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It costs a lot less to build in Bloomingdale this week than it did last week.

In an effort to combat stagnant growth in the far-west Chatham County municipality, Bloomingdale City Council voted April 21 to do away with impact fees.

"It was a growth-killer," said Councilman Jerry Crosby, who led the charge to do away with the fees.

Municipal fees to build a single-family residence have been cut in half, from \$12,691 to \$6,455. Fees for commercial building also have been reduced.

But William "Billy" Strozier — former Bloomingdale mayor and city councilman — says that if lifelong Bloomingdale residents end up having to foot the bill for development, he'd rather the city of about 2,700 not grow at all.

"I don't have any problem with growth, but I believe the people that come in here should have to pay their own way," he said.

The impact

The fees, intended to lessen the financial "impact" new development brings on city services, were enacted in Bloomingdale in 2008. Anyone who built a new home or commercial building or added to an existing building had to pay them.

But Bloomingdale has seen almost no growth since the fees were introduced, and Crosby contends it isn't just because of the economy.

"Homes are being built everywhere, just not in Bloomingdale," he said.

Bloomingdale has collected \$15,368 in impact fees from three residential permits and two commercial permits over the past four years. Now city officials are paying all of that money back, with interest.

Legality

Fears the fees wouldn't hold up in court led council to vote to give the money back.

Part of the problem is that, under Georgia law, cities are required to draw up a plan for spending money collected from impact fees, submit it to the Georgia Department of Community Affairs, and update the plan every year. If cities collect fees without updating the plan, they can lose access to state grants and loans.

Bloomingdale officials drew up a plan for spending impact fees in 2008 but never updated it.

The two biggest developers to take an interest in Bloomingdale in recent years — AMB Property Corp., the company that built the 347,000-square-foot AMB Morgan Business Center, and JDH Capital, the company slated to develop a shopping center anchored by a Food Lion off U.S. 80 — have voiced doubts about the legality of the city's impact fee ordinance. AMB Corporation officials refused to pay \$1 million in impact fees city officials attempted to charge.

Property tax

Now that the impact fees have been eliminated, Bloomingdale Mayor Wayne Tipton thinks it's just a matter of time before city officials enact a property tax.

"I think they'll have to," said Tipton, who wanted to keep the impact fees.

"They'll be some drag time. It depends on how much and how fast (development) comes. We've got enough services to sustain the citizens that are in Bloomingdale currently, but if we add 300 more citizens they will expect and deserve the same services."

For most of the city's 37-year history, there have been no property taxes in Bloomingdale. The city gets its revenue from sales tax, police citations and fees for water, sewer, garbage and fire protection.

Crosby thinks growth is essential to funding city services as sales tax revenue dwindles and current Bloomingdale residents cut back on their water usage to save money in a down economy.

"Without any growth, our infrastructure is slowly collapsing," he said.

Under the city's old fee structure, it cost \$12,691 to build a home smaller than 3,001 square feet. Of that, \$6,236 went to impact fees and the rest went to things like building permits and tying into the city's sewer line.

Bloomingdale's neighbor to the east, Pooler, charges \$3,032 to \$6,432 to build a similar sized home. Where the price falls in that range is determined by how much the city has to spend to run water and sewer out to the residence.

Timing

The one thing supporters and detractors of Bloomingdale's impact fees agree on is that the key to impact fees was timing.

But they have very different ideas about whose timing was right.

Michael Ray, who sat on Bloomingdale City Council when the fees were enacted, said even though the economy was starting to turn south when the fees were enacted, growth was going gangbusters in west Chatham.

"It really hadn't slowed down on this side of town like it had everywhere else," Ray said, adding that big developers were just starting to take an interest in Bloomingdale.

But commercial real estate agent Ron "Bogie" Walker, whose Bloomingdale-based agency Today Real Estate was courting some of those big developers, said impact fees combined with a lack of water and sewer infrastructure killed any potential for growth in Bloomingdale.

Walker says city officials should consider impact fees "later on ... when the town starts growing, but not right now with the economy."

But Tipton counters that it's the economy, not the fees, that are the problem. He thinks that when the economy picks up, so will growth, impact fees or not.

"I think we had a plan for quality growth," Tipton said.

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