

Environmental Funding Resources

Examples and Case Studies:

Impact Fees, Environmental Benefits
Projects and Special Purpose Local
Option Sales Tax (SPLOST)

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Environmental Funding Resources, generally

Environmental funding resources are increasingly popular sources of financing education, institutions, the building of physical structures, and other environmentally-related programming necessitated by ever-growing populations and related concern for preserving the environment, which we often compromise and harm in the quest to achieve modernity and progress.

Focus

In particular, we will focus on three specific environmental funding resources:

- Impact/Development Fees
- Environmental Benefits Projects
- Special Purpose Local Option Sales Tax (SPLOST)

IMPACT FEES

Impact Fees

- Generally:
 - Impact fees are fees that are levied only once and at the time of the issuance of a building permit or certificate of occupancy.
 - They are in exchange for the issuee's use of government services, such as utilities or access to civil services, i.e. fire or police department.
 - These fees can be used to fund environmental services or expanded environmental services.

Impact Fees

- Local Impact Fee sources and applications
 - Impact fees are obtained from a variety of developments. These can include structures for residential, retail, office and industrial purposes.
 - The purposes for which impact fees are used are equally varied. They can be used to fund civil services, water and other utilities and libraries.

Impact Fees

Specific Examples (Impact fees funding water quality, wastewater and stormwater-related purposes)

■ Henry County

- Roughly \$10,000 obtained from fees on new developments
- The developments included a mix of structures, i.e. fast food/drive-thru establishments, industrial complexes and residential buildings
- The fees were primarily used to finance water and sewer connections/services to the new developments.

Impact Fees

- Canton (Cherokee County) and Macon (Bibb County)
 - Roughly \$11,400 and \$10,000 (respectively) raised in impact fees
 - Fees were imposed on retail, office, industrial and single and multi-unit residential spaces
 - In addition to the fees being used to fund access to local civil services and parks, they have also been used for water, sewer and stormwater infrastructure for the new developments in both locations.

Impact Fees

- Effingham County
 - Roughly \$21,000 raised in impact fees
 - Again, fees were imposed on a mix of new developments including a hospital, as well as industrial, retail, office and residential space.
 - In addition to access to parks, civil services, libraries and bridges, connections and services for water, sewer and stormwater infrastructure for the new developments were also funded.

ENVIRONMENTAL BENEFITS PROJECTS

Environmental Benefits Projects

- Generally:
 - What is an environmental benefits project?
 - How can the resulting funds be used?

Environmental Benefits Projects

- Case Study: Satilla RIVERKEEPER®



Environmental Benefits Projects

- What is the Satilla RIVERKEEPER® project?
 - The Satilla River basin is a “blackwater” system located in the southeastern part of the state.
 - The purpose of the project is threefold:
 - Enforcement
 - Education
 - Research

Environmental Benefits Projects

- How was funding procured for the project?
 - 2002 Titanium mine
 - “Save Our Satilla (SOS)”
 - Desire for expansion = need for funding
 - The opportunity to appeal
 - Results of the litigation

Environmental Benefits Projects

- How the resulting funding has been used:
 - The settlement began to trickle in in 2004, followed by a year of full funding in 2005 and partial funding this year, 2006.
 - Initially, the settlement was used as “seed” funding.
 - The funding continues as stipulated in “donations” of amounts relative to the appellee mining company’s activities.
 - The settlement has allowed the SRKP to procure other funding as well.

Environmental Benefits Projects

- Some of the SRKP's accomplishments since the program's institution:
 - Expanded ability to address public complaints
 - Have pursued and prevailed in litigation under the Georgia Coastal Marshlands Protection Act in at least several instances
 - Instituted science clubs and programs in local schools

Special Purpose Local Option Sales Tax (SPLOST)

SPLOST

- Generally:

- What is SPLOST?

- It is a special tax of one cent on all consumer goods. The tax must be voted on and approved by referendum.
 - Typically must be voted on every five to six years (varies by jurisdiction).
 - SPLOST can be used for a variety of purposes
 - However, the funds must be used for physical structures and buildings, not operations or programs
 - Athens-Clarke County uses SPLOST for several functions:
 - Public Safety, Infrastructure and Quality of Life

SPLOST

■ Oconee River Greenway Project

■ Initial funding:

- Although also supplemented by Governor Miller's RiverCare program in 2000 for \$1.5 million and later by a subsequent greenspace program under Governor Barnes, SPLOST has been used to allocate funds for a project to acquire riverfront properties along the North Oconee River Corridor at a projected budget of \$1.8 million (2000).

