











Home | Sports | Classifieds | Charlotte News | Englewood News | North Port News | DeSoto News | Venice News







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Brian Gleason column

Impact fee hike: How about 251 percent?

A 251-percent increase in the county's impact fees, outlined in a study submitted to the county last week, would raise more than \$66 million through 2010. The report

concludes that a \$6,621 increase in impact fees for roads, libraries, parks, public safety and government facilities could be justified.

Not so, says Russell Garrod, president of the Charlotte Builders and Contractor Association. The CBCA commissioned a study that concluded new construction more than pays for itself. Garrod called higher impact fees "double-dipping" and cautioned that commercial impact fee hikes would bring economic development "to a standstill."

The builders' stance is no surprise. The CBCA successfully challenged the county's impact fee policy in the 1990s. Garrod said his group would oppose any increase in the county's impact fees. He said the commission underfunded infrastructure in the past and expects new residents to erase its deficit.

"They can't get re-elected if they pay for infrastructure with ad valorem (taxes). They're putting it on the back of people they don't have to face," said Garrod, who ran unsuccessfully for the commission in 2004.

The CBCA's position would hold more water if the county hadn't just gone through a property-value boom in the past few years. The average home price rose from \$101,800 in 2001 to \$236,600 last year. Yet the county's population grew by 13.7 percent over the same period. Not exactly a slump. A \$6,621 impact-fee hike is chump change compared to the home-price boom.

The study, prepared by University of Florida professor James Nicholas suggests the largest fee hike -- from \$1,799 to \$6,493 -- should be for roads. The higher fees would generate an additional \$46 million for road construction through 2010. The study expects 6,230 new homes will be built in the county in the next five years.

The County Commission, which will review the report at a Jan. 10 workshop, is desperate to find ways to erase a road construction funding deficit in the developed parts of the county even as it makes way for massive new

1 of 2 1/5/2006 10:24 AM

developments in rural areas, such as Babcock Ranch and the Burnt Store Road corridor. Based on current impact fees, roads needed for the two areas are underfunded by \$165 million. The current five-year road construction plan for the rest of the county is \$80-100 million in the red, according to Budget Director Ray Sandrock.

New homeowners currently pay \$2,642 in impact fees, plus another \$5,300 for utility connection fees. Garrod said the proposed fee of \$9,263 plus the utility fee would cost homeowners nearly \$30,000 over the life of a 30-year mortgage. He said an impact-fee hike would force lower-income homebuyers out of the Charlotte market.

Assistant County Administrator Roger Baltz said the 251-percent fee hike is just a "starting point" for board discussion. Sandrock said Nicholas was conservative in his calculations. Garrod said the report was "wrong."

That's some starting point.

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2 of 2 1/5/2006 10:24 AM