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Fees having bad 'Impact' on economy?

Submitted by editor on Fri, 04/01/2011 - 18:22. **Top Stories**

By Patrick Yost
Editor

Business leaders, manufacturers and builders called for an end to the city of Madison impact fees Monday night.

At the Madison City Council regular meeting, the council heard criticism toward the fees with several citizens charging that the fees were bad for business and bad for economic growth.

The comments came after the council adopted a motion to approve transmitting the city's impact fee report to the Northeast Georgia Regional Development Commission. That report, in part, included an accounting of fees collected since the impact fees were instituted. Currently, according to the report, the city has collected \$40,967 in impact fees, including \$31,399 in 2010 and \$9,567 in 2011. The fees are assessed on any new construction or renovation within the city limits and are designed to offset added expenses with public safety or infrastructure costs.

David Dirocco, operations manager, Rema Tip Top, said the expense of impact fees would have precluded Rema Tip Top from establishing its manufacturing plant in Madison. Rema Tip Top moved its plant to Madison four years ago, Dirocco said, before the fees were instituted. "If Madison would have had impact fees Rema Tip Top would not be here now," he said.

Dirocco estimated that Rema Tip Top has spent more than \$2 million with local Morgan County vendors since it opened in Madison and he said those expenditures should outweigh any up-front revenue gained by impact fees. "(Manufacturers) pump a lot of money into the local economy," he said. "We've got to get industry here."

Bobby Crawford, owner of Madison Drug and a former Madison city council member, said the fees also impacted small business. "You've got to do what's best for Madison. If you lose your retail you can have all the big homes you want but you can't keep them up."

Crawford, who has owned and operated Madison Drugs for 45 years, said if the impact fees would have been in place when he opened in 1966 he would have gone elsewhere. "I couldn't come in today and start up."

David Moore, owner of Madison's Medicine Shoppe, said the fees were onerous on small business as well. Moore argued that the fees were established, in part, to control runaway growth in Madison. "We don't have that here," he said. "For the most part it shouldn't be implemented at all because of the economy."

Moore, David Land, Jack Bone and Weldon Crook all called for the suspension or elimination of the fees until the economy improves. Land suggested the city consider suspending the fees until unemployment in Morgan County falls below 5 percent and Madison's residential growth exceeds 2 percent annually as measured by building permit applications. He did state that he favored the impact fees to help pay for parks and recreation construction on residential construction.

"I think there is a problem with the formula," Land said.

Madison Council Member Fred Perriman said the council would discuss either the continuation or suspension of impact fees at the next council meeting April 11.

Council member Michael Naples said the fees were not the root cause of a slow economy. "This downturn in the economy is not just happening in Madison. It's happening everywhere," he said. "We've lost a lot of businesses but we



didn't lose them because of impact fees. We lost them because of the economy."

Madison Mayor Bruce Gilbert said he favored impact fees to slow explosive growth but was willing to revisit the issue. "An impact fee is not a bad thing when things are moving out of control," he said.

SAMPLE OF FEE COST

- First United Methodist Church (Sanctuary) \$8,888
- Anthony International (Addition) \$4,394
- Weldon Crook Construction (One New House) \$3,568
- Humane Society of Morgan County (Adoption Shelter) \$4,890

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