

Published Monday, July 19, 2010

# What candidates say about impact fees

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The Times-Herald

When Georgia counties were growing like gangbusters, and traffic from newcomers choked country roads, impact fees were seen as a Godsend.

But in leaner economic times, the extra fees charged to new development aren't nearly as attractive.

When Coweta added impact fees for road projects to its existing impact fee structure in the spring of 2007, the high fees began to choke off growth well in advance of the economic slowdown. The biggest impact was on the businesses with the highest fees -- various types of restaurants, convenience stores and other retail entities.

The wisdom -- and fairness -- of impact fees was debated by the Coweta County Commission candidates at last week's candidate forum.

Over the past two years, the county has been working on recalculating impact fees to lower them. In May, a new impact fee schedule was approved. Even that schedule included high fees for restaurants and convenience stores, ranging from \$11 to \$27.55 per square foot. However, the commissioners voted to cap the actual fee charged at \$7 per square foot -- for uses that are assessed by square footage.

Third-district candidate David Stover is vehemently opposed to impact fees for industrial prospects.

"Impact fees tend to cause a race to the bottom," Stover said in his opening statement at the forum. "Job creators consider places that charge impact fees as a place they don't want to go into," he said.

Stover said that only 5 percent of cities and counties in Georgia currently assess impact fees.

"Impact fees are big government, plain and simple. They're anti-free market, and anti-Republican. They cause annexation and uneven growth," he said.

Large employers, and some other entities, have extensive opportunities for impact fee exemptions.

Any non-profit medical facility is exempt, as are churches and non-profit private schools.

Any industry that is eligible and qualified to receive industrial revenue bonds -- whether bonds are actually used or not -- and will create 200 jobs within two years can receive a 100 percent exemption from impact fees. A qualified industry is also eligible for a 100 percent exemption if there will be an investment of over \$50 million.

Smaller industries which are qualified to receive bonds can get percentage reductions based on the number of jobs, the amount of investment, average salaries, years in the community and type of industry. All exemptions must require an applied.

"Everyone that moves into our county" is enjoying things that Coweta taxpayers have paid for, said Bob Blackburn. "I don't want to raise taxes to drop the impact fee. If we do that, we risk dipping into the general fund, borrowing bonds," and the like, Blackburn said.

Harper said he supports the restructuring of impact fees. "However, I don't mean to eliminate them," he said. Impact fees help keep the entire burden of new growth from being placed on existing residents.

Impact fees were "unbearably high in some instances," previously, Blackburn said. However, "they can easily be avoided" with exemptions. "There are certainly alternatives to paying impact fees," Blackburn said. In hard times, economic realities need to be taken into consideration, Blackburn said, but the costs of new growth are "going to come out of one pocket or the other."

Harper said he spoke to Larry Callahan of Coweta Industrial Park to learn why Callahan is opposed to impact fees.

"He admitted to me that he thought impact fees were necessary, but they needed to be properly structured. I agree with that," Harper said. "We must keep them low enough to remain competitive."

Before the impact fee change, everything locating in an industrial park of more than 500 acres was exempt from impact fees. Coweta Industrial Park is the only one in Coweta of that size.

"Coweta may have a cap of \$7, but if you go to Peachtree City, it's 77 cents," Stover said.

"We can't make it where it is logical to go to Peachtree City instead of Coweta. Coweta needs jobs," Stover said.

Though the cap is \$7, only restaurants, convenience stores, and banks have fees that high.

Coweta's industrial impact fees are \$0.85 per square foot for general heavy industrial, \$1.45 for general light industrial, \$1.02 for manufacturing, \$0.20 for mini-warehouses, and \$0.08 for high-cube warehouses.

Fees for for-profit medical facilities are somewhat higher. Medical-dental office buildings are \$3.76 per square foot. Hospitals are \$1.98 per square foot. Clinics are charged \$839.39 per employee.

In addition to road projects, the impact fees go toward parks and recreation, the Coweta County Sheriff's Office and jail, and the Coweta County Fire Department.

Stover said that Peachtree City gave a 75 percent impact fee reduction to attract a plant. Peachtree City is "going to be taking in over \$400,000 in permits and \$66,000 in impact fees" and the plant will employ 150 people, Stover said.

"This isn't Peachtree City, this is Coweta," said Blackburn. "Everything is different. I think we like Newnan like it is and Coweta like it is," he said.

"We should remain competitive, looking for the high-end, high-paying jobs, looking for the real stuff," Blackburn said. "We can attract them, with our proximity to Atlanta, our workforce. We can incubate jobs here," Blackburn said.

"It goes back to who are we comparing ourselves to, who are we competing against," said Harper. "We need to continue to foster quality growth."

Stover returned to impact fees in his closing statement. "If you want to help draw high-quality, high-paying jobs into the county, vote for the only person who knows how to draw them in here --and that is by stopping the impact fees," he said. Stover said that members of the Coweta County Development Authority are against the impact fees and feel as if their hands are tied.

Second district Commissioner Tim Lassetter was the one who made the motion to set the cap at \$7. The original recommendation was to set a \$10 cap. "I think it is critical that we continue looking at those kinds of things, and make adjustments where they need to be made, so that we bring in good jobs," said Lassetter.

"I think they are a good thing," said challenger Eddie Wilson of impact fees. "It certainly shares the burden of growth." Wilson said he thinks the commissioners did a good job in reducing fees and instituting the cap.

Wilson said he would like to review the impact fees and "see what benefits they really bring to the county," and determine if Coweta has missed out on quality growth because of them.

"I have talked to people who want to expand their small businesses, but impact fees and the quality development corridor rules are keeping them from expanding," Wilson said.

Lassetter and Wilson both agreed that they don't want long-time Cowetans to have to pay the price for new growth.

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