Report
of the
Impact Fee
Committee
to the
Columbia County
Board of Commissioners
Concerning
the Desirability
of Enacting Impact Fees
in Columbia County

March 31, 2006

Staff:
T. Jeff Browning, Director
Planning and Development

Impact Fee Committee Members

**Chairman Ron C. Cross:**
Oliver Owens , Builder/Developer
Jean Garniewicz, Citizen-at-large

**Vice-Chair Ford:**
Jim Bartley Builder/Developer
Julie Batchelor - Citizen-at-large

**Commissioner Lee Anderson:**
Mark Ivey, Builder/Developer
S. G. Von Schweinitz, Citizen-at-large

**Commission Tom Mercer:**
Tom Werner, Builder/Developer
Ben Brandenburg, Citizen-at-large

**Commissioner Steve Brown:**
Bill Easler, Builder/Developer
Tom Gracey - Citizen-at-large

## Executive Summary

The impact fee committee does not recommend that Columbia County proceed at this time with enacting impact fees on new growth and development.

The committee reached the following conclusions:

With few exceptions Columbia County has successfully met its obligations to provide adequate infrastructure within a rapidly growing county. The areas where there may be a shortfall requiring additional funding are storm water management and transportation.

Many of the inadequacies in the county's storm water and transportation infrastructure are existing deficiencies and cannot be funded through impact fees.

Impact fees unfairly target new growth and development. The residents of new development contribute to sales tax revenues, the SPLOST program's source of funding, the same as existing residents. Further, with the exception of perhaps a year's delay new growth contributes to property taxes equally in funding general obligation bonds.

Several studies cited during the discussions indicated that new growth, even residential growth, pays for itself. To charge new development an additional impact fee places upon new growth an additional tax burden that is not justified.

Further study should be undertaken prior to adopting impact fees to analyze to what extent growth in Columbia County is self-supporting through its contributions to the operations of the county. The committee understands one study is currently underway.

A study of revenues received from selected new subdivisions in Columbia County, including sales taxes and wages during the period of construction, and continuing contributions through property taxes and sales taxes paid, should be conducted before recommending the use of impact fees. The study would compare revenues earned versus expenditures required to serve the subdivisions, which would help determine if a revenue gap exists that would justify impact fees.

The process of administering impact fees is not a simple one and could not be implemented without some additional expense to the county. The procedures for calculating, levying and administering impact fees could become overly burdensome.

In some instances, transportation projects especially, the length of time required to implement a project could extend beyond seven years, the maximum length of time impact fees can be held before they must be refunded. This could lead to loss of funds and administrative expenses.

To levy impact fees the county would be required to include a capital improvements element (CIE) into its growth management plan. This procedural step could be easily implemented since the county currently is going through an involved process to plan its capital expenditures for the next several years, and these plans would constitute the required CIE.

The amount of impact fees that potentially could be collected on an annual basis could deter growth if the amount of the fees became excessive.  The potential for these fees to rise is greater if transportation is included as a user due to the greater need for local funding for transportation. The additional funding from *reasonable* impact fees would be relatively insignificant compared to the demand for funding.

Report of the Committee to the Board of Commissioners

On October 18, 2005 the Board of Commissioners created a ten-member committee "to study impact fees and to make a recommendation to the BOC [board of commissioners] by March 2006." The board of commissioners further stipulated that "each Commissioner will appoint two members – one from the building/developer or related industry and a second citizen not connected with the building/developer industry…." During November and December of 2005 the board of commissioners (BOC) made appointments to the impact fee study committee. The committee met seven times, once on December 19, 2005, and on the following dates in 2006: January 10, January 31, February 14, February 28, March 14 and March 28.

The committee began its work by addressing the following four questions:

- If impact fees would be beneficial enough to Columbia County to enact a fee ordinance
- What eligible services should be financed from impact fees
- If the time and effort of creating and administering a program are worth the effort
- How and when to enact an impact fee ordinance

During the three month study the committee became familiar with the Georgia laws governing impact fees, the purpose of impact fees, and how typically they are administered at the local level. Georgia law allows impact fees to be used for the following seven purposes: water, sewer, roads, storm water, parks, public safety and libraries. At one of its meetings the committee heard from Mr. Darren Hicks, an attorney who has worked with impact fees in the state of Georgia. Mr. Hicks provided excellent insight into the typical functioning of impact fees in other Georgia cities and counties and provided perspective of the difficulties that sometimes are encountered that can lead to complexity in government regulations and additional administrative expenses.

Mr. Hicks pointed out that impact fees cannot be used for infrastructure deficiencies, they cannot be used for operating expenses but only for capital expenses, capital items must have a useful life of at least ten years which eliminates their use for such things as automobile purchases, and fees must be encumbered within seven years of collection, after which unused funds must be refunded. Mr. Hicks stated use of impact fees for transportation projects sometimes is made difficult because transportation projects often take longer than seven years to implement.

Mr. Hicks recommended that the committee should closely evaluate the following matters before initiating an impact fee ordinance: the county's need for impact fees, the effectiveness of past funding mechanisms to meet capital needs, the ability to use existing funding sources more effectively, and the potential effects of redirecting growth to areas without impact fees.

The committee's background investigation determined that 33 cities and counties in Georgia currently use impact fees for the purposes allowed by Georgia law (see Tables I and II).

The committee observed that Columbia County has been successful in recent years in providing an acceptable level of infrastructure. The county constructed a new state of the art library, new office space for county employees, a new justice center to house some constitutional officers and the courts, a new jail, acquired several acres of park land and equipped other park facilities.

The committee further observed that the county's water and sewer services provided water and sewer treatment and transporting capacity in excess of demand, even during rapid growth within the county. The committee noted that the county was able to extend much improved fire protection and emergency services county-wide by funding and constructing additional fire stations throughout the county. In the meeting with division directors committee members concurred that in most areas of government service the county has provided capital facilities adequately to meet need even during rapid growth.

Table I
Use of Impact Fees by Georgia Cities and Counties

| Use | No. of Jurisdictions |
|---|---|
| Water | 12 |
| Sewer | 11 |
| Roads | 10 |
| Storm Water | 2 |
| Parks | 20 |
| Public Safety | |
| Sheriff/Police | 17 |
| Jail | 7 |
| Fire | 19 |
| EMS | 6 |
| 911 | 6 |
| Libraries | 12 |

Three exceptions were observed where the provision of capital infrastructure has not been concurrent with need: transportation, storm water management and schools. Since schools are not eligible to use impact fees to fund capital facilities, the committee noted the persistent need for more classroom space, but did not give further consideration to justifying impact fees based upon school needs.

A fourth area of potential need was mentioned, the possibility of funding additional utilities extensions through the use of impact fees. The utilities division acknowledged that rapid growth has made it more difficult to remain ahead of the infrastructure needs of the county. However, the division director stated that the storm water capital needs deserve higher priority. He also pointed out that environmental laws are now requiring cities and counties to address all water issues – storm water, water treatment and sewer treatment – comprehensively, and failure to adequately address the storm water needs of the county could jeopardize approval of future improvements to the water and sewer facilities.

The planning division that provided assistance to the impact fee committee pointed out that expanding the utilities coverage area, particularly sanitary sewers, would not be consistent with the county's recently adopted growth management plan. The county's long range plan called for providing growth opportunities for the expected rate of growth within the county. However, it was pointed out that the Euchee Creek drainage basin alone has had as many as 10,000 homes or residential lots built, created or proposed within the last ten years. Further, this drainage basin alone has the capacity to accommodate an additional 60,000 persons, the expected growth of the county for at least the next 20 to 30 years.

