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Proposed impact fees meet stiff resistance

Chamber and Development Authority against fees

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Bob Peck, Catoosa Economic Development Authority chairman, outlines why the Authority is against impact fees at a public hearing Tuesday. (Catoosa News/Terry Pennington)

.. ..Those opposed to impact fees came out in force Tuesday at a public hearing on the proposed adoption of the fees.

Members of the business community, developers, builders, and the public made up a standing room only crowd at the Courthouse Annex with the majority of speakers telling the Catoosa Board of Commissioners they are against the fees.

Impact fees are charged mainly to developers and builders to offset the costs of infrastructure (roads and sewers) or services (library, police, 911) required by a residential or commercial development. Developers and builders generally pass residential fees on to the homebuyer or business.

Business leaders push for no vote

The Catoosa County Chamber of Commerce announced Nov. 15 that it opposes the initiative.

In a unanimous vote by its Board of Directors, the Chamber said impact fees would adversely affect economic development and make the county less competitive in its quest to create added jobs

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A standing room only crowd showed up for the impact fee public hearing Tuesday. (Catoosa News/Terry Pennington)

"While we realize that additional funding is needed for county services like public safety, new roads and sewers, schools and libraries, we feel there is a better way to fund anticipated growth than through impact fees," said Chris Casey, Chamber Board Chairman in a written statement.

"Much of the growth in our local economy is driven by businesses already located here," Casey said. "When local businesses expand, capital investments grow and new jobs are created. Making our existing businesses pay impact fees would cause them to either defer any expansion or move out of the county altogether."

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r President Ken Stoner stressed to the board that impact fees do not cover operational expenses, personnel expenses, or other day-to-day budget needs.

Catoosa resident Joyce Cherry said impact fees are needed to offset the costs of growth. (Catoosa News/Terry Pennington)

"Over 80 percent of budget needs for projects would not be meet by impact fees," he said. "We need to look to other options."

The Catoosa County Economic Development Authority voted 5-1 to not support the plan in its current form.

"Impact fees would really put us at a disadvantage with counties that we wish to compete with," said Chairman Bob Peck.

He said while the Economic Development Authority can often level the playing field by offering industry incentives, with impact fees it essentially presents potential business with incentives on one side and taking them away on the other side.

Some residents favor fees

Roger Nelson, the only dissenting vote on the Economic Development Authority, spoke in support of impact fees.

“It treats everybody equally,” he said. “I don’t think it was ever mentioned that it is means of controlling growth. It’s a means of funding growth.”

Nelson said as a business owner himself, he wants businesses to pay their fair share and not appear to be aided by residential taxpayers. He said he cannot understand the chamber members coming out against the fee because in essence it translates in them supporting raising taxes for their customers.

“It will not affect economic development,” he said. “New residents and businesses should pay their fair share.”

Catoosa resident Joyce Cherry said the county needs the fees to offset the cost of road improvements to help improve the traffic flow.

“We need some kind of impact fees for subdivisions,” she said. “You can’t tell me there is not money being made (by builders and developers).”

Thumbs down from developers and builders

Several developers and representatives of builders spoke against implementation of the fees.

Among the most vocal were Charlie Whitmire, Emerson Russell and Sherman Smith.

“Impact fees are proven not to be the vehicle we need,” Whitmire said.

He said growth is already on the decline in Catoosa.

Based on current trends new housing permits will be down by 22 percent in 2005 with a decline from 684 permits in 2004 to 402 at present, with a total of 536 anticipated for the year, he said.

He said if the fees were already in place he would have paid $577,000 in fees last year and over a million to operate in a two-year period.

The fees will affect small businessmen the most and if implemented developers could look to enter the cities where there are no impact fees, he said.

Russell said he is involved with numerous companies that are currently bringing five subdivisions and several commercial businesses into the county.

“I’m against (the fees) in any shape form or fashion,” he said. “We elected y’all to run this county. I don’t know why you have to go to Atlanta for an expert to tell us how to run our county. I am begging you to think about this issue. You are going to have a major impact on businesses.”

Smith said the impact fee program was originally developed in states where there was rampant growth.

“It is nothing more than a tax on new development,” Smith said.

Board of Commissioners Chairman Bill Clark said he will reserve comment on impact fees until the next and final public hearing on the issue Dec. 6 at 10 a.m.

Commissioner Bobby Winters also said he is reserving comment as well.

Commissioner Ken Marks said he is against the fees.

“I have tried to have an open mind on impact fees but the sticker in my mind is the cities are not going to be involved,” he said. “That is where you’re commercial and manufacturing is. I think your are going to deter manufacturing and commercial coming into the county. If you exempt them then county is going to have to pay that money in.”

Marks said he thought that the impact fees sewers was a positive aspect of the plan until he realized that existing residents who need sewer will also have to pay the impact fees.

“There is no way you can vote for that,” he said.

The basics of impact fees

The Georgia Development Impact Fee Act (DIFA) became law in 1990. It sets rules for local governments that wish to charge new development for a portion of the additional capital facilities needed to serve it.

Under DIFA, local governments may impose fees on developers to help finance the expansion of their infrastructure systems only through an impact fee system and only for the specific types of facilities and infrastructures.

According to a General Overview of Impact Fees written by the Georgia Department of Community Affairs, DIFA places limitations on the types of improvements for which new development may be charged. There are seven categories of capital facilities or infrastructure that can be financed with impact fees:

1. Water supply, treatment and distribution

2. Wastewater collection, treatment and disposal

3. Roads, streets and bridges

4. Stormwater collection, retention, detention, treatment and disposal facilities, flood control facilities, and bank and shore protection and enhancement improvements

5. Parks, open space, recreation areas and related facilities

6. Public safety facilities (police, fire, emergency medical and rescue facilities)

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7. Libraries and related facilities.

Other capital facilities including schools, courthouses, government offices, health departments, and solid waste facilities cannot be financed with impact fees.

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