## Impact Fee History

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>Initial Impact Fee: $2,500 impact fee (original recommended amount $5,038) before the state law change.</td>
</tr>
<tr>
<td>2016</td>
<td>Legislation Change: The S.C. Legislature removed the block on new impact fees allowing districts and municipalities to implement a new impact fee.</td>
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<tr>
<td>2017–2018</td>
<td>Fee Request: Under the new legislation, the district requested a new impact fee and contracted with TischlerBise to conduct an impact fee study.</td>
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<tr>
<td>2018</td>
<td>Fee Implementation: The York County Council voted to approve the district's petition to implement a new impact fee. $18,158 for single family and $12,020 per unit for multifamily.</td>
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</tbody>
</table>

## Impact Basics

### What is an Impact Fee?
- A fee imposed on a new development to pay for all or a portion of the costs of providing public services.
- Fees are collected on new construction only.
- Designed to allow “Growth to pay for growth.”

## South Carolina Impact Fee Requirements
- Impact fee study must be performed
- Basic legal requirements are need, benefit, and proportionality
- Spend within 3 years of scheduled construction date
- Publish an Annual Monitoring Report
- Review and update the study every 5 years
- Fee changes require an updated study
- Analysis of the effect on affordable housing
Impact Basics

Impact Fees Can Only Be Used For

- Land purchase
- New facilities/improvements at current levels of service
- Furniture/fixtures
- Excess capacity in existing facilities

Fee Calculation

Data Points for Calculation

- Student generation rates
  - Single family
  - Multi-family
- Net capital cost per level
  - Building cost per sq. ft. per student
  - Land cost per acre per student

*Transportation and other costs can be used to determine the level of impact.

Fee Calculation

Net Capital Cost Per Student Calculation

Elementary
- Sq. Ft. per Student Cost per Sq. Ft. $348
- Acreage per Student Land Cost per Acre $87,129
- Total Gross Capital Cost per Student $41,521
- Total Net Capital Cost per Student $29,629
- Total GCC per Student $41,521
- Debt Credits $11,891

Middle
- Sq. Ft. per Student Cost per Sq. Ft. $346
- Acreage per Student Land Cost per Acre $87,129
- Total Gross Capital Cost per Student $52,489
- Total Net Capital Cost per Student $40,598
- Total GCC per Student $52,489
- Debt Credits $11,891

High
- Sq. Ft. per Student Cost per Sq. Ft. $305
- Acreage per Student Land Cost per Acre $87,129
- Total Gross Capital Cost per Student $53,120
- Total Net Capital Cost per Student $41,229
- Total GCC per Student $53,120
- Debt Credits $11,891

*Debt Credits calculated by multiplying the existing and future debt principal payments per student by the discount rate of 3.5%.
Maximum allowable fee by law is calculated by multiplying the student generation rate .51 for single family and .34 for multifamily homes by the net capital cost.

<table>
<thead>
<tr>
<th></th>
<th>Single Family</th>
<th>Multifamily</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>$7,348</td>
<td>$4,978</td>
</tr>
<tr>
<td>Middle</td>
<td>$4,791</td>
<td>$3,167</td>
</tr>
<tr>
<td>High</td>
<td>$6,019</td>
<td>$3,875</td>
</tr>
</tbody>
</table>

Maximum Allowable Fee: $18,158 $12,020

The impact fee will have several positive impacts on our community.

- Decrease the Burden on Current Tax Base
- Allow “Growth to Pay for Growth”
- Improved Commercial Business Climate
- Improved District Bond Rating

To date we have collected $7.2 million from 282 single family homes and 176 from multifamily homes.

- Growth has not slowed.
- Funds are currently in an interest bearing account until resolution of the suit.
- Lawsuit brought by the builders association.
Impact Campaign

Prepare for Opposition

• Local/State/National Home Builders Association
• Local/State/National Realtors Association

Impact Campaign

Key Steps to Success

• Unlike bond referendums, districts can actively campaign for the implementation of an impact fee.
• Identify key members of the community to help share correct information with the public.
• Prepare presentations for important groups such as Chamber of Commerce, business associations or rotary clubs.
• Prepare informational website and other materials to share facts.
• Rally community support

Fort Mill School District

School district impact fee implementation under the new South Carolina Impact Fee Act.

Questions?

Thank you for attending our presentation.
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Assistant Superintendent Finance & Operations Leanne Lordo: LordoL@fortmillschools.org