Table II
Cities and Counties in Georgia Using Impact Fees

| | | Local Governments with Approved Capital Improvements Element | | | | | | | | | | | | | 3/31/2005 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Eligible Services | | | | | | | | | | | |
| ID | Government Name | Contact Person | Contact Phone | Water Supply | Waste Water | Road, Streets Bridges | Storm Water | Parks & Recrea. | Police/ Sheriff | Jail | Fire | EMS | 911 | Libraries | |
| 1 | Bibb County | Vernon Ryles | 4787517460 | ☑ | ☑ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | |
| 2 | City of Alpharetta | Brian Patton | 6782976074 | ☐ | ☐ | ☑ | ☐ | ☑ | ☑ | ☐ | ☑ | ☐ | ☐ | ☐ | |
| 3 | City of Atlanta | John Heath | 4043306781 | ☐ | ☐ | ☑ | ☐ | ☑ | ☑ | ☐ | ☑ | ☑ | ☐ | ☐ | |
| 4 | City of Fayetteville | Jahnee Prince | 7704616029 | ☑ | ☐ | ☑ | ☐ | ☑ | ☑ | ☐ | ☑ | ☐ | ☐ | ☐ | |
| 5 | City of Hampton | John R. Lewis | 7709464306 | ☑ | ☑ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | |
| 6 | City of Locust Grove | Francis Ward | 7709575043 | ☑ | ☑ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | |
| 7 | City of Macon | Vernon Ryles | 4787517460 | ☑ | ☑ | ☐ | ☑ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | |
| 8 | City of Peachtree City | David Rast | 7704875731 | ☐ | ☐ | ☑ | ☐ | ☑ | ☑ | ☐ | ☑ | ☑ | ☐ | ☑ | |
| 9 | City of Roswell | Kathy Field | 7705946173 | ☐ | ☐ | ☑ | ☐ | ☑ | ☑ | ☐ | ☑ | ☐ | ☐ | ☐ | |
| 10 | City of Stockbridge | Ted Strickland | 7703897905 | ☑ | ☑ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | |
| 11 | Fulton County | Jessica Lavandier | 4047308038 | ☐ | ☐ | ☑ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | |
| 12 | Henry County | Julius Ross | 7709542457 | ☑ | ☑ | ☐ | ☐ | ☑ | ☑ | ☑ | ☑ | ☐ | ☑ | ☑ | |
| 13 | City of Kennesaw | Darryl Simmons | 7705908268 | ☐ | ☐ | ☐ | ☐ | ☑ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | |
| 14 | City of Acworth | Brian Binzer | 7709743112 | ☐ | ☐ | ☐ | ☐ | ☑ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | |
| 15 | City of Tyrone | Barry Amos | 7709874038 | ☐ | ☐ | ☐ | ☐ | ☑ | ☑ | ☐ | ☑ | ☐ | ☐ | ☑ | |
| 16 | Cherokee County | Glenda Casteel | 7704790414 | ☐ | ☐ | ☑ | ☐ | ☑ | ☑ | ☑ | ☑ | ☑ | ☐ | ☑ | |
| 17 | City of Newnan | Doug Polen | 7702542354 | ☑ | ☑ | ☑ | ☐ | ☑ | ☑ | ☐ | ☑ | ☐ | ☐ | ☐ | |
| 18 | Fayette County | Peter Frisina | 7704605730 | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☑ | ☐ | ☐ | ☐ | |
| 19 | Town of Brooks | NA | NA | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☑ | ☐ | ☐ | ☐ | |
| 20 | Town of Woolsey | NA | NA | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☑ | ☐ | ☐ | ☐ | |
| 21 | Gilmer County | NA | 7062762202 | ☑ | ☑ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | |
| 22 | City of Ellijay | NA | 7062762203 | ☑ | ☑ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | |
| 23 | City of East Ellijay | NA | 7062762204 | ☑ | ☑ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | |
| 24 | City of Canton | Marie Garrett | 7707041548 | ☐ | ☐ | ☐ | ☑ | ☑ | ☑ | ☐ | ☑ | ☐ | ☐ | ☐ | |
| 25 | Hall County | William Meyer | 7705313902 | ☐ | ☐ | ☐ | ☐ | ☑ | ☑ | ☑ | ☑ | ☐ | ☑ | ☑ | |
| 26 | City of McDonough | Rodney Heard | 7708983507 | ☐ | ☐ | ☐ | ☐ | ☑ | ☑ | ☐ | ☑ | ☐ | ☐ | ☐ | |
| 27 | City of Senoia | Murray McAffee | 7705993679 | ☐ | ☐ | ☐ | ☐ | ☑ | ☑ | ☐ | ☐ | ☐ | ☐ | ☑ | |
| 28 | Forsyth County | Tom Brown | 7708862761 | ☐ | ☐ | ☐ | ☐ | ☑ | ☑ | ☐ | ☑ | ☐ | ☑ | ☑ | |
| 29 | Town of Braselton | Jennifer Scott | 7066543915 | ☐ | ☐ | ☐ | ☐ | ☐ | ☑ | ☐ | ☐ | ☐ | ☐ | ☑ | |
| 30 | Newton County | Aaron Varner | 6786251201 | ☐ | ☐ | ☑ | ☐ | ☑ | ☐ | ☑ | ☐ | ☐ | ☐ | ☑ | |
| 31 | Walton County | Kevin Little | 7702671301 | ☐ | ☐ | ☐ | ☐ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | |
| 32 | Spalding County | Charles Taylor | 7704674220 | ☐ | ☐ | ☐ | ☐ | ☑ | ☐ | ☑ | ☑ | ☑ | ☑ | ☑ | |
| 33 | Effingham County | David Rutherford | 9127542111 | ☑ | ☑ | ☑ | ☐ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | |

Much of the committee's efforts were directed toward studying the need for using impact fees for transportation and storm water capital projects. Staff concentrated its efforts on providing information on funding that has been available in previous years for transportation and storm water, and how previous funding levels compared with anticipated future needs. Research indicated that Columbia County funded its capital needs through four primary sources: the special local option sales tax (SPLOST), general obligation (GO) bonds, revenues earned through the utilities operations, and revenue bonds. For the ten year period from 2001 (1998 for GO bonds) through 2010, capital funding is expected to total about $253 million, an average of nearly $25 million each year. The largest sum is derived from SPLOST with GO bonds second in total amount. Revenues from utilities operations and from revenue bonds total about $7.1 million per year and are used exclusively for water and sewer projects (Table III).

Interestingly storm water projects have not been designated in past years to receive significant capital funding through the four capital funding sources mentioned earlier. The only capital funding of storm water projects is proposed in the 2006 GO bond at a total cost of $8.6 million dollars for projects shown in Table IV

Table III
Capital Funding Sources for Ten Year Period 2001-2010

| Year | SPLOST | GO Bond | Utilities | Rev Bond |
|---|---|---|---|---|
| 01-05 | $53 | | | |
| 2006-2010 | $53* | | | |
| 1998 | | $28 | | |
| 2000 | | | | $28 |
| 2004 | | $23 | | $25 |
| 2006 | | $35 | | |
| Total | $106 | $86 | $18 | $53 |
| ************************************************ | | | | |
| Annual | $10.6 | $7.2 | $1.8/yr | $5.3 |

Annual Total = $24.9
* $23 million was used to repay the 04 GO Bond

Table IV
Proposed Storm Water Projects for 2006 General Obligation Bonds

| | |
|---|---|
| Master Plan | $ 520,000 |
| Mullins Pond | 1,600,000 |
| Projects – General | 4,000,000 |
| Dozier Road Water Main | 1,500,000 |
| Euchee Creek Relief Sanitary Sewer | 1,000,000 |
| Total | $ 8,620,000 |

As the director of utilities stated to the committee "our storm water utility system is in its infancy." Consequently there are no reliable figures indicating the total funding need for storm water projects; however, the utilities division developed a list of capital projects that totaled $13 million. The division director stated that "many capital improvements are needed for 'sins of the past'". However, he went further to say

> "Growth in the County is compounding the need for capital investment in Columbia County's storm water system. Our storm water system would be enhanced if an additional funding source could be established."

In its study the committee recognized that much of the work to be done to solve storm water problems involved deficiencies of the past. From earlier discussions the committee recognized these expenditures would not be eligible for funding using impact fees.

