



## Cherokee County to restore full impact fees

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Cherokee County plans to start charging full price again for its deeply discounted building impact fees -- but will phase in the increase over the next year and a half.

The County Commission approved the move this week.

At the height of the development boom, impact fees -- charged builders when the county issues building permits -- generated about \$5 million in revenue, Post 1 Commissioner Harry Johnston said. The money was used to offset the cost of infrastructure such as roads, sewers and schools necessitated by growth.

When the bottom fell out of the real estate market the fees shrank dramatically.

In 2009, with the county collecting about \$750,000 from the fees, the Commission slashed the average impact fee by 90 percent -- from about \$1,600 to \$160 -- to encourage development.

That worked, said county officials. At least 10 businesses, including a Dollar General, a Food Lion and an Advanced Auto Parts, were induced by the discount to build in Cherokee. But looking at a budget shortfall of \$7 million in 2012, commissioners decided last month it was time to start charging builders full price again.

"We wanted to do it in a way that is not traumatic to builders, but puts carpenters, electricians, and plumbers back to work in this county," said Johnston. "So we wanted to give the builders plenty of advance notice, without encouraging somebody, at the same time, from going out right now and buying a whole bunch of these 90 percent discount building permits and not building for two or three years."

The phase-in works this way: The impact fees, assessed when a builder buys a building permit, will stay at the 90 percent discount until August. In that month the discount drops to 50 percent. In other words, the impact fee/building permit that can be bought now for \$160, will cost five times as much -- \$800 -- with the August price hike kicks in.

In August 2012 the county plans to start again charging full price for the impact fees.

To keep a builder from hoarding cheap permits/impact fees and building later, a builder who doesn't complete the foundation of the building by the time of the August 2011 price increase will then have to pay the difference between the 90 percent discount and the 50 percent discount.

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