SPLOST

- Present and Future Funding:
 - The North Oconee Rivers Greenway Project for 2005 to acquire properties on the River for recreational and public use, as well as possible restoration of the Oconee Hill Cemetery bridge.
 - The projected budget of the project is \$1,384,753, with goals of raising \$250,000 in 2006, \$567,376 in 2007 and \$567,377 in 2008 from the tax.

Response?

- Interest, yes..
- However
 - “What’s the point of this?”
- Narrower focus

Resources Examined

- *Taxes*
- *Fees*
- *Fines and Penalties*
- *Loans*
- *Community-Based Environmental Protection*
- Bonds (researched by Stacey Berahzer) - UNC

Other Case Studies

- DOA Rural Utilities Water and Water Disposal Systems Loans
 - RUWWDS loans
 - Aggregate \$48 million, 2006
- Co-Funding
 - Previous i.e.
 - Four localities, including Hagan and Eatonton received both
- EPA State Revolving Funds – Clean Water
 - GA Environmental Facilities Authority, or GEFA
 - Federal allocation, state matching at 20%
 - 3%, 20 yrs
 - 2006 – Gwinnett at \$20 million – sewer expansion
- Affinity-Based Merchandise
 - GA license plate
 - Funds earmarked for Wildlife Conservation Fund
- DOA Natural Resources Conservation Services Wetlands Reserve Program
 - Wetlands Reserve Program
 - Over \$1 million for wetlands reservation
 - 100% at permanent
 - 75% at 30-yr

Sources

- EPA Guidebook
 - <http://www.epa.gov/efinpage/guidbkpdf.htm>
- Department of Community Affairs – Georgia Quality Growth Partnership (GQGP)
 - <https://www.dca.state.ga.us/toolkit/index.asp>
- S. Gordon Rogers, IV, Satilla RIVERKEEPER® Executive Director and Satilla RIVERKEEPER® website
 - <http://www.satillariverkeeper.org/index.html>
- Dick Field, Athens-Clarke County Coordinator and ACC (SPLOST) website
 - <http://www.athensclarkecounty.com/splost/>

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Establishing Stormwater Utilities in Georgia

Georgia Constitution: (1983) - Article IX, Section II, Paragraph III

- ***Supplementary powers.*** (a) “In addition to and supplementary of all powers” ... any county, municipality, or any combination thereof, may exercise the following powers and provide the following services:
 - (1) Police and fire protection.
 - (2) Garbage and solid waste collection and disposal.
 - (3) Public health facilities and services, including hospitals, ambulance and emergency rescue services, and animal control.
 - (4) Street and road construction and maintenance, including curbs, sidewalks, street lights, and devices to control the flow of traffic on streets and roads constructed by counties and municipalities or any combination thereof.
 - (5) Parks, recreational areas, programs, and facilities.
 - **(6) Storm water and sewage collection and disposal systems.**
 - (7) Development, storage, treatment, purification, and distribution of water.
 - (8) Public housing.
 - (9) Public transportation.
 - (10) Libraries, archives, and arts and sciences programs and facilities.
 - (11) Terminal and dock facilities and parking facilities.
 - (12) Codes, including building, housing, plumbing, and electrical codes.
 - (13) Air quality control

Code of Georgia – Section 36-82-62(a)

- (2) To operate and maintain any undertaking for its own use, for the use of public and private consumers, and for users within and outside the territorial boundaries of the governmental body;
- (3) To **prescribe, revise, and collect rates, fees, tolls, or charges for the services, facilities, or commodities furnished or made available by such undertaking; and, in anticipation of the collection of the revenues of the undertaking:**
 - (A) To **issue revenue bonds to finance, ...**

Pros/Cons of Utilities

■ Pros

- Stable/predictable funding source
- Equitable/Fair (fee for service)
- Creates awareness of the need to protect the resource

■ Cons

- Requires significant public education
- Administrative costs may be high
- Implementation time may be long

GEFA – Clean Water SRF

GEFA

- GEFA – Georgia Environmental Facilities Authority
- “Non-point” funding available under their Clean Water State Revolving Program
- Have only funded 3 non-point source projects so far
- Always looking to fund more

GEFA Funded Non-point Projects

- Acworth
 - Street sweeping equipment
 - Storm sewer cleaning equipment
- Griffin
 - Installation of more storm inlets
 - Rerouting of stormwater
- Gwinnett
 - Channel stabilization
 - Stream restoration
 - Bio-retention facilities
 - Constructed wetlands
 - Purchase of land/easements

Application Tips

- Interest rate fixed at 3.0%
- Loan closing fee of 2% of the principal loan amount
- Application gets extra points if:
 - applicant is a current or pending MS4 permittee and the project is a component of their storm water management program
 - A significant portion of the project involves the acquisition of buffer zones along State water

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