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Pinellas officials will let zones free of impact fees expire

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CLEARWATER - For years, developers building in downtown and midtown St. Petersburg did not have to pay for traffic created by their projects.

That is about to end.

Pinellas County commissioners unanimously agreed Tuesday to let three "no-fee" zones expire on Oct. 29, leaving new projects in those areas subject to the same transportation impact fees paid elsewhere in the county.

The two other zones are core business districts in Safety Harbor and Pinellas Park.

The decision sets up another possible conflict with St. Petersburg city officials, who may try to withdraw from the county's transportation impact fee program entirely.

City Council member Richard Kriseman, who was "very, very disappointed" by the commission's action, said the city would be foolish not to explore pulling out of the ordinance.

"St. Petersburg is no longer going to sit back and let things happen to it like it used to," he said.

But commissioners said it was unfair to allow some a free pass while others paid. Cities can apply for downtown designations that come with discounted impact fees.

"What we are trying to do is level the playing field," said Commissioner Karen Seel.

Commissioners voted on a recommendation made by the Pinellas Metropolitan Planning Organization. That board, which is made up of city and county elected officials, approved the move in a 6-5 vote in September.

Commissioner Bob Stewart, who serves on both boards, said the no-fee zones threatened to eliminate the larger source of revenue because other cities wanted zones, too.

"All of the sudden, you look at the revenue line and it is decreasing," Stewart said. "To allow the no-fee zones to continue would reduce the revenue source we've got."

Eliminating those zones is part of a larger strategy to revise Pinellas' transportation impact fee ordinance and generate more money for road projects. Details are being studied by experts at the University of

South Florida, and a final proposal is expected in March or April.

But all that may unravel. The current impact fee ordinance includes an unusual repeal provision, which Stewart mentioned to commissioners, that could be triggered by one municipality, or a group of municipalities, representing at least 10 percent of the population. If they elect to withdraw from the ordinance, the entire ordinance is automatically repealed.

"If St. Pete, or some coalition, decided they did not like this, they could basically terminate the structure countywide," Stewart said. "I haven't heard that. But it's there in the ordinance, so it's possible."

St. Petersburg officials are very much aware.

An aide to Mayor Rick Baker said he has already asked his administration to explore withdrawing from the ordinance. The City Council intends to discuss options at its Thursday meeting.

"I think at this point (pulling out) has the potential for being a solution for St. Petersburg," said Rick Mussett, St. Petersburg's development administrator. "But we want to be very professional and very careful before we take any action."

The city's no-fee zone is by far the largest of the three and was intended to spur growth in the economically struggling midtown region. The north-south boundaries extend from 13th Avenue N to 45th Avenue S. East to west, the area includes everything between 49th Street S and the Pier.

Should St. Petersburg opt out, it would be the latest in a series of major conflicts between city and county officials.

They failed to agree last fall on how to divide money from a proposed gas tax increase and several cities - including St. Petersburg - protested the county's handling of proposals to run the countywide ambulance service.

Since the mid 1980s, the county has charged developers impact fees based on how much it will cost to handle the traffic their projects are expected to create.

As Pinellas County approaches build-out, its revenue from impact fees has dropped in recent years with builders focusing their construction on redeveloping land, which carries reduced impact fees. The total has fluctuated between \$3.5-million and \$4.5-million the past five years.

County officials anticipate collecting as much as \$2-million more in impact fees, although they say an exact figure is hard to pin down.

Bidding goodbye to no-fee zones is only part of a larger plan. Among the expected changes next year are a 13 percent increase in the current impact fees and credits to builders who participate in a loosely defined concept called "livable communities."

Examples of livable communities include Mizner Park in Boca Raton and Celebration near Walt Disney World.

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