Under state law past deficiencies of the infrastructure cannot be funded through impact fees that are applied to new growth and development. Impact fees can be used to fund identified, specific projects that will serve *new* growth and development. The impact fee law requires that costs for each project must be determined through engineered estimates. These costs must then be broken down according to what portion of the project (and costs) solves existing deficiencies, and what portion of the project (and costs) provides additional capacity to accommodate new growth. The portion of a project and its costs that can be attributed to accommodating *future* development is eligible to be funded with impact fees. Commonly these costs are apportioned to new growth based upon a fee per dwelling for residential and based upon a per square foot fee for non residential development. The portion of the project that is making up for past deficiencies must be funded through other revenue sources, usually by the county through its traditional capital funding sources, SPLOST, operating revenue or bonds.

The planning staff providing assistance to the committee asserted throughout the process that use of impact fees for transportation projects should be given strong consideration for two reasons: One, transportation projects are extremely expensive; and two, there is no dedicated source of *local* funding for transportation projects.

The committee recognized that the Augusta region receives considerable federal and state funds for transportation projects through the Metropolitan Planning Organization (MPO), the regional transportation planning program involving Columbia County, Richmond County and Aiken County. The MPO receives federal and state funds based upon a three year capital budget called a Transportation Improvement Program (TIP). The current TIP for 2006 through 2008 includes funding as shown in Table V.

Table V
Transportation Funding from Federal and State Sources
Through the Transportation Improvement Program 2006-2008

| Source | 2006 | 2007 | 2008 | Total |
|---|---|---|---|---|
| **Q23 (MPO discretion; shared with Richmond County)** | **$7.7** | **$5.8** | **$5.9** | **$19.4** |
| Q24 (State discretion) | | $6.7 | $16.0 | $22.7 |
| Q01 Interstate (State discretion) | | $1.5 | | $1.5 |
| Q05 Nat. Hwy (State discretion) | | $7.1 | $19.5 | $26.6 |
| GRVA (State discretion) | | | $121.8 | $121.8 |
| Demonstrations (Specific projects) | $13.0 | | | $13.0 |
| Other (State discretion) | $13.1 | $8.6 | $9.8 | $31.7 |
| Total | $33.8 | $29.7 | $173.0 | $236.7 |

The amount of funding coming to the three county MPO appears extraordinarily large, almost $237 million. However, the large majority of these funds are directed toward improvements to the interstate system and to federal and state highways. The I-20/I-520 interchange project will consume more than one-half of these funds, which highlights the extraordinary expense of transportation and that large sums of money do not go far with transportation projects.

The MPO's funding is allocated to the region in a way that gives the counties discretion on spending for only one portion of these federal and state funds, the Q23 funding, which for this three year period amounts to $19.4 million of the $237 million total, or about eight percent of the funding. Columbia County is required to share these Q23 funds with Richmond County. Therefore, Columbia County can expect to receive perhaps $10 million dollars of federal and state funding over which the county can exercise discretion of its use within each three-year TIP budget. At this rate Columbia County can expect to apply these federal and state funds to perhaps one or two projects during a three year period, depending upon the magnitude of the project. In fact, during the current 2006-2008 TIP budget Columbia County has allocated about $11 million of these Q23 funds to the William Few extension to Hardy McManus Road. At this rate the county can undertake a project of comparable size with non local funds about once every three years.

During the same ten year period discussed earlier for storm water management projects (from 2001 to 2010 [12 years for GO bonds from 1998 to 2010]) staff concluded that transportation received $67.7 million of *local* capital funding primarily through the SPLOST program (Table VI). This represents considerable effort by the county to meet its transportation needs. However, because of the county's rapid population growth, the high income level of its households that contributes to greater automobile usage, and the suburban nature of Columbia County's traffic that increases the average length of each automobile trip, even this level of local funding will fall short of the financial need within the county. The region's long range transportation plan projected that Columbia County would experience more severe traffic congestion and capacity shortage than any of the other counties within the regional transportation network over the next 25 years. The projects for which *local* funding would be principally or solely responsible for meeting the county's transportation needs over the next twenty years would total over $80 million dollars as shown in Table VII).

Table VI
Allocation of Capital Funds for Certain Purposes, 2001 through 2010

| | SPLOST | GO | Utilities Bond | Rev | Total Bond |
|---|---|---|---|---|---|
| Transportation | $58.8 | $ 8.9 | $ 0 | $0 | $ 67.7 |
| Utilities | $ 5.9 | $ 0 | $18 | $53 | $ 76.9 |
| Storm water | $ 0 | $ 8.6 | $ 0 | $0 | $ 8.6 |
| Total | $64.7 | $17.5 | $18 | $53 | $153.2 |

The committee discussed what it considered a "typical" or "acceptable" level of impact fee for the purpose of having some understanding of scale or magnitude. Staff shared with the committee impact fee figures from other jurisdictions. Information from the web site of Duncan Associates, one of the leading consultant firms on impact fees across the country, stated:

- Impact fees vary greatly by region and facility.

- Highest fees are in California; lowest are in the Midwest.
- In 2004, the national average fee per single family unit was
  - Just under $1,700 for roads
  - About $4,000 for water and wastewater
  - About $1,200 for parks
  - About $500 for pubic safety (police and fire)

Table VII
Local Transportation Projects
Columbia County Transportation Plan

| Facility | From | To | Cost LRTP | Local Commit | Design | ROW | Construct. | Total |
|---|---|---|---|---|---|---|---|---|
| Columbia Road | Old Belair Rd. | Belair Rd. | 6,171,514 | | | | | 0 |
| Flowing Wells Rd. | I-20 | Washington Rd. | 11,500,000 | 540,000 | | | | 0 |
| Fury's Ferry Road | Hardy McManus | Evans to Locks | 2,357,678 | | | | | 0 |
| Owens/Cox/Gibbs Road | Washington Rd. | Washington Rd. | 15,089,560 | | 1,000,000 | 1,000,000 | 13,089,560 | 15,089,560 |
| Hereford Farm Road | Belair Rd. | Gibbs Rd. | 5,269,721 | | 769,721 | 1,000,000 | 3,500,000 | 5,269,721 |
| Lewiston/Hereford Farm Road | I-20 | Wrightsboro Rd. | 6,682,330 | | 2,000,000 | | | 2,000,000 |
| Lewiston/Hereford Farm Road | Columbia Rd. | I-20 | 6,195,821 | | | | | 0 |
| North Belair Road | Fury's Ferry | Washington Rd. | 10,010,554 | 1,900,000 | | | | 0 |
| Old Evans (Riverwatch) | Washington Rd. | Old Petersburg Rd. | 59,000,000 | | | | | 0 |
| Washington Road | William Few Pkwy. | Belair Rd. | 26,000,000 | 2,400,000 | | | | 0 |
| William Few Connector | William Few Pkwy. | Hereford Farm Rd. | 10,340,782 | | | 3,000,000 | | 3,000,000 |
| William Few Extension | Washington Rd. | Hardy McManus Rd. | 12,000,000 | 2,000,000 | | | | 0 |
| Wrightsboro Road | Reynolds Rd. | Richmond Co. | 7,486,630 | | | | | 0 |
| Columbia Road | William Few Pkwy. | Hereford Farm Rd. | 8,012,677 | | | | | 0 |
| Hereford Farm Road | Blanchard Rd. | Gibbs Rd. | 16,999,455 | | 2,000,000 | 1,000,000 | 13,999,455 | 16,999,455 |
| Old Petersburg (Riverwatch) | Old Evans Rd. | Baston Rd. | 7,937,527 | | | | | 0 |
| Wrightsboro Road | Lewiston Rd. | Reynolds. Rd. | 8,613,873 | | | | | 0 |
| Columbia Road | Hereford Farm Rd. | Old Belair Rd. | 8,050,251 | | | | | 0 |
| Hereford Farm Road | Columbia Rd. | Blanchard Rd. | 13,423,439 | | 2,000,000 | 1,500,000 | 9,923,439 | 13,423,439 |
| Wrightsboro Road | Chamblin Rd. | Lewiston Rd. | 5,764,608 | | | | | 0 |
| King Taylor Road | Evans to Locks | Peregrine Place | | | 100,000 | 400,000 | 500,000 | 1,000,000 |
| Old Evans/Blue Ridge | Washington Rd. | Evans to Locks | 10,000,000 | | 1,500,000 | 3,000,000 | 5,500,000 | 10,000,000 |
| Marie Street | Belair Rd. | Hereford Farm Rd. | 500,000 | | | | 500,000 | 500,000 |
| Chamblin Road | William Few Rd. | South of Columbia Rd. | 2,000,000 | | 200,000 | | 1,800,000 | 2,000,000 |
| Old North Belair Road | Columbia Rd. | Hereford Farm Rd. | 2,000,000 | | 200,000 | 800,000 | 1,000,000 | 2,000,000 |
| Blanchard Road | Washington Rd. | Hereford Farm Rd. | 5,000,000 | | 250,000 | 750,000 | 4,000,000 | 5,000,000 |
| Blanchard Road | Hereford Farm Rd. | Columbia Rd. | 5,000,000 | | 250,000 | 750,000 | 3,000,000 | 4,000,000 |
| Fury's Ferry Road | Blackstone Camp | Hardy McManus | | | | | | 0 |
| Washington Road | Club Car | Owens Road | | | 50,000 | | | 50,000 |
| Hardy McManus | Halali Farm Road | Railroad tracks | | | | | | |
| Evans to Locks Road | Fury's Ferry | Industrial Blvd | | | | | | |
| Industrial Blvd. | Washington Rd. | Evans to Locks | 1,000,000 | | | | | |
| I-20/Louisville Connector | | | 100,000 | | | | | |
| Road Projects | | | 272,506,420 | 6,840,000 | 10,319,721 | 13,200,000 | 56,812,454 | 80,332,175 |

