



To print this article open the file menu and choose Print.

<< [Back](#)

Article published Aug 22, 2005

## Builders to make case for cap on impact fees

Construction industry says booming market has increased local governments' dependence

By **AARON DESLATTE**  
**GANNETT NEWS SERVICE**

TALLAHASSEE — The cost of doing business in Lee County keeps going up for home builders as local governments become more dependent on impact fees.

Tim Rose, president of Lyons Housing Corp. in Fort Myers, doesn't think the housing boom that has propped up government budgets can last.

"The new-home business is a big employer in our area. If you slowed it down with excessive impact fees that could be a real problem," said Rose, who typically pays about \$7,000 in impact fees for homes that run between \$500,000 and \$900,000. "During normal times, an impact-fee increase of a few hundred dollars will motivate some buyers to buy before that impact fee takes effect."

But Florida's rocket-propelled housing market hasn't looked normal for a while.

With housing costs soaring, a task force is delving into what has been a perennial tussle between home builders and local governments over impact fees.

Unable to successfully make the case in the courts or the Capitol, Florida's home construction industry will take its fight to cap impact fees to a state task force beginning meetings today in Jacksonville.

Home builders say Florida's cities and counties are gorging themselves on revenue from the largely unregulated impact fees assessed on new home construction. Fees topping \$20,000 for each single-family home in some counties drive up housing costs. Local governments are raking in so much money from the fees that they face little pressure to raise other taxes for local services, builders say.

City and county officials counter that the sheer speed of housing starts leaves them no choice but to charge impact fees to keep up with demands for public services.

Lawmakers created the task force to make recommendations for resolving the debate that has played out in the state Legislature for over a decade.

The 14-member committee of builders, city, county and school officials has been charged with deciding if the state should set a uniform rate for impact fees statewide.

### DELIVERING YOUR WORLD

- ▶ [Subscribe to The News-Press](#)
- ▶ [Signup for daily email news](#)
- ▶ [Printer friendly version](#)
- ▶ [Email this article](#)

"There's a sense that the fees might be erratically derived," said task force chairman John Delaney, president of the University of North Florida. "Clearly there's an impact on affordable housing — just by definition there would be."

Osceola County has been ground zero. After the county decided in 2003 to triple its impact fees for schools — making them the highest in Florida — Orlando-area builders and the state association sued on grounds that the fees weren't paying for new growth, but old congestion problems.

During the last legislative session, the Florida Home Builders Association tried unsuccessfully to require cities and counties prove their impact fees were directly spent on roads, sewers or schools for new development.

This month, a judge ruled against builders in the Osceola suit, leading many to fear a raft of similar impact fee hikes is on the way.

Impact fees tacked onto home prices raised about \$1 billion for cities, counties and schools last year, compared to one-fifth that total a decade earlier.

School impact fees alone jumped from \$3.5 million in 2001, when only one school district in Florida charged them, to \$255 million last year, when 18 districts did. Lee County led the way, collecting \$52.4 million from its school fees last year.

Equally concerning is the possibility that local governments will have to raise fees dramatically higher to pay for new growth management regulations lawmakers passed last spring.

Those rules make it harder for cities and counties to approve new housing subdivisions, shopping malls or office parks without proving they can pay for roads, water and schools they'll need to handle the development.

Lawmakers included \$1.5 billion in the bill — most going to "regionally significant" transportation, water and school projects — a fraction of the total state infrastructure costs.

"Local projects that don't qualify for the state assistance are going to have to be funded by local revenues," said Robert Rhodes, a former general counsel and vice president with The St. Joe Co., and chairman of Jacksonville's growth management committee.

"I think we're going to see local governments turn more to developers and builders to make up the difference."

The committee will make final recommendations to Gov. Jeb Bush and the Legislature in February.

---

<< [Back](#)