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## Consultant recommends raising impact fees in Bonita

By JEREMY COX, [jgcox@naplesnews.com](mailto:jgcox@naplesnews.com)

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A consultant is recommending that Bonita Springs leaders raise impact fees by 25 percent for individual homes to offset the surging costs of constructing new roads and parks.

Duncan Associates, one of the country's leading impact fee consultants, suggests in its report that the city boost its fees for roads and regional parks while lowering those for community parks.

Impact fees are one-time assessments on new construction that are intended to make growth pay for growth. They are assessed for each new home and business and are paid by developers, who typically pass them on to consumers in the form of higher home prices.

Although the city's growth plan requires officials to update impact fees every three years, none of its rates have changed since 2000.

Lee County government controls a slate of additional impact fees inside the city, including ones that pay for new school construction and emergency medical service. Nearly all of the county's fees have undergone adjustments in the past few years.

In all, Duncan Associates' suggestions would raise the city's fees for a single-family home from \$3,308 to \$4,142. When other impact fees like those for schools are tacked on, the total impact fee tab for building a new home in Bonita would rise from \$5,943 to \$6,777, a 14 percent increase.

Despite the hike, the fees would be lower than those in unincorporated Lee County, where \$6,812 is collected for each new home.

Because it has been so long since Bonita adjusted road and park impact fees, City Manager Gary Price said he had expected the recommended increase to be much higher than 25 percent.

"That all?" he asked, adding that the costs of concrete, steel and other vital building materials "have gone through the ceiling" over the past five years. Without impact fees, it can take two decades for a new home to pay its way through conventional taxes such as property taxes, Price said.

Impact fees contribute millions of dollars to the city's budget every year. This year, nearly one-fifth of its \$65.7 million in revenue is expected to come from impact fees.

The city received the \$29,800 study last month after hiring Duncan Associates in June 2003 to review its current impact fees and suggest new rates. The consulting firm also is contracted by Lee County to recommend fee changes, and it shows in the Bonita study.

The Austin, Texas-based firm suggests raising road impact fees from \$2,436 to \$2,971. That's the same fee Lee charges — for now. The county already is studying the formula that underpins that fee, which likely will set the stage for a fee hike this fall.

The consultants, however, don't recommend adopting higher road impact fees than the county, even though higher land prices

inflate the cost of building new roads in the city. The community park fee would drop from \$619 to \$464, and the regional park fee would rise from \$253 to \$707.

However high or low the city ultimately sets the fees, they must be defensible in court. The fees suggested by Duncan Associates are so conservative, City Attorney Audrey Vance said, that "if somebody tried to dispute these numbers, lightning could hit them."

Even so, Michael Reitmann plans to review them closely. The director of the Lee Building Industry Association has been a strenuous opponent in several cases when local officials have tried to raise impact fees or create new ones.

Ultimately, the higher fees are tacked onto the price tags of new homes, making them less affordable and causing a disproportionate burden on the people who can least afford to buy homes.

Ken Hoffman, the city's community projects coordinator, said he will use the report to develop his own recommendations to the City Council — ones that take into account the city's spending ability and ability to borrow money. The council could address the new impact fees as early as May, he said.

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