

Council Members

District 1: Terry Graham
District 2: Charlene McGriff, Vice-Chair
District 3: Billy Mosteller
District 4: Larry Honeycutt, Secretary
District 5: Steve Harper, Chair
District 6: Allen Blackmon
District 7: Brian Carnes



County Attorney
John K. DuBose III

Clerk to Council
Sherrie Simpson

May 26, 2020

4:30 PM

**101 North Main Street
Lancaster, SC 29720**

LANCASTER COUNTY COUNCIL
County Council Chambers, County Administration
Building, 101 North Main Street, Lancaster, SC 29720

IMPACT FEES SPECIAL MEETING AGENDA

1. **Call to Order - Chairman Steve Harper**
2. **Welcome and Recognition - Chairman Steve Harper**
3. **Pledge of Allegiance and Invocation - Council Member Brian Carnes**
4. **Approval of the Agenda**
[deletion and additions of non-substantive matter]
5. **Special Presentations**
 - a. Overview of Impact Fee Study Process – Presented by Carson Bise and Colin McAweeney of TishlerBise
6. **Citizens Comments**
[While in-person Citizens Comments are not currently suspended, due to public health and safety considerations and the need for continued social distancing, the County is strongly encouraging citizen input and comments be submitted in writing prior to the meeting. Comments may be submitted via mail, email at ssimpson@lancastersc.net or by using the following link on our website where you can submit Citizens Comments online (look for the link on the right hand side of the page)-<https://www.mylancastersc.org/index.asp?SEC=DF11C6C4-BC53-4CD5-8A07-0847EAA1F478>. Comments must be no longer than approximately 3 minutes when read aloud. Comments received will be acknowledged during the Citizens Comments portion of the meeting. Comments will need to be received prior to 4:00 p.m. on the day of the meeting. Please use the same link above in order to submit input/comments for Public Hearings.]
7. **Discussion and Action Items**
 - a. Discussion of Impact Fee Study Area and Methodology - Steve Willis/Alison Alexander
8. **Citizens Comments**
[If Council delays until end of meeting]
9. **Adjournment**

Anyone requiring special services to attend this meeting should contact 285-1565 at least 24 hours in advance of this meeting. Lancaster County Council agendas are posted at the Lancaster County Administration Building and are available on the Website: www.mylancastersc.org

Agenda Item Summary

Ordinance # / Resolution #: N/A

Contact Person / Sponsor: Alison Alexander/Deputy County Administrator

Department: Administration

Date Requested to be on Agenda: 5/26/2020

Issue for Consideration:

In February the County engaged the firm of Tishler-Bise to perform an impact fee study to consider impact fees for the following services: EMS, Law Enforcement, Fire, and Parks & Recreation.

The initial presentation and discussion with Council was delayed due to Covid-19. In the interim, staff has worked with the consultants on the initial data needed for the study.

Carson Bise and Colin McAweeney will provide an overview of the process and request Council input in several areas for the development of the impact fee report and recommendations.

Points to Consider:

n/a

Funding and Liability Factors:

n/a

Council Options:

n/a

Recommendation:

n/a

ATTACHMENTS:

Description	Upload Date	Type
Tishler-Bise Presentation 05.26.20	5/4/2020	Presentation

Impact Fee Study Overview

Workshop with County Council

May 26, 2020



TischlerBise
FISCAL | ECONOMIC | PLANNING

- Impact fees/infrastructure financing strategies
- Fiscal/economic impact analyses
- Capital improvement planning
- Infrastructure finance/revenue enhancement
- Real estate and market feasibility

Aiken County	Anderson County	Beaufort County
Beaufort Co. Schools	Easley County	Georgetown County
Fort Mills Schools	Georgetown County	Horry County
Lancaster Co. Schools	Tega Cay	Summerville
	Clover School District	

Impact Fee Fundamentals

- One-time payment for growth-related infrastructure, usually collected at the time buildings permits are issued
- Can't be used for operations, maintenance, or replacement
- Not a tax but more like a contractual arrangement to build infrastructure, with three requirements
 - Need (system improvements, not project-level improvements)
 - Benefit
 - Short range expenditures
 - Geographic service areas and/or benefit districts
 - Proportionate

Common Impact Fee Methods

- Cost Recovery (past)
 - Oversized and unique facilities
 - Funds typically used for debt service
- Incremental Expansion (present)
 - Formula-based approach documents level of service with both quantitative and qualitative measures
- Plan-Based (future)
 - Common for utilities but can also be used for other public facilities with non-impact fee funding

Eligible Costs

- Facilities/improvements required to serve new development - Yes
- Maintenance and repairs – No
- Operating costs - No
- Excess capacity in existing facilities – Yes
- Improvements required to correct existing deficiencies – No
 - Unless there is a funding plan

Impact Fees in South Carolina

- Impact fee revenue must be maintained in an interest bearing account
- Monies must be spent within 3 years of scheduled date for construction in the CIP
- Must publish an Annual Monitoring Report
- Comprehensive review and update every 5 years
- All maximum allowable fee changes require an updated study
- Requires an analysis that estimates the effect of imposing updated impact fees on affordable housing in the County

Why Impacts?

- Infrastructure capacity is essential to accommodate new development
- New growth pays its equitable share
- Encourages disciplined capital improvement planning
 - Earmarks money for capital improvements
- Promotes comprehensive planning and growth management
 - Helps ensure adequate public facilities
- Compared to negotiated agreements, streamlines approval process with known costs (predictability)
- Anti-growth pressure can be eased

Process

- Determine existing development base and project future growth/redevelopment
- Determine existing levels of service and capital needs due to new growth
- Determine appropriate indicators of demand
- Evaluate methodological alternatives
- Evaluate need for credits
- Calculate fees
- Evaluate impact on affordable housing
- Meetings with Planning Commission
- Adoption process

Lancaster County Impact Fee Study

- Fee categories under consideration
 - EMS
 - Law Enforcement
 - Fire
 - Parks

Evaluate Need for Credits

○ Site specific

- Developer constructs a capital facility included in fee calculations

○ Debt service

- Avoid double payment due to existing or future bonds

○ Dedicated revenues

- (e.g., property tax, local option sales tax, gas tax)

Myths and Misconceptions

- Impact fees cover the entire cost of new facilities, negating the need for higher taxes
 - A “properly” designed fee may come close
 - Credits
 - How about the O&M costs?
- Impact fees should be based on planning standards, without concern for deficiencies
- Nonresidential fees can be “adjusted” for economic reasons
- All developers/builders hate impact fees

Myths and Misconceptions

- Impact fees negatively affect low/moderate income housing
 - Credits for affordable housing can mitigate impact
 - Fee not always passed-on in the price of the home; studies have shown that fees are often absorbed by others in the “food chain” depending on market conditions:
 - Land owner
 - Developer
 - Homebuilder
 - Home owner

Next Steps

- Prepare Land Use Assumptions Memorandum
- 2nd round of meetings with County service providers to determine existing levels of service and growth-related capital needs
- Agree on likely fee calculation methodology

Questions and Answers