past three years have secured pledges totaling more than \$100 million in land

and cash for infrastructure improvements from developers needing the City Council to rezone property for large-scale resort projects, agreed in January that there should be guidelines outlining what could be collected and how it could be spent.

"A number of developers were concerned that the process was being used unfairly on the beach and it was questionable if you could levy an impact fee at all," Byrne, a Montrose Republican, said. "By putting it into law we tell everyone what the rules are, that they apply equally across the board and give the cities money to do what they need to do."

The law leaves many aspects of the fee up to local governments. Money, for example, can be collected either when the development hooks up to city utilities, when units or lots are sold, or when the developer applies for building permits or certificates of occupancy. And governments can choose to allot credits to developers "based on the demonstrated public benefit of the development," according to the law.

"A policy issue could be, and this is hypothetical, if you're going to provide workforce housing, maybe you would have a reduced impact fee or no impact fee," Lawson said. "There are a lot of different policy issues that need to be discussed and I don't think that everyone's is going to be the same."

A credit system can also be used to account for land donations, which is particularly valuable along the county's waterfronts, said Byrne, who's worked on the law with developers and city officials for two years.

The money collected can be used "only for governmental infrastructure purposes," but such is defined broadly and could include anything from the obvious -- roads and sewerage near the project -- to the less apparent, such as more police cars to patrol new neighborhoods and money for a new school to accommodate added residents.

"It gives them a lot of leeway, but not in terms of time and geography," Byrne said. "For example, the county couldn't collect in the northern part of the county and use the money in the southern part of the county."

According to the law, governments have two years to either spend or have a contract in place to spend the money or it goes back to the developer.

Lawson said Orange Beach officials are hoping to have rules in place to begin assessing the fee when the legislation, signed by Riley on April 4, takes effect July 1.

Gulf Shores Mayor G.W. "Billy" Duke III said his city was already talking with Orange Beach about splitting the cost of the consultants, who would not only help the cities figure out how to collect the fees and when to offer credits against them, but how to allocate the proceeds. Like Orange Beach, leaders in Gulf Shores have grappled with various methods of raising money to pace infrastructure with growth, and Duke said it would be best if both beach cities are on the same page.

"We've just got to figure out how it works and what you have to do to make it work," Duke said.

