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Effingham commissioners reduce impact fees

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Officials consider complete overhaul to boost local housing market

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Construction in Effingham County may have gotten a boost when commissioners agreed last week to eliminate some impact fees.

The portion of impact fees collected in the county for parks, public safety and recreation will drop to zero for all types of new building, both residential and commercial.

Impact fees for a single-family home will be \$4,600 for water and sewer, compared to \$6,100 currently.

The current \$1,300 fee for reuse water also will be reduced to zero for subdivisions that have reuse infrastructure in place.

The changes will require an ordinance amendment with two public readings.

County officials say they hope the move will serve as an incentive for growth.

"It's something I'm certainly in favor of," Commissioner Vera Jones said. "It makes us more competitive."

She and other commissioners agreed to the changes during a workshop held prior to the regular meeting.

Area developers have previously complained that Effingham County's impact fees were higher than neighboring counties, stunting the building industry locally.

Impact fees are designed to bear the costs of growth-related infrastructure.

Commissioner Bob Brantley noted the need to use impact fees for roads had waned.

"My thoughts are that it was put in place because of the rush (in growth) and additional traffic," Brantley said.

The fees collected for water and sewer are used toward the county's \$35 million water and sewer debt. That revenue stream has dwindled in the last several years because of the housing bubble and drop in new construction.

With lower costs for building, Effingham will be a more attractive place for builders, Commissioner Phil Kieffer said.

"Builders have the option to build elsewhere — and have been," Kieffer said. "This will level the playing field and generate more interest for builders to come here."

Kieffer said he had already received positive feedback from builders.

One local builder who welcomed the news is Beth Williams-Holley, CEO and owner of Ernest Homes LLC.

"It's certainly a step in the right direction," Williams-Holley said. "Officials are making some needed changes."

She said Effingham's impact fees are much higher than other areas where her company builds.

"Effingham was a good \$4,000 more," she said.

Ernest Homes builds in Effingham, Bryan and Chatham counties.

Williams-Holley said the move would allow builders to lower home prices and could be an incentive for homebuyers, since the impact fees are usually passed onto them.

"The market is very competitive, and price is driving the market," she said. "You can lose a sale over \$1,500."

Williams-Holley said her company has a big investment in Effingham County, including getting permits for four new homes recently in the Belmont Glen subdivision.

While a delay could have saved her about \$6,000 in impact fees, Williams-Holley said she feels the county is headed in the right direction.

"I'm feeling really good about Effingham," she said.

Commissioners also are considering a change in the county's impact fee structure completely, possibly using some type of tap fees.

Tap fees can't be used for recreation, road and public safety, however.

If impact fees are replaced, tax dollars, whether through property tax or sales tax, would have to be used to fund those items.

As of January, less than \$75,000 had been collected in impact fees for fiscal year 2010-2011 in the areas of recreation, road and public safety. In the same time period, only \$30,000 was collected in impact fees for water and sewer.

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