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Greer studies impact fees

By **JESSICA L. DE VAULT**, Staff Writer

Greer City Council took its first steps into the murky waters of impact fee discussions during a recent workshop. The council is still in the infancy stages of its research, Mayor Rick Danner said, and there is no desire to rush into a decision.

"I think it's such a complicated and complex problem and process that there has to be a good bit of education done before we can move forward on any decision about impact fees," Danner said. "We're still in a very exploratory phase."

Greer would not be the first South Carolina city to use impact fees. Several counties - including Jasper, Beaufort and Berkeley - and municipalities such as Clemson, Summerville and Mt. Pleasant have implemented the fees. Anderson County Council also is mulling the issue.

Establishing impact fees - a cost charged to developers and, eventually home buyers, to offset the costs of growth - can be a tricky business, especially for South Carolina municipalities. Many states enable the fees, but South Carolina has some of the toughest requirements for municipalities to follow, according to Joe Newton, director of governmental services for the Appalachian Council of Governments.

For example, funds collected from impact fees must be used within three years. The use of those funds is restricted and is not considered a part of the general fund. The funding has to directly benefit the fee payers - improving roads that experience heavier traffic due in part to the new residents would be an example of appropriate spending.

Because the rules are so stringent in the Palmetto State, Newton said the council should tread lightly when considering the fees in order to avoid legal issues.

"There's nothing arbitrary about this, you have to know where every dime of the fee is going toward," Newton said.

For the time being, the council must learn the ins and outs of impact fees before making any moves, Danner said.

"If we get to a point where we are seriously considering impact fees of some nature, I think it will be prudent of us to engage in a study to determine feasibility," Danner said. "There's no need in us moving forward if there isn't a valid reason for us to move forward. A step in the future would be to have a study done to validate a need."

As the council begins its research, the Greater Greenville Association of Realtors has forwarded a letter to Danner requesting the council to "move slowly" and consider what the association says are the negative effects of impact fees.

Richard Blackwell, the government affairs director of the association, said the group had not taken an official stance on Greer adopting the fees. But increasing the costs of homes could deflect potential home buyers from moving into the city limits.

"If they're going to explore this, let's do it right," Blackwell said. "Let's weigh each issue equally. We'll see where the City Council ultimately wants to go."

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