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Canton votes no to cutting impact fees

by Ashley Fuller
afuller@cherokeetribune.com
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The city of Canton rejected a plan to spur more development by temporarily changing the amount of impact fees it charges.

The city council on Tuesday declined to reduce impact fees or pass a moratorium on the collection of impact fees, but the city is still looking for ways to get more construction started.

"Nobody seemed to have a great deal of interest in it," Mayor Gene Hobgood said, adding that a citizen had suggested the idea of reducing the fees.

Hobgood said reducing the impact fees or passing a moratorium on their collection would not likely have made much of a difference.

"It would have been a good gesture on our part," he said. "It would show that we are concerned about their plight."

In a presentation to the council during Tuesday's meeting, City Manager Scott Wood showed what happened when three separate jurisdictions reduced their impact fees.

Since lowering its impact fees in September, Cartersville had an average of just one residential and commercial permit. Dawson County, since May, saw the average amount of residential permits per month drop from 3.5 to 2.1 but saw commercial permits go from zero to 1.2 per month.

Since reducing its impact fees in August, Cherokee County has seen residential permits drop from 24 a month to 15 and commercial permits from two to 1.2. The Cherokee County Board of Commissioners reduced the fees across all categories to 10 percent of the total impact fee.

Impact fees are collected from builders to offset the impact of new construction on infrastructure such as roads, parks, libraries and public safety.

Councilman Bob Rush said the city reducing its impact fees would not help attract new development.

"It is a market problem," he said, adding that builders are having trouble getting loans and there is too much competition with foreclosures for new housing construction.

He said the city also has more than \$2 million in debt on the city golf course that is paid with impact fees.

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