Investigations of several web sites of cities and counties did in fact show that fees varied from geographic locale and based upon the purpose for which the impact fee was levied. Based upon the volume of new development Columbia County experienced in 2005, staff estimated the amount of impact fee revenues that would be collected based upon a fee of $800 to $1,000 per dwelling unit, and based upon a fee of fifty cents to one dollar per square foot for commercial and industrial uses (Table VIII). The assumption was made that the fee was being collected for transportation purposes and the demand on the transportation system would vary according to the type of residential unit and the nature of the commercial or industrial use.

Table VIII
Potential Impact Fee Collections based upon
Development Activity in 2005

| | | | |
|---|---|---|---|
| Single Family | 1,300 units | 1000/unit | $1,300,000 |
| Town homes | 161units | 1000/unit | 161,000 |
| Apartments | 314units | 800/unit | 251,200 |
| Industrial | 77,846 sq ft | .5/sq ft | 38,923 |
| Office | 143,624 sq ft | .75/sq ft | 107,718 |
| Restaurant | 56,692 sq ft | 1/sq ft | 56,692 |
| Retail | 918,272 sq ft | 1/sq ft | 918,272 |
| Total | | | $2,833,805 |

If the impact fee were fifty percent higher the annual collection would amount to about $4,250,000.

Toward the end of the committee's study there was general consensus that there is and likely will remain some disparity between available funding and capital need for infrastructure. The committee stated the position that the salient questions were the degree of the shortfall and if better means exist to make up for this shortfall. The group stated the preference for greater use of the SPLOST program for generating capital revenue; however, the committee recognized there is not additional capacity available to the county for additional SPLOST funding. The committee did acknowledge that as additional commercial development locates in Columbia County, sales tax receipts contributing to the SPLOST program will increase.

The committee reached the following conclusions:

With few exceptions Columbia County has successfully met its obligations to provide adequate infrastructure within a rapidly growing county. The areas where there may be a shortfall requiring additional funding are storm water management and transportation. [Some committee members, but not all, suggested additional funding for water and sewer utilities could open up new areas for growth.]

Many of the inadequacies in the county's storm water and transportation infrastructure are existing deficiencies and cannot be funded through impact fees.

Impact fees unfairly target new growth and development. The residents of new development contribute to sales tax revenues, the SPLOST program's source of funding, the same as existing residents.  Further, with the exception of perhaps a year's delay new development contributes to property taxes equally in funding GO bonds.

Several studies cited during the discussions indicated that new growth, even residential growth, pays for itself.  Thus, to charge new development an additional impact fee places upon new growth an additional tax burden that is not justified.

The committee noted that a consultant currently is conducting a study of Columbia County to quantify to what extent growth in Columbia County is self-supporting through its contributions to the operations of the county.  This study is determining the relative costs and contributions from agricultural/vacant land, residential property and commercial/industrial property.  While the purpose of this study is not directed at determining the need for or benefits of levying impact fees, the committee took the position that the results of this study could impact substantially the decision of whether or not impact fees are appropriate for Columbia County, and those conclusions should be known before recommending the use of impact fees.

A study of contributions made by new subdivision developments during their development and construction, as well as on-going annual revenues and costs from the subdivisions once they are built out should be analyzed to determine if a revenue gap exists that would justify imposing impact fees.  The committee noted one such study entitled "A Report of the Fiscal Impact of Six New Residential Subdivisions in Berkeley, Greenville, and Lexington Counties, South Carolina" conducted by Impact DataSource evaluated tax rates and budget information for the subject cities and counties and found that the six subdivisions studied contributed revenues in excess of costs to the local jurisdictions.  The committee believes a similar study of a minimum of three subdivisions in Columbia County should be conducted before moving forward with impact fees.

The process of administering impact fees is not a simple one and could not be implemented without some additional expense to the county.  The committee expressed concern that the procedures for calculating, levying and administering impact fees could become overly burdensome.

In some instances, transportation projects especially, the length of time required to implement a project could extend beyond seven years, the maximum length of time impact fees can be held before they must be refunded.  This could lead to loss of funds and administrative expenses.

To be eligible to levy impact fees the county would be required to include a capital improvements element (CIE) into its growth management plan.  The committee acknowledged that this procedural step could be rather easily implemented since the county currently is going through an involved process to plan its capital expenditures for the next several years, and these plans would constitute the required CIE.

The amount of impact fees that potentially could be collected on an annual basis could deter growth if the amount of the fees became excessive.  The potential for these fees to rise was greater if transportation were included as a user due to the greater need for local funding in transportation.  The committee stated the additional funding from *reasonable* impact fees would be relatively insignificant compared to the demand for funding.

Appendix A
Capital Needs Reported by Division Directors

Water, Sewer, Storm Water:

- **Water Supply production, treatment, and distribution facilities & Waste water collection, treatment and disposal facilities:** In the past we have been able to maintain the necessary funds for growth through "Tap-in fees" as well as revenues generated from annual water and sewer sales. We also position ourselves to require developers to pay all costs associated with the extension of service to the properties they wish to develop. **[exactions]**.
- My concern is the rate of growth in Columbia County continuing to increase at an exponential rate; this may not allow us to recover our capital investments before we are required to provide additional future capacities for new development.
- We are also starting to see the Environmental Agencies append new unfunded mandated programs to our operation by leveraging against our permits to operate our water and waste water treatment plants. These programs have the propensity to be very costly and they are destined to be paid for by the water and sewer customer (e.g., watershed assessments, watershed protection plans, total maximum daily limit (TMDL), source water protection plans, etc.). Obviously as more revenue is invested in these programs it leaves less money for capital investment.
- **Storm water collection retention, detention etc:** Our storm water utility system is in its infancy. Many capital improvements are needed for "sins of the past". Recently we identified a list of capital improvements that totaled 13 million dollars. The annual budget for storm water is approximately 2 million dollars of which 1 million can be earmarked for major projects. Growth in the County is compounding the need for capital investment in Columbia County's storm water system. Our storm water system would be enhanced if an additional funding source could be established.

