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Business Owners Say Impact Fees Too Expensive

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OSCEOLA COUNTY, Fla. -- Business owners told WFTV Wednesday they want to expand in Saint Cloud, but the city is making it too expensive. In some cases, the city's impact fees are more expensive than their renovations.

A father and son spent more than \$250,000 renovating an old gas station into "Mutt's on 13th" in Saint Cloud. They even added the drive-through window, but then received bad news from the city.

"They said you have to pay \$85,000 in impact fees for that drive-through. I said what you're kidding me?" business owner Ted Palmer said. "It was dilapidated. The roof was leaking. The homeless people living in it."

The transportation impact fee would be used to make road improvements in the city.

"We can't afford it. No bank is going to loan us \$85,000, so we can pay a fee to the city," Palmer said.

That's more than double the \$35,000 it took to repave their parking lot.

It isn't an isolated issue either. A nearby bar, Soldier City Saloon, is expanding and wants to add two bathrooms for \$4,500. Saint Cloud's impact fee is close to \$8,000. The owner had portables added instead.

Officials with Kissimmee-Osceola County Chamber of Commerce say the fees hurt businesses trying to grow during the tough economic times.

"Osceola has some of the highest impact fees in the area and some of the highest impact fees in the state," said Mike Horner, president of Kissimmee-Osceola County Chamber of Commerce.

WFTV found, if Mutt's on 13th was located in downtown Orlando, it would cost \$27,000 to add a drive-through. A working window would probably triple profits for the Palmers, but until they can afford the fee, it will remain a parking spot.

"We want to improve the economy, but we can't improve the economy by paying phantom fees," Palmer said.

Saint Cloud council members will discuss impact fees at a workshop Thursday.

In the meantime, Kissimmee commissioners are considering lowering impact fees by 27 percent. Osceola County's looking at funding sources that could reduce impact fees, including the 1 percent sales surtax initiative on the November 2 ballot.

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