

Impact Fee History

1996 Initial Impact Fee

- Fort Mill School District implemented a \$2,500 impact fee (original recommended amount \$5,038) prior to the state law change.

2016 Legislation Change

- The S.C. Legislature removed the block on new impact fees allowing districts and municipalities to implement a new impact fee.

2017–2018 Fee Request

- Under the new legislation the district requested a new impact fee and contracted with TischlerBise to conduct an impact fee study.

2018 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.

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."

Impact Basics


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
 - Multifamily
- 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	Middle	High
<ul style="list-style-type: none"> • Sq. Ft. per Student 112.66 Cost per Sq. Ft. x \$348 \$39,161 	<ul style="list-style-type: none"> • Sq. Ft. per Student 141.92 Cost per Sq. Ft. x \$346 \$49,121 	<ul style="list-style-type: none"> • Sq. Ft. per Student 163.29 Cost per Sq. Ft. x \$305 \$49,755
<ul style="list-style-type: none"> • Acreage per Student .0217 Land Cost per Acre x \$87,129 \$2,259 	<ul style="list-style-type: none"> • Acreage per Student .0387 Land Cost per Acre x \$87,129 \$3,368 	<ul style="list-style-type: none"> • Acreage per Student .0386 Land Cost per Acre x \$87,129 \$3,365
Total Gross Capital Cost per Student \$41,521	Total Gross Capital Cost per Student \$52,489	Total Gross Capital Cost per Student \$53,120
Total GCC per Student \$41,521	Total GCC per Student \$52,489	Total GCC per Student \$53,120
*Debt Credits -\$11,891	*Debt Credits -\$11,891	*Debt Credits -\$11,891
\$29,629	\$40,598	\$41,229

*Credit calculated by multiplying the existing and future debt principal payments per student by the discount rate of 3.5%.


Fee Calculation

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.

	Single Family	Multifamily
Elementary	\$7,348	\$4,978
Middle	\$4,791	\$3,167
High	\$6,019	\$3,875
Maximum Allowable Fee:	\$18,158	\$12,020


Positive Impact

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

Post Fee Implementation



- 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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