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Indian River County backs off impact fee increases for now

By Henry A. Stephens

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INDIAN RIVER COUNTY — County commissioners don't know enough about calculating impact fees to impose any increases, they decided Tuesday.

"You need a lot of understanding to explain this in simple terms, and I don't think a lot of us up here can do that," Chairwoman Sandra Bowden said.

Impact fees are one-time charges assessed against builders by local government — and passed onto buyers. The fees are meant to help pay for the expansion of specific services, such as roads or schools, which new residents or new business customers will demand.

Bowden's comment followed about three hours of discussion, including a public hearing, after county Community Development Director Bob Keating requested commissioners either approve or table a 2007 study by Duncan and Associates Inc. of Kissimmee.

Duncan called for 72 percent increases in some impact fees because of rising costs of construction since 2005.

Vice Chairman Wesley Davis won a 3-2 vote — with Commissioners Gary Wheeler and Peter O'Bryan dissenting — on a motion to have consultant Duncan come to a future meeting and explain how he arrived at his proposed rates. Duncan was not in Tuesday's meeting.

Davis said he needs to understand why new small businesses have to offset the need for new roads when new homeowners, who also pay impact fees, are the ones creating the need.

O'Bryan made a motion, but didn't get a second, to phase in some fee increases and eliminate others. He said Davis wasn't clear whether he just wanted to ask Duncan a few questions or have him revise his methods of calculation.

- For a single-family home of 2,000 square feet, the most common size, consultants say the county should increase the current impact fee of \$9,878 by 72 percent to \$16,951 — a difference of about \$7,000.

- For homes less than 1,500 square feet, the fee was proposed to increase from \$7,815 to \$14,055. But that's an 80 percent increase for a lot of low-end sizes, affordable-housing officials have said.
- Consultants have responded by carving out a new size, less than 1,200 square feet, for a proposed increase from \$7,643 to \$13,574. The \$5,931 difference would be a 78 percent jump.
- Larger homes and other uses, such as condominiums, retail or offices, would get different fee increases, all based on the demand users place on county services.
- Commissioners questioned whether customers of a new business create new demand on roads and other services — or whether the business isn't subsidizing demands from new homeowners.



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