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# PRESS-REGISTER

## County gets report on impact fees

Study says fee could generate about \$6.5 million annually for roads, recreation

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By **CRAIG MYERS**

**Staff Reporter**

BAY MINETTE — A report on impact fees presented to the Baldwin County Commission on Tuesday concludes they would be feasible for recreation and transportation needs, but not for schools at this time.

The report by TischlerBise said the fees could generate nearly \$6.5 million a year in new funds for the county. Estimated fees could add about \$3,500 to \$5,400 to the cost of a single-family home.

"It is just limited to growth-related infrastructure, so it is not a broad revenue that can be used for anything," Dwayne Guthrie of TischlerBise told commissioners at their work session Tuesday.

The Maryland-based consulting firm said Alabama's law capping impact fees at 1 percent of the estimated fair and reasonable market value of development after completion wouldn't allow enough revenue for educational needs along with road improvements and boat launches.

"Another hurdle for school impact fees is the need for all local governments in Baldwin County to agree on a uniform implementation strategy," the report states. The report adds that the solution could be "an inter-governmental agreement requiring payment of the applicable school impact fee directly to the school district prior to issuance of a residential building permit by any jurisdiction within Baldwin County."

Commissioners had little discussion on the report and will vote at Tuesday's regular meeting only to accept it for the record. Officials said it would take several months to prepare a proposed ordinance and implementation plan.

The report comes at the start of a tight budget year due to economic slowdown and the defeat of the Pay-As-You-Go plan that would have generated \$70 million for road and bridge work countywide through a 4-mill tax increase.

The commission approved an overall 2008-09 fiscal year budget of \$164.3 million, down from the current year's \$204 million, while the operating portion increased by

\$1 million to \$58.2 million.

The county, like the nation, is in a real estate slowdown. Commissioner Wayne Gruenloh said he doesn't think an impact fee, if approved, would hurt home and business construction.

"If it were 4 or 5 percent, you might have an argument. But at 1 percent, I don't see it imposing a hardship that would make recovery slower than normal," Gruenloh said after Tuesday's work session. "And the time to do it is when it is slow, not when it is booming."

Guthrie said impact fees historically haven't hindered the pace of development.

"Do impact fees slow down development or anything like that?" he said. "In Florida the fees are very high, much higher than the numbers we're looking at here ... (and) that didn't slow down development and the strong market, the costs are just passed on. So traditionally the fees are not high enough to be any kind of growth-

management control."

The population of the unincorporated area of Baldwin County is projected to increase from 122,431 now to 161,941 in 2020, the report states.

It concludes that impact fees would give county government \$6.4 million a year starting in 2009, increasing to \$6.8 million annually by 2020. That would include about \$5.8 million for roads and \$630,000 for recreation annually in that first year, the report states.

Transportation projects would include improving and widening Baldwin County highways 32, 64, 55, 65, 20 and 24. Three new boat ramps are anticipated in the next 12 years at an estimated cost of \$2.8 million each.

State legislators approved a law in 2006 allowing Baldwin County and its 13 municipalities to collect up to

1 percent of new construction's fair market value from builders and apply it toward improving public services and property to accommodate the growth. Since then, Orange Beach, Gulf Shores, Robertsedale and Fairhope have approved impact fees.

Governments must justify the fee charged to each type of development based on a formula that measures its impact on specific areas of infrastructure.

TischlerBise was paid nearly \$83,000 for the county study, according to reports.

In other action at Tuesday's work session, commissioners:

Reconsidered a plan to build a \$6,000 boardwalk at the Kee Avenue public water access in Lillian after a nearby resident said it is unnecessary and would be "opening Pandora's box."

Ron Jennings said residents whose properties back up to the Perdido Bay beachfront site already have "no peace of mind" due to people visiting the park until early morning hours, making noise, drinking and otherwise disturbing the neighborhood.

The money was coming from Commissioner Skip Gruber and Commissioner Wayne Gruenloh's contingency funds. Those commissioners indicated they would likely rescind the funding for the project.

Heard from a group of World War II veterans who want to build a memorial wall at the flame on Courthouse Square in honor of local residents who died in that and other wars.

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