Emergency Services:

- What are the capital improvement needs for the public facilities that fall within your area of responsibility? **Four additional fire stations over the next 3 to 5 years.**
- Are there adequate revenues for these facilities? **Not at this time.**
- If not, how much additional revenue is needed on an annual basis? **$800,000 for four years**
- What are the current primary sources of revenue for these facilities? **SPLOST & General Obligation Bond**

Engineering:

- Roads (widening, intersection improvements, signalization, etc.),
- Storm water improvements ( stream bank stabilization, artificial wetland construction, regional detention ponds that provide an additional measure of protection beyond onsite detention)
- Sidewalks (aka bike paths)

Community and Leisure Services:

- New Parkland acquisition and expansion of existing park acreage
- New Park development and construction- Evans Town Center Park, Blanchard Woods

- Renovation and expansion of existing Recreation and Community Center Facilities- Wildwood, Patriots, Canal Headgates etc.
- Green space Program Land acquisitions for open space, passive recreation and greenway connectivity
- Aesthetic development of county entrance corridors, roadway projects and recreational facilities through landscape enhancements
- Bike Path and pedestrian corridor construction
- Library memorial garden restroom facility
- Arena or outdoor entertainment facility

Construction and Maintenance:

- New construction of County Facilities such as parks, buildings, fire stations, etc.
- Road Construction projects
  - [Eligibility for maintenance is questionable]
- Resurfacing, dirt road paving, and County Road improvements.
- Road Maintenance such as ROW maintenance, ditch maintenance, asphalt patching, etc.
- Existing maintenance of County Facilities

## Appendix B
## An Example of an Impact Fee Project

The county decides to undertake a storm water project within one of its drainage basins. Suburban growth has been going on in the basin for several years and more is expected. Storm water problems already are evident in the way of flooding during heavy rains. The county must undertake a project not only to avoid future storm water problems as growth continues but also to correct existing drainage problems. The county intends to fund at least some of the costs with impact fees.

The county first identifies the project area, the “service area.” The county evaluates the current state of drainage problems in the basin. From analysis of its growth management documents and zoning the county determines how much more growth the service area can hold and what kind of growth (residential, commercial, etc.) that is likely to occur. From these investigations the county determines the probable future demand on the storm water system, and designs the capital project to accommodate the expected demand. The assessment includes an estimate of the cost of the project.

Through the various studies and analyses the county determines that the basin is one-half filled with existing residential development. The remaining one-half of the basin likely will develop with about 5,000 residential units and one million square feet of commercial space. With this information the county knows that it must cover one-half of the project costs for the one-half of the “service area” that is already built out. The county also knows that the other one-half of the cost of the project can be spread across the expected residential and commercial development in the form of impact fees.

Through the engineering process the project is estimated to cost $10 million. Five million dollars of the cost must be absorbed by the county; the other $5 million can be charged to new growth through impact fees. The remaining question then is how to apportion the $5 million cost to future development. Typically the impact fee on residential development is based upon a per unit basis; for commercial development the impact fee is a cost per square foot of building.

The county decides it is appropriate to levy the impact fees for the eligible portion of the project based upon how much impervious surface developments produce. Studies of development patterns in Columbia County have shown that typical single family residential homes will have about 5,000 square feet of impervious surface when roof, driveway, patio and sidewalk area are included. Thus, 5,000 dwellings would contribute 25 million square feet of additional impervious surface area. Commercial developments like the Kroger and Publix Shopping Centers in Evans typically will have about four times as much impervious surface as they have in building square footage. Therefore, the one million square feet of commercial building potential will yield about 4 million square feet of impervious surface. The county determines that the expected new growth will contribute to the impervious surface as follows:

| Type of Development | Impervious Surface | Percent of Total | Total Cost | Fee per Dwelling | Fee per 1,000 SF |
|---|---|---|---|---|---|
| Residential | 25,000,000 | 86.21 | $4,310,345 | $862 | |
| Commercial | 4,000,000 | 13.79 | 689,655 | | $690 |
| Total | 29,000,000 | 100.00 | $5,000,000 | | |

Based upon these figures the residential development is responsible for 86% of the costs or $4,310.345 which must be spread among the 5,000 new units at a fee of $862 per dwelling. The commercial development is responsible for 14% of the project costs, or $689,655, which would translate into a cost of 69 cents per square foot or $690 for each 1,000 square feet of building area. A typical community shopping center of 100,000 square feet containing a grocery store, drug store and other smaller shops would pay an impact fee of $69,000 under this fee structure.

One-half of the project costs paid for through impact fees will be levied against only the new residences and new businesses through impact fees. One-half of the project costs that bring existing deficiencies up to standard likely will be paid for by the county through SPLOST or GO bonds. In that event the new residents and businesses will be paying for not only the one-half of the project funded through impact fees, but will also be paying for part of the remaining project costs through their sales tax expenditures that contribute to SPLOST and their property taxes that go toward GO bond indebtedness.

Appendix C
Meeting Minutes

Impact Fee Advisory Committee Minutes
December 19, 2005
10:00 a.m.

Members present:

| | |
|---|---|
| Oliver Owens , Builder/Developer | Jim Bartley Builder/Developer |
| Jean Garniewicz, Citizen-at-large | Julie Batchelor - Citizen-at-large |
| S. G. Von Schweinitz, Citizen-at-large | Bill Easler, Builder/Developer |
| Tom Werner, Builder/Developer | Ben Brandenburg, Citizen-at-large |

Mr. Jeff Browning, director of Planning and Development served as moderator of the meeting. He introduced himself and all members present introduced themselves.

Mr. Browning presented an introduction to impact fees using a power point slide presentation. He stated the committee had been charged by the board of commissioners to study the concept of impact fees and to determine if use of impact fees would be beneficial to Columbia County. Mr. Browning stated the potential benefits from impact fees would be determined at least partially by the degree to which Columbia County needs additional revenues for impact fees, the degree that the services the county needs most can be served with impact fees, and the degree of difficulty involved to derive an impact fee structure and to administer it.

Mr. Browning suggested that the committee would research the issue through several channels:
(1) A review of literature on impact fees. Each member was given a notebook with the enabling legislation and various articles and reviews about the use of impact fees both in Georgia and in other states.
(2) Interviews and discussions with current users of impact fees to determine their levels of satisfaction with impact fees. The group agreed that a forum of discussion with several cities and counties in Georgia who are currently using impact fees would be beneficial.
(3) Presentations by experts on impact fees. The committee identified Mr. Darren Hicks, an attorney, as an expert on the application and use of impact fees. The committee expressed interest in hearing from Mr. Hicks early in the process and instructed staff to attempt to bring Mr. Hicks to Evans to speak to the committee.
(4) Discussions with county staff. The committee asked the staff to arrange a forum type discussion with county division directors to hear how they would use impact fees for capital projects in their divisions, and how capital expenditures currently are funded in Columbia County.

Mr. Browning stated that a city or county must have an approved comprehensive plan and a capital improvements element within that comprehensive plan to levy impact fees. He said the county is completing the update on the growth management plan that will satisfy the first requirement. He said the county has not included a capital improvements element in the plan, but could amend a CIE into the plan easily with information that is currently being generated for the SPLOST program and a bond issue for capital expenditures.

Mr. Browning provided information from those divisions that potentially could use impact fees for capital projects. The divisions indicated the general needs within their divisions that could be addressed with impact fee revenues. Mr. Browning provided information about the average impact fees on a national level. Those average fees ranged from $500 for public safety to $4,000 for water and sewer needs for a single family dwelling. Fees are highest in California and lowest in the mid west. Members of the committee cautioned about using average figures and indicated high impact fees could raise other costs such as financing costs, real estate fees, recording fees, etc.

Mr. Von Schweinitz stated that schools need impact fees as much as any public service. He asked if the county should be working to encourage the state legislature to approve the use of impact fees for school construction. The committee agreed that the fees could be beneficial to schools, but took the position that the committee's assignment is not to lobby for a change in the law but to determine if impact fees would be useful to the county under current law.

