

**09/26/07**

### **Impact fee relief rejected**

*Members of the Charlotte County Commission said they are concerned about increasing surplus.*

The Charlotte County Commission decided Tuesday it would not, for now, venture into uncharted territory and reduce impact fees in hopes of spurring the local building industry.

The 3-2 decision was made even after cries for help were heard from numerous area home builders.

Commissioner Adam Cummings, in the majority vote, expressed concern over the proposed plan, stating he believes the current housing slump is a matter of supply and demand -- and with so many vacant homes on the market, supply must be reduced.

"The Realtors should be here and be very concerned about this," Cummings said, "because it's going to impact their business as well, if it's successful, which I doubt."

Cummings was joined by Chairman Dick Loftus and Commissioner Tricia Duffy, who expressed concern that state law could essentially require a 90-day moratorium on all new construction in Charlotte County if the proposed reduction were approved.

Impact fees are levied to offset the "impact" of a new family or business on an area to cover road infrastructure needs. Charlotte County currently collects no impact fees due to a stagnant building industry.

The temporary plan, proposed by Commissioner Tom Moore, would have reduced Charlotte County's impact fees to the old, flat rates for all new construction. The existing rates are charged per square foot.

Cummings said he was interested in moving to a flat rate, which he said is the fairer choice, though he does not believe a temporary significant reduction would be effective or wise.

But a reduction in impact fees is still coming, albeit not at the hands of the commission, as County Administrator Bruce Loucks announced Tuesday that the existing fees would see a 5.88 percent reduction effective Oct. 1. The impact fee ordinance adjusts the rate annually based on a series of market indexes.

The 5.88 percent reduction is far less than the plan proposed by Moore. The proposed flat rate of \$2,510, compared with today's charge of \$3.89 per square foot, could have saved new home builders thousands.

Cummings, Loftus and Duffy all expressed interest in voting again on alternative future proposals.

"I want to vote for it, I want to lower impact fees, but I think we're setting a really dangerous situation for the building industry," Duffy said. "I don't want to do that."

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