

## The Daily Commercial

# City considers extending fee waivers

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LEESBURG

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City leaders will consider extending a one-year waiver on impact fees, up to \$100,000 for all projects within the city limits.

They hope the extension accelerates economic development and the construction of businesses and homes.

The first reading for the ordinance is set for 5:30 p.m. today at Leesburg City Hall.

"With the advent of the economic recession, the city has experienced a considerable decline in business activity, including a profound number of business closures and a halt in new construction," City Manager Jay Evans wrote a city commission memo. "It is believed that these extreme conditions merit extreme measures in an effort to stimulate the city's economy."

The fiscal impact of extending the waiver for one year is unknown, he added.

"If the city does not waive the fees and nothing gets built, there is no impact," Evans wrote. "If the city does waive the fees and construction is stimulated that would have not otherwise moved forward, then ad valorem taxes will benefit in future years. The cost to this latter scenario is that the city will have contributed up to \$100,000 worth of available capacity to each project."

Leesburg first adopted the one-year waiver in May 2010 on fees that the city charges for new development to offset impacts to water, sewer and other municipal services. The ordinance was unanimously approved.

However, if the ordinance is extended for another year, Evans warns in his memo that there are "consequences" to impact fee waivers, such as the city not having the funds to construct additional facilities, such as Fountain Lake Trail or Canal Street Wastewater plant expansion.

Another consequence, Evans added, is one that could affect Leesburg residents and utility customers.

"The absence of impact fees means that all current residents (and in the case of utility impact fees, all current customers) of the city subsidize growth through increases in their rates," he said. "Leesburg's impact fees are designed to make growth pay for itself, or at least with regard to their impact on water, wastewater, police, fire, and parks and recreation resources."

"Without any impact fees," Evans added, "the entirety of the debt service must be shouldered by our rate payers, possibly accelerating future rate increases."

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