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Buyers of new Indian River County homes can't avoid impact fees

A grandfather clause intended to help buyers of new homes doesn't apply to almost 300 people.

By Henry A. Stephens
staff writer

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INDIAN RIVER COUNTY — Of 360 home buyers who hoped to beat the July 1 increase in county impact fees by showing pre-existing contracts, two-thirds of them may not qualify under the county's rules — and may not be able to afford a home after all, builders say.

"You have a new-home buyer who signs a contract, and now all of a sudden he's got five grand more in impact fees that nobody expected," Sebastian builder Allen Green said Friday. "In some instances, people barely qualified (for home loans) before the fees."

It wasn't supposed to go that way, county commissioners have said.

"That wasn't the intent of what I wanted from the grandfather clause," Commissioner Wesley Davis told his colleagues at the Aug. 23 meeting.

The county on July 1 started charging new impact fees, intended to offset the demands of newcomers on library space, landfill space, jail space, parks, public buildings, schools, fire-paramedic stations and sheriff's deputies' equipment.

The new fees would mean \$6,500 on top of the price in effect for a person buying a home at the county's most common size, between 1,500 and 2,499 square feet.

But commissioners allowed a grandfather clause so people with building contracts in force before July 1 could apply for building permits and pay just the road-impact fees, the only ones in effect at the time.

Assistant County Attorney Bill DeBraal said 360 people applied for building permits by deadline, showed they had valid contracts and provided copies of their cancelled checks.

But a "sticky point" got past the commission, he said Friday, and the grandfather clause didn't cover all 360 applications.

Home buyers could only avoid the new fees if their contracts didn't address whether they or the

builders would pay the fee increases, DeBraal said.

Many builders, however, issued contracts stating the client would pay for such increases.

"The standard contract says that, if there are economic changes, the customer will be responsible," Green said.

DeBraal said at least half, or as many as two-thirds, of the 360 applicants have contracts that spell out the client as responsible for the impact fees. Under the ordinance, he said, they don't qualify for the waiver.

Such a customer may have secured financing for a home and now has to ask the bank for more money to cover the fees, he said.

"That's patently unfair, just because sometimes (fee increases) are addressed and sometimes not," Vice Chairman Art Neuberger said last month.

After a recent discussion with builders and county planners, DeBraal is scheduled today to recommend that the commission amend the grandfather clause by allowing for all contracts filed before July 1 and not just those in which the new impact fees weren't mentioned.

The county Professional Services Advisory Committee and the Planning and Zoning Commission will have to make recommendations, DeBraal said, before the County Commission can take the final action.

He estimated the change would mean the county would lose about \$1 million in impact fees.

But that's less important, commissioners have said, than letting someone afford a home.

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