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Impact fee drop builds business

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County officials are seeing some improvement in construction activity months after moving to slash impact fees.

Last July, the Cherokee County Board of Commissioners voted to amend its impact fee ordinance to reduce the fees charged to new development. The county began collecting just 10 percent of what the impact fee total for new construction would have been.

For example, the fee for a single-family house has been \$2,012. Starting in August, the county will collect just 10 percent of that total, or \$201. The fee for an apartment would drop from \$1,830 to \$183. Commercial impacts vary depending on the business. The fee for general light industrial development would drop from \$1.11 per square foot to \$.11. A fast-food restaurant's fee would drop from \$20 per square foot to \$2.

According to Jeff Watkins, planning director for the county, the number of building permits is beginning to pick up. The county has issued a total of 909 permits so far this year, up from 722 issued at this time last year while the full impact fee was being charged.

Watkins said Food Lion started construction in the county because of the impact fee reduction.

"It has been encouraging," he said. "I hope it continues."

Commission Chairman Buzz Ahrens said the drop in impact fees is making prospective new businesses "think harder" about Cherokee County.

"We thought it was the right thing to do and we still think it was the right thing to do," he said.

Commissioner Jim Hubbard said despite the slow reaction, he is glad to see some activity being stimulated from the board's actions.

"It is not an overwhelming amount, but a little bit is a good thing," he said.

From January to March last year, the county charged \$85,603 in fees for new dwellings. This year, the county had more than \$108,000 in fees for new dwellings during the same period but only collected about \$10,000 because of the reduction.

The county charged \$32,517 in commercial impact fees from January to March last year. This year, there has been more than \$200,000 in impact fees during that same period. With the reduction, the county has collected about \$18,000.

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