

FEE AMOUNT

- The proposed fees will be the highest fees in the Atlanta Metro Region at \$8,961 per residential unit and \$9,392 per 1,000 sq. ft. of commercial development.
 - The report drafted by consultant Duncan Associates presents numbers that are intended to “establish a ceiling,” where the impact fees calculated are the **Maximum Allowable** fees by State law, not recommended fee amounts.
 - A more reasonable approach would be to charge a percentage of the maximum allowable fees to capture revenue for improvements, but not stifle economic development (Cherokee County, for example, collects only 10% of the maximum allowable roads impact fee). Charging 40% of the maximum roads fee (roads fees of \$3,757 per 1,000 square feet of commercial and \$2,915 per residential unit) would provide substantial revenue for Forsyth County without creating an unreasonable cost burden on development community and new residents.
- The fees for residential and commercial developments are significantly higher than neighboring communities that Forsyth County ‘competes’ with for economic development opportunities (see attached table).
 - These high fees present a huge hurdle to overcome in order to attract desired development type to Forsyth County, which costs the County much more in lost potential tax revenue and SPLOST/ELOST contributions, than would be gained by charging the higher fees.
 - The committee expressed concern over not having enough commercial tax base, and not being able to attract these investments in the past. In order to achieve economic development wins the County must appear development-friendly; having the highest impact fees in the region, by several thousands of dollars, directly counteracts that effort.
- An additional concern brought up during the committee meetings was the effect the fees will have on housing affordability in the County, specifically for teachers and young families. An extra \$9,000 on a home price can have determinate impact on the ability for essential members of the workforce, such as those in education and public service, and those who have grown up in Forsyth to be homeowners in Forsyth County.

FEE CALCULATION

- The consultant calculated the Road impact fees based on **one service area for the entire county**, which is inconsistent with State law. The Georgia Impact Fee Act requires that impacts fees are calculated and imposed on the basis of service areas. This requirement is intended to ensure that the fees charged are representative of the actual impact on the local system created by the new development. The Council recommends dividing the County into multiple service areas as the scale of the infrastructure improvements needed for new developments in the more rural areas of the County are very different than those required by developments in the southern, more developed area of the County.

- According to State law and legal precedents, Cumming should not be included in the county service area (See Cherokee County v. Greater Atlanta Homebuilders Assn 255 Ga. App. 764.)
- The impact fees were calculated in the consultant study using the “Consumption Method,” which estimates the cost of the individual impact of each new development based on national traffic demand models rather than an existing Transportation Improvement Plan, with an actual project list for which the revenue from the fees can be spent.
 - There is concern that the proposed fees may not satisfy the legal requirement that impact fees for new growth and development must not create duplicate and ad hoc exactions (See OCGA 36-71-1 (b) (4), City of Griffin v. McDaniel 270 Ga. App. 349).
- Impact Fee revenue should not be considered the sole or primary source of funding for traffic relief and transportation improvements needed today. Impact fee revenue can only be used to maintain the existing level of service that is present when the fee is charged, to capture the ‘impact’ that the new resident makes on the facilities, not alleviate current traffic issues.

VESTED PROJECTS

- Committee members expressed a concern for the impact of the new fees on developers that are currently vested in the County. These developers and builders have projects already planned, platted and underwritten with the understanding that there were no roads impact fees. In order to protect these existing investments, the Council for Quality Growth recommends exempting developments that have already received LDPs, approved Plats (Preliminary or Final) or a Zoning Application Number and/or allow land owners with projects vested in various stages the opportunity to advance payment of impact fees under the current impact fee ordinance for up to the maximum residential or commercial density allowed under the applicable zoning classification for at least 180 days after the adoption of the proposed ordinance amendments.
 - The State of Tennessee passed legislation last year defining the vesting period for real estate developments related to development regulation applicability. According to the law, development projects are vested as early as the preliminary development plan or plat is approved and whatever development standards are in effect at the time of that first approval shall remain the development standards applicable to that property for at least 3 years. (Georgia has not explicitly/legally defined the vesting period)

DEVELOPER CREDITS

- According to the study, developers may only receive credits for capacity expanding improvements on Arterial roads. These credits should be made available for all transportation improvements including sidewalks and streetscaping on all road types, as collectors are often reclassified as arterials after the development is completed. The Council recommends that it be codified that all system improvements should be eligible for impact fee credits. Incentives or credits may also be given to developers for choosing sites near existing infrastructure (SR 19/400) or multi-use trails which will have a lesser impact on the County’s transportation system.