Mr. Bartley stated that impact fees could not be used for state and federal roads construction, and the committee agreed that would be improper use of these funds. Perhaps impact fees could be used for any required local sharing on construction of state and federal routes. The committee asked staff to include in its investigation estimated revenue losses that might occur in the form of increased property and sales tax revenues if the levying of impact fees retarded growth. Staff agreed that information should be included, but would depend upon verification that impact fees retarded growth within the county.

The committee set subsequent meeting dates for January 10, January 31, February 14 and February 28 at 5:00 p.m. Staff was instructed to invite Mr. Hicks for a meeting in January and to have division directors come to the other January meeting for a forum discussion.

The meeting adjourned at 11:00 a.m.

Minutes
Impact Fee Committee
January 10, 2006

The impact fee committee met at 5:00 p.m. in the Building A general conference room. Members present were
Jim Bartley, Julie Batchelor, Ben Brandenburg, Bill Easler, Jean Garneiwicz, Tom Gracey, Oliver Owens and Siegfried von Schweinitz.

Staff present was Mr. Jeff Browning, as well as division managers Mark Chostner, Bill Clayton, Leanne DeLoach, Todd Glover, Jim Leiper, Barry Smith and Pam Tucker.

Mr. Browning provided information by way of a power point presentation showing how Columbia County currently funds most capital projects. He indicated that the special purpose local option sales tax (SPLOST) is one source of funding and the current program from 2006 through 2010 is targeted to collect perhaps as much as $100 million. The other source of capital funds is a general obligation (GO) bond issue, which is being discussed at a level of $33 million dollars. In addition to these sources of revenue the county periodically floats revenue bonds primarily for water and sewer projects. The county also relies on federal and state funds for transportation projects, primarily roads.

Mr. Browning pointed out that the SPLOST and GO bond sources are programmed to provide capital funds for projects as follows:

| | CIP | SPLOST |
|---|---|---|
| Storm water | $ 8,620,000 | $ |
| Transportation | 11,081,230 | 31,000,000 |
| Recreation | 6,500,000 | 21,350,000 |
| Emergency Services | 2,368,692 | 20,450,000 |
| Other | 4,700,000 | 27,200,000 |

Mr. Browning stated 25 cities and counties in Georgia currently levy impact fees. Only one other county uses impact fees for roads and that is Fulton County. Mr. Browning illustrated the impact fees levied by Tucson, Arizona, a city that levies fees for transportation and parks, two potential needs in Columbia County. Mr. Browning also showed average impacts fees throughout the country. He stressed that the imposition of impact fees could not be done arbitrarily. A demonstrated need for impact fees for each specific use would have to be shown. Further, the amount of impact fee collected from new development would have to be calculated based upon that development's share of the additional impact the development would place on the infrastructure. Mr. Browning emphasized that the illustrated impact fees were shown only to give some idea of how other communities use impact fees. The exact amounts Columbia County might eventually levy would depend upon detailed studies.

Leanne DeLoach, director of Finance, stated that most capital needs are met through SPLOST and either GO or revenue bond issues. She also reiterated that the targeted figure of $100 million for SPLOST is a target, but there is no guarantee the county will collect that much. The amount collected will depend upon the strength of sales tax collections. Ms. DeLoach also shared that Columbia County is floating GO bonds more often, presumably the result of additional need for capital projects with sustained rapid growth in the county. She stated Columbia County floated a GO BO bond in 1998, in 2004, and is considering another one in 2006.

Bill Clayton stated in the past he would fund capital projects from revenues received from tap fees and monthly water and sewer bills. However, with continued rapid growth in the county he is finding these sources of revenue are not sufficient to stay ahead of demand for new capital needs for treatment and transporting facilities.

In response to a question from Oliver Owens Mr. Clayton stated that his revenues exceed expenditures by 20 percent; the law requires at least a ten percent spread. Mr. Jim Bartley asked that a comparison of tap fees today and 15 years ago be provided to the committee.

Mr. Bill Easler pointed out that impact fees have the potential to steer growth away from the county. If that occurred they could reduce property and sales tax revenue growth.

Pam Tucker stated considerable capital expenditures have been directed to emergency services, particularly fire service, with the significant changes in the structure of fire response. She indicated here capital needs probably are adequate for the foreseeable future.

The CIP and SPLOST figures indicated considerable funding is directed to recreation facilities. Ms. Garneiwicz stated there may be additional need in this area. Mr. Easler stated there should be input from the users before assuming impact fees would be used for recreation facilities. Others voiced the probable need to fund recreation facilities from user fees.

The next meeting of the committee is scheduled for Tuesday, January 31 at 5:00 p.m. in the Building A general conference room. Mr. Darren Hicks, an attorney with experience with impact fees will be present to discuss their use in other Georgia cities and counties, and the requirements for enacting and administering impact fees.

The meeting adjourned at 6:30 p.m.

Minutes
Impact Fee Committee
January 31, 2006

The impact fee committee met at 5:00 p.m. in the Building A general conference room. Members present were
Jim Bartley, Julie Batchelor, Ben Brandenburg, Bill Easler, Jean Garneiwicz, Tom Gracey, Mark Ivey, Oliver Owens, Siegfried von Schweinitz and Tom Werner.

Staff present was Mr. Jeff Browning. Mr. Darren Hicks, and attorney from Warm Springs, Georgia was present to make a presentation to the committee. Mr. Hicks' has been involved in work to investigate the use of impact fees in Georgia communities, and has experience in the positive aspects of impact fees as well as their shortcomings.

Mr. Hicks introduced himself and stated he was from Columbia County originally. Thus, he has some familiarity with Columbia County.

Mr. Hicks stated that impact fees were passed in Georgia primarily at the urging of the development and building industries. In some rapidly growing communities necessary infrastructure was falling behind need. Some communities were requiring developments to install expensive infrastructure that provided improvements beyond the need for the developer's specific project. The development community thought that impact fees would be a way to guarantee that funds would be committed to needed infrastructure.

Mr. Hicks provided a quick overview of impact fees and stated that they could be used for specified capital improvements: water and sewer facilities, roads, storm water facilities, parks, public safety facilities, and libraries. He stated that capital improvements must have a useful life of ten or more years which eliminates from consideration most vehicles and computer equipment. This definition would allow for certain heavy equipment such as fire trucks.

Mr. Hicks pointed out that operating expenses cannot be funded from impact fees. He stressed the importance of anticipating staffing and operating costs for any new capital improvements. Many communities have constructed new facilities and have found their operation costs to be a burden on the county or municipality.

Mr. Hicks stated that there are three important aspects to the adoption process:

- A comprehensive plan must be adopted by the county and that comprehensive plan must include a capital improvements element that outlines the magnitude and timing of capital expenditures.
- An impact fee advisory committee must be appointed with a specified membership distribution
- At least two public hearings must be held on the subject; usually more are required once the process gets going.

Mr. Hicks stated the ordinance that is eventually passed must have specific provisions for the administration of the ordinance. The ordinance must stipulate at what point the fees will be collected. He stated most ordinances stipulate payment of the fee at the time the building permit is issued. The ordinance must contain a schedule of fees. Generally the ordinance will specify a fee per dwelling unit for residential dwellings, and a fee per square foot of non residential developments.

Mr. Hicks stressed that the fees must be based upon an established list of projects, costs of those projects, and the proportion of benefit the residential or commercial development receives from that capital item. The fee charged to the specific development is based upon the proportion of the cost that can be assigned to a dwelling or a non residential development of a specific size. Mr. Hicks provided an illustration of how impact fees are calculated and applied. Mr. Hicks pointed out that if impact fees are charged for different kinds of uses, road and libraries, for example, the fees cannot be transferred among funds. Funds not used within seven years are refundable, which places a burden on the city or county to use the funds in a timely manner.

A city or county can use impact fees to reimburse itself for facilities that have been funded by the jurisdiction in excess of the need that existed at the time the facility was built. However, the city or county cannot use impact fees to fund capital deficiencies.

