

Collections on impact fees dwindling

by Kristal Dixon

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Impact fee collections in Cherokee County have declined dramatically, leading some jurisdictions to use other funds to pay for projects.

The fees are collected from the builders of new development in unincorporated Cherokee and the cities of Canton and Woodstock to offset its burden on infrastructure such as roads, parks, libraries and public safety.

The Cherokee County government has seen its collections drop, not only because of a decline in development, but also a reduction in the fees.

The county collected \$259,545 in impact fees in 2009. That number dwindled to \$108,910 in 2010. In January, the latest totals available for this year, \$2,425 was collected.

The county Board of Commissioners in July 2009 reduced the fees across all categories to 10 percent of the total impact fee. Last month, it reversed course and voted to bring the fees back.

Beginning in August, impact fees will be charged at 50 percent of the original amount. Beginning in August 2012, those fees will be charged at 100 percent.

Homebuilders who renew building permits before August will be allowed to pay the reduced fee if there are signs of a foundation in place.

The county uses impact fees for projects related to fire stations, libraries, fire engines and equipment and the county jail, said Jeff Watkins, planning and zoning director.

Watkins said projects aren't funded solely by impact fees, but by a "blend of different funding sources" such as sales tax and the general fund. While some projects have been delayed, Watkins said it's not only because of the decline in impact fees.

"All sources of revenue are down," he said.

If the county has to use other funding mechanisms for projects, Watkins said the county will reimburse a source with impact fees once enough money is generated.

Woodstock in 2009, the year it began collecting impact fees, collected \$107,190. In 2010 that number dropped to \$95,122, and it's collected \$16,607 so far this year.

City Manager Jeff Moon noted the 2010 numbers don't include \$150,972 owed by the Heritage at Madison Pointe. The company, which is planning to build an affordable active-adult community on Towne Lake Parkway, has until the certificate of occupancy is issued to pay the fee. Moon expects that to happen later this year or early next year.

Moon said the city didn't have many projects slated to be funded with the fees.

"With the impact fees not going into effect until 2009, we had not planned an aggressive acquisition campaign because we were already in the midst of the recession," Moon said.

The city used impact fees to purchase one lot on Dupree Road for a future trailhead and plans to use the fees for some of its share of the cost to purchase the Waldan Chase apartment complex, which also is funded by state and federal grants. Impact fees also will be used to repay the Cherokee County government for its recent purchase of the Reeves House, the focal point of the Elm Street Cultural Arts Village.

Canton has seen its impact fee collection plummet over the past three years.

In 2009, the city collected \$548,021, and in 2010, it garnered \$324,404. So far this year, \$81,919 in impact fees have come into the city.

Chief Financial Officer Scott Price noted as fees are down "dramatically," all projects to be funded by the revenues have been affected.

Canton had hoped to use the fees for various road projects, including widening Marietta Highway to four lanes between Interstate 575 exit 14 and 20, building the extension of Commerce Boulevard and improving Marietta Road, Hickory Flat Highway, Bluffs Parkway, Heard Road, Reservoir Drive and Waleska Street and the intersection of Marietta Road and Hickory Flat Highway.

"The money will have to come from somewhere else, if impact fees fall short," he said.

"Insufficient collections," he added, also have forced the city use general fund revenue to make debt payments for fire equipment and the Fairways of Canton golf course in the Laurel Canyon neighborhood.

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