



Panel looks at pros, cons of impact fees

By Sula Pettibon The Herald

(Published December 4, 2002)

Depending on how you look at impact fees, they're either the best way to pay for infrastructure improvements or a threat to economic development.

Both sides of the issue were tackled Tuesday by the York County Regional Chamber of Commerce's government relations task force. But members decided to get more information before taking a stand.

The group will meet before Christmas to examine a city study on the fees and get input from representatives in Fort Mill, which buys water wholesale from the city, and from York, which is negotiating a wholesale water deal with Rock Hill.

The task force will make a recommendation to the chamber's executive committee before a public hearing is conducted early next year.

"We've got some time -- relatively little time," said task force member Dennis Stuber.

Impact fees can be used only to cover portions of capital improvements related to growth.

Rock Hill officials need \$67 million for projects needing upgrades. If approved, impact fees would take effect in July and would be charged on all new development.

The proposed fee structure would raise an estimated \$17.3 million over five years, the city says. Once the projects are paid for, the impact fee would be discontinued.

Proposed fees would range from \$1,920 for a single-family home to possibly more than \$100,000 for commercial and industrial developments.

Tuesday, local members of the Real Estate and Building Industry Coalition argued against the fees.

"They send a no-growth statement," said appraiser Joe Versen. "And they're patently unfair. It taxes one segment of the populous."

The fees will discourage industry from locating in Rock Hill, costing jobs and property taxes, said John Rinehart, a commercial broker.

Every 100 jobs creates \$3.2 million in buying income and \$11 million in home sales, he said. "Can we afford to give that up?"

Coalition members, which include the Piedmont Regional Association of Realtors and the York County Home Builders Association, asked the task force to investigate alternatives to pay for improvements. Suggestions include a bond issue, additional sales tax or rate increases.

But the city's hands are tied in how it can raise money, said city spokeswoman Jane Alleva.

To cover water improvements alone, rates would have to increase 11 percent each year for five years, she said, adding that's above normal increases for operation.

Alleva encouraged input from the group. "We do want to hear from both sides," she said.

The Planning Commission will make a recommendation to the City Council on Dec. 17. The council will conduct a public hearing between mid-January and early February. A 30-day notice will be required.

Contact Sula Pettibon at 329-4033 or spettibon@heraldonline.com.

Copyright © 2002 The Herald, South Carolina