Mr. Hicks indicated there are provisions for exceptions. However, he stressed the need to be very careful in including provisions for exceptions. Mr. Hicks pointed out that history indicates that impact fees usually do not retard residential growth. However, it is less clear what effect impact fees have on commercial growth. Occasionally commercial developments will reconsider locating within a jurisdiction if their impact fees are excessive. The jurisdiction has to balance the loss of the additional property taxes and sales taxes if the commercial development chooses not to locate in the county. If the city or county has exception provisions within its ordinance it can except the commercial entity from paying the impact fee. However, the jurisdiction must obtain a comparable amount of fees from some other source; often that would come from the city or county's revenues. Mr. Hicks stated most jurisdictions do not provide for such exceptions; he could not think of any jurisdiction in Georgia that has done so.

Mr. Browning stated that part of his concern with administering impact fees is how complex they can become, and their complexity can increase as the county is broken down into more "service areas." From earlier remarks it sounds as if several jurisdictions in Georgia have instituted impact fees on a county-wide basis. Mr. Hicks stated that was correct, and by doing so the connection between the amount of the fee and the benefits received is less well defined. He stated that impact fees in Georgia are new enough that there is very little litigation in the state thus far, only two cases, actually. However, he cautioned that with time it likely will become necessary to better define service areas, particularly for capital projects such as roads and parks that clearly benefit parts of the city or county more than other areas.

Mr. Hicks recommended that the committee should closely evaluate the following matters before initiating an impact fee ordinance:
County's need for impact fees
Effectiveness of past funding mechanisms to meet capital needs
Ability to use existing funding sources more effectively
Potential effects on growth dynamics – redirecting growth

Considerable discussion occurred among committee members about how impact fees are ended. It was stated that when a project is completed and paid for, the fees end for that project. However, typically, other projects come on line requiring funding as well. The fees tend to become self-perpetuating. It was pointed out that service areas will change with time and with the kinds of projects being funded. The committee asked staff to find out if there are limits to the SPLOST and by how much capital needs and existing funding mechanisms may continue to increase.

Mr. Browning stated he would forward to the members copies of the minutes for the three meetings held. He asked each member to review those minutes for content accuracy, and to be thinking of what further investigations would be helpful to the committee. He stated he would be preparing a summary statement for the committee to consider at its next meeting on February 14, 2006.

The meeting adjourned at 6:50 p.m.

Minutes
Impact Fee Committee
February 14, 2006

The impact fee committee met at 5:00 p.m. in the Building A general conference room. Members present were
Jim Bartley, Julie Batchelor, Ben Brandenburg, Bill Easler, Jean Garneiwicz, Tom Gracey, Mark Ivey, Oliver Owens, Siegfried von Schweinitz and Tom Werner.

Staff present was Mr. Jeff Browning. Also present were Mr. Scott Nichols and Mr. Preston Sparks of the news media.

Mr. Browning provided information to the members showing budget information for the fiscal years 2005 and 2006. He also provided to the committee members a recommendation for the use of impact fees. He recommended that the committee consider using impact fees for transportation projects, storm water management projects, and to consider possible use of impact fees for water and sewer utilities.

He stated that transportation projects are very expensive and thus need sources of revenue. He stated there is not a local source of revenue that is dedicated to transportation projects. Columbia County does receive transportation funds from state and federal sources; however, these are never enough to cover all needs. Further, the state and federal funds usually are applied to the more prominent routes in the county, state and federal highways including the interstate roads. The collector road system is left to the county for major improvements. Mr. Browning pointed out that it is beneficial to have local funds to contribute toward projects because local funding often is an effective means of leveraging more federal and state funds.

Mr. Browning stated the storm water needs are significant because the storm water infrastructure was given very little attention for many years during rapid growth in Columbia County. Consequently, the need is great. The storm water utility fee is inadequate to provide for effective capital spending. This fee currently is being used more as a source of funding for maintenance operations rather than for larger capital projects. The more desirable approach would be to use the revenue stream from the utility fee for necessary day to day maintenance and small capital needs, and to allocate impact fees toward larger regional projects.

Mr. Browning stated water and sewer utilities are a possibility. However, the county historically has been able to generate adequate revenues for capital projects through the self supporting utilities enterprise fund.

Mr. Oliver Owens pointed out that transportation impact fees are more difficult to administer which is evidenced by the fact that only one county (Fulton) in the state has impact fees for transportation projects. However, Mrs. Jean Garniewicz stated transportation is in desperate need of additional funding. Staff agreed that transportation issues are the most frequently voiced concerns during rezoning or subdivision hearings.

Mr. Jim Bartley stated that the county receives several millions of dollars of transportation funding from the state and federal governments. He stated transportation projects require a long time to get underway which gives the impression that funding is inadequate.

Mr. Tom Warner added that transportation projects require such a long lead time for planning, engineering and right-of-way acquisition prior to construction, it is possible the county could not complete projects within the seven years allowed for holding impact fees.

Mr. Warner stated storm water needs are the most viable use of impact fees. Others on the committee stated that impact fees for water and sewer facilities would allow opening up new basins for urban growth. Some stated this could help distribute growth rather than cluster growth in one area, which could serve to unclog the road system. Staff disagreed with that analysis and stated it is well documented that urban sprawl intensifies traffic congestion rather than mitigates congestion. Staff also pointed out this concept of growth is counter to the growth management plan. Staff did suggest that impact fees could help fund needed projects such as increasing transporting capacity within the Euchee Creek drainage basin.

Mrs. Jean Garniewicz stated the county should be evaluating what entices people to move to Columbia County and that is the quality of life. She asked the committee if it needed to consider what types of facilities might be desirable to better the quality of life? Mr. Gracey stated that many of the things like parks and services provided in parks are being funded through user fees.

Mr. Brandenburg asked if the use of impact fees for any infrastructure could become a bureaucratic process that would consume much of the revenue in administrative procedures. Mr. Ivey agreed that the committee should be very careful in what implications the impact fee might have on administration. The committee suggested that staff determine from Mr. Hicks or cities and counties using impact fees what administrative costs are typical with impact fees.

Mr. Warner pointed out that the imposition of impact fees could cause some loss of revenues currently being realized through exactions. Mrs. Garniewicz suggested that the committee should look closer at what has worked well in the past.

Mr. Von Schweinitz stated the costs of new infrastructure for new growth should be funded by that new growth and the financial burden should not be shifted to current residents of the county. Mr. Bill Easler stated that all county residents should contribute to some extent to new growth. The county remains a good place to live because everyone is willing to contribute to its good.

Mr. Ivey expressed concern with using impact fees for storm water issues because most of these are existing problems that would not be eligible expenditures under impact fees. The committee asked staff to invite Mr. Clayton to the next meeting to discuss with the committee how impact fees for storm water could help with that aspect of the county’s infrastructure.

Mr. Scott Nichols, a guest at the meeting addressed the committee in favor of impact fees and provided information about impact fees in the state of Georgia.

The next meeting was set for Tuesday, February 28, 2006 at 5:00 p.m. in the Building A conference room.

The meeting adjourned at 6:45 p.m.

Minutes
Impact Fee Committee
February 28, 2006

The impact fee committee met at 5:00 p.m. in the Building A general conference room. Members present were
Jim Bartley, Julie Batchelor, Ben Brandenburg, Jean Garneiwicz, Tom Gracey, Oliver Owens, Siegfried von Schweinitz and Tom Werner.

Staff present was Mr. Jeff Browning. Also present were Mr. Scott Nichols, Mr. Leonard Hogue, Mr. Jim Mayfield and Mr. Preston Sparks of the news media.

Mr. Browning provided an overview of the previous four meetings held by the committee. He stated that the committee members had become well versed in the purpose and mechanics of impact fees. Through previous discussions the committee had shown interest in considering impact fees for storm water management and for water and sewer utilities. Though staff had encouraged consideration of fees for transportation, the committee had not been as receptive to including streets and roads as a potential user of impact fees.

