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## **Collier impact fees are rising; builders wonder if many houses will go up**

By Larry Hannan

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The cost of impact fees in Collier County will be going up in 2008.

Collier commissioners recently approved a new indexing study that will raise every impact fee in the county. Indexing an impact fee means the cost of the fees will adjust to factors such as inflation.

Impact fees for a 2,000-square-foot single-family home will be just under \$36,000 in 2008, an increase of about \$4,700.

Impact fees are one-time charges on new construction intended to make growth pay for growth. The revenues pay for law enforcement, parks, libraries, roads and schools, among other services.

Collier commissioners could have raised impact fees in October of this year, but chose to wait until 2008 so they could get a better handle on their long-term plans. The commission will have several workshops before the end of the year in which their capital construction plans will be discussed.

Each of the county's 12 impact fees now has a separate methodology for indexing.

Under the new indexing study, the methodology will be the same for each fee. The main factors in this methodology are building costs, land costs, building equipment costs and transportation costs.

The indexing methodologies are based on several national inflation factors as well as a localized land cost, county officials said.

The impact fees will be updated yearly under the indexing methodology.

Officials with the building industry criticized the increase in fees while simultaneously saying they liked the indexing formula because it made the fees more predictable.

"The indexing itself is something we approve," said Brenda Talbert, executive vice president of the Collier Building Industry Association. "But the increase is not something we approve."

Impact fees are too high now and that is making it more difficult for developers to sell homes, builders contend.

It also is making it difficult for middle-class people to buy homes in Collier, Talbert said.

The number of homes being built in Collier has dropped significantly in the past year and building industry officials argue that impact fees are a factor in that drop.

Collier Commissioners Jim Coletta and Tom Henning supported capping impact fees at the present level, with the exception of transportation fees. The three other commissioners opposed that idea.

“I think we need to put a freeze on all impact fees except for transportation,” Coletta said. “The (building) industry is in distress at this time and we need to help them out.”

Coletta and Henning wanted transportation exempted because Collier has an aggressive road-building program going on.

Commissioner Fred Coyle said commissioners shouldn't be blamed for high impact fees.

“The market determines the fees,” Coyle said. “We're the middle man.”

Talbert rejected Coyle's assertion, saying the commission chooses to set all of its impact fees at the highest legal level.

“They don't have to do that,” Talbert said.

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