

Impact fee bids stalling

Growth slowing

By Merritt Melancon | merritt.melancon@onlineathens.com | Story updated at 12:34 AM on Sunday, March 30, 2008

A year ago, Barrow, Jackson and Oconee county officials all looked to impact fees on new developments as a way to fund roads, fire stations and parks for their burgeoning populations.

With a third less homes built in 2007, now they all are wondering whether impact fees are worth the trouble.

A victim of the housing slump, Barrow County's proposed impact fee program was put on the back burner this year after commissioners paid consultants \$20,000 for a study to start the program.

Jackson County commissioners voted twice, once in late March and once in January, not to spend a similar amount to hire consultants, despite championing the fees last summer.

Oconee County commissioners had money in this year's budget to pay consultants to draft an impact fee ordinance, but backed off the idea in February.

Each county saw a 25 percent to 35 percent drop in new home construction in 2007, though their populations continued to grow over the same period.

The slowdown in home construction means an impact fee - a charge that local governments assess on new homes and commercial developments to pay for infrastructure the new homes and stores require, such as roads, libraries and fire stations - would take longer to justify the \$70,000 to \$100,000 it costs to get a program up and running.

The drop in home construction "does kick some rocks in the roads of the people who are saying that we need (impact fees) to handle our growth," said Oconee County Commission Chairman Melvin Davis.

Builders there started 26 percent fewer houses in 2007 than they did in 2006.

Oconee County commissioners soon will appoint a 10-member committee to decide whether the county still could benefit from impact fees.

That group should begin meeting soon, but has no timetable for making a final recommendation back to the commission, said Ken Beall, a Oconee County-based landscape architect and impact fee committee applicant.

In Barrow County, commissioners received 69-page study in November that described where leaders might spend impact fee revenue.

But commissioners chose not to move forward in light of the housing slump and requests from developers to hold off until the market picks up, said Commission Chairman Doug Garrison. Barrow County also saw a 25 percent drop in new home construction in 2007.

"We can pick it up and start again if the economy picks up," Garrison said. "But right now, with the economy and the housing market the way they are, we decided to just hold onto it for a while.

"The whole idea is to pay for infrastructure projects that you need because of new residents and new developments. So if you're not having much growth, there's no need for projects."

Jackson County Commissioner Bruce Yates, who twice voted against an impact fee study, echoed Garrison's sentiments.

Builders started one-third fewer houses there in 2007.

Impact fee revenue only can be spent on predetermined projects and within a certain amount of time, so Yates worried whether a fee would collect enough to fund any substantial project within the time limit, he said.

Jackson County Commissioner Tom Crow believes leaders already should have commissioned a study, which takes about a year to complete.

"We don't need to wait until the time that we need impact fees to start the study," Crow said. "We need to get it to the point where we can move forward with it when we need to or drop it."

Matt Hicks, an economic development specialist the Association County Commissioners of Georgia, agrees.

Growth hasn't stopped, just slowed, he said. Northeast Georgia still is one of the fastest-growing areas of the country, despite the housing downturn.

"Yeah, growth continues unabated," Hicks said. "Water and transportation are going to be key issues. We have to build it for the new growth now, before it happens. Impact fees can help with that, but it's up to each county to assess what's the best mix of tools to use to make sure those services are there."

Published in the Athens Banner-Herald on 033008

Click here to return to story:

http://www.onlineathens.com/stories/033008/news_2008033000315.shtml