Mr. Browning stated the committee should have reached a point where conclusions can be reached and a recommendation can be formulated for the board of commissioners. If the committee felt it was not ready to do so, the committee should indicate what additional information it needed in this effort. Mr. Browning again suggested the committee should consider transportation projects, storm water projects and utilities for impact fees in that order.

Mr. Browning stated the decision of instituting impact fees should be based upon the adequacy of current sources of funding for capital projects. He illustrated that for the last ten years the level of capital funding averaged about $25 million per year. About 59 percent of all capital funding, or $154 million, was spent in the three areas currently being considered for impact fees. Utilities had received the most money of the three ($77 million) and this funding had come primarily from revenue bonds and from operating revenues. Mr. Browning pointed out this is typical for self-supporting revenue accounts. Transportation had received $68 million, or 44 percent of the share, mostly from SPLOST funds and some from general obligation bonds. Storm water was programmed to receive $8.6 million in a proposed general obligation bond, but had not received substantial capital funding in the past.

Mr. Browning showed the committee figures of revenues programmed from state and federal sources for transportation projects for the three year period 2006 through 2008. The total amount is $237 million. He said his purpose was to substantiate that considerable transportation funding does come from these non-local sources. However, only $19.4 million of these funds are available for Richmond and Columbia Counties to exercise any discretion on how the funds will be expended. All other funds are controlled by the Georgia Department of Transportation. Further, Mr. Browning stated that essentially all of these funds are used for interstates and state and federal highways. Many minor arterial and collector roads in the county rely on local funding for improvements. Without a dedicated source of local funding many of these kinds of transportation needs go unfunded.

Mr. Oliver Owens pointed out that it is not always true that persons from outside the county pay impact fees. Current county residents who purchase a newly constructed home would also pay the impact fee.

Mr. Tom Werner and Mr. Jim Barley expressed a preference for the sales tax because many payers of this tax are people who come from adjoining counties and contribute to this tax collection.

Mr. Werner stated he favored the use of impact fees to enhance sewer capacity. He stated he would also support the use of impact fees for transportation if an impact fee could make a difference. He expressed the concern that an acceptable level of impact fee might not make a significant contribution to the amount of transportation needs that exist. Further, there is a greater risk of not being able to use impact fees within the allotted period of time due to the length of time it takes to implement transportation projects.

Mr. Browning suggested that an impact fee for utilities would be essentially the same as an increase in tap fees.

Mr. Bill Clayton from the Utilities Division stated that the needs for additional funding in storm water management are great. How well we deal with storm water issues will impact approvals for water and sewer projects as well. He also acknowledged that many storm water related problems are in older neighborhoods where impact fee collections might not be large.

Mr. Owens suggested that a one-half cent sales tax increase might be preferable to passage of an impact fee. Mr. Browning stated he believed the county was already collecting the maximum sales tax authorized.

All of the committee members present were polled concerning their preferences regarding the impact fee. All members present with the exception of Mr. Von Schweinitz expressed the preference for an increase in the sales tax if that were possible. Mr. Von Schweinitz stated growth should pay for growth and that impact fees would allow the county to designate fees for specific kinds of infrastructure that is needed. The committee stated it should reconvene on March 14 to further consider this issue if it were found the sales tax increase is not a possible alternative to impact fees.

Mr. Scott Nichols again addressed the committee and urged them to consider impact fees. He stated other cities and counties have used impact fees successfully and that the funds collected have been instrumental in handling needs brought on by rapid growth without retarding the rate of growth within those communities.

Mr. Hogue stated he was present to learn about the purpose and mechanics of impact fees.

The meeting adjourned at 6:20 p.m.

Minutes
Impact Fee Committee
March 14, 2006

The impact fee committee met at 5:00 p.m. in the Building A general conference room. Members present were Jim Bartley, Julie Batchelor, Ben Brandenburg, Jean Garneiwicz, Mark Ivey, Oliver Owens, Siegfried von Schweinitz and Tom Werner.

Staff present was Mr. Jeff Browning. Also present were Mr. Luxembourg and another guest.

Mr. Browning provided an overview of the previous meetings held by the committee. He stated that the committee had concluded at its last meeting that an additional levy through the SPLOST program would be preferable if that were possible. Staff investigation has shown that there is not authority to increase the SPLOST levy above the one cent tax currently in effect. The committee's position at the March 14th meeting was that it would consider other alternatives if increase in the SPLOST program were not possible. Mr. Browning stated it would be appropriate to consider other alternatives.

While most members of the committee agreed that a gap of some magnitude exists between capital needs and level of capital funding, several committee members disagreed that gap is the result of new growth not paying its proportionate share of capital costs. It was pointed out that many of the capital needs in the county are to correct existing deficiencies in the infrastructure which cannot be funded with impact fees.

Tom Werner referred to some studies that have indicated new residential growth often does pay its own way through its contributions of sales and property taxes by new residents, but also through sales and wages that result from the construction industry. Several committee members stated a decision on whether or not to levy impact fees in Columbia County should be preceded by more studies and analyses of the contributions the construction industry makes in Columbia County, and how much additional revenues come to the county through typical growth in property tax rolls and sales tax collections.

Jim Bartley pointed out that impact fees are not always charged to new residents of the county. A current resident who buys a newly constructed home in the county would pay the impact fee even though he may have been a resident of the county for years. A new resident to Columbia County who would buy an existing home in the county would not pay the impact fee. Mr. Bartley questioned whether or not this directed the impact fee to where it should be charged.

Mr. Brandenberg stated the committee does not know what effect the impact fee might have on commercial development. Staff stated that Mr. Darren Hicks had made the same point in an earlier meeting. Typically impact fees do not retard residential growth. However, the fee's impact on commercial growth is not so clear. If impact fees retarded commercial growth it could have the effect of reducing potential increases in commercial property taxes and sales taxes.

Mark Ivey stated additional revenues are needed and likely will always be needed.  However, the shortfall is not attributable to new growth.  He agreed the issue needed to be studied further to see what other more suitable revenue sources are available.

The meeting adjourned at 6:00 p.m.

Minutes
Impact Fee Committee
March 28, 2006

The impact fee committee met at 5:00 p.m. in the Building A general conference room. Members present were Jim Bartley, Julie Batchelor, Ben Brandenburg, Jean Garneiwicz, Tom Gracey, Mark Ivey, Siegfried von Schweinitz and Tom Werner.

Staff present was Mr. Jeff Browning.

Mr. Browning stated that the final report had been sent to each member earlier in the week. A revision to parts of the final report was sent two days later. The members acknowledged receipt of both documents. Mr. Browning stated a position paper produced by Mr. Von Schweinitz also was sent to the committee members my email. Members acknowledged receipt of that information.

Mr. Browning stated he was prepared to send to the Board of Commissioners the final report. He was looking for any revisions to the report that the committee might have. Mark Ivey asked for clarification of a statement on page 7 stating that "there is no dedicated source of *local* funding for transportation projects." Mr. Ivey commented that SPLOST funds often are allocated to transportation projects.

Mr. Browning stated the term dedicated meant the funds must be committed to that use such as the requirement that utility revenues or revenue bonds must be used for utilities, or storm water fees must be used for storm water management. Mr. Browning stated SPLOST funds often are committed to transportation projects, but there is no legal requirement that SPLOST funds must be directed to transportation.

The members of the committee engaged in active discussion about growth in Columbia County, and the fact that the growth is active and healthy, but not so rapid as to be overwhelming like the growth in some counties surrounding Atlanta. The committee acknowledged that Columbia County has done well to remain abreast of most capital needs in the face of rapid growth.

Several members commented about the quality library that has just been completed, and voiced concern that the hours of operation, particularly evening hours that the library is open, are inadequate.

After considerable discussion, the committee by consensus adopted the report as presented to them and authorized it to be forwarded to the Board of Commissioners.

The meeting adjourned at 6:00 p.m.