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City may consider new plan to raise road impact fees

By KATE SPINNER, kspinner@naplesnews.com

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Bonita Springs City Council members laid to rest Wednesday their original proposal for increased road impact fees, opting instead to set their sights higher.

The City Council now is thinking about passing laws to raise the road impact fees by 130 to 187 percent, depending on the type of building.

Impact fees are applied to new construction to pay for the infrastructure demanded by growth.

Jim Duncan of Duncan Associates, the impact fee consultant the city is relying on to justify the fee increases, recommended against raising fees to the maximum right away. To avoid lawsuits, Duncan said, the council should establish fees below the justifiable limit and phase them in over time.

But council members said they wanted the flexibility to set impact fees as high as possible. Whether they do so will be hashed out once the new ordinance is in front of them for a first reading on July 6.

"I would hate to see us start at a low figure," said council member David Piper. "If anyone's going to challenge us, bring it on."

The new law will propose raising road impact fees for each new single-family home from \$2,436 to \$5,647 and every multifamily unit from \$1,687 to \$2,996.

Those costs, which represent a 132 percent spike, do not include additional impact fees for schools and parks.

Commercial and retail businesses would see road fees jump as high as 187 percent, to \$9,635 for

every 1,000 square feet. The current fees, which are lower per square foot for larger buildings, range from \$3,354 to \$3,992.

Fees for office buildings would rise up to 132 percent. The fee, which now ranges from \$1,918 to \$2,254 per 1,000 square feet, would increase to \$4,441.

Council members decided to advertise the highest justifiable fees to allow themselves flexibility when they come closer to passing the laws.

Once a proposed law to increase impact fees is advertised for a public hearing, the council can only decrease the costs. After preliminary approval at the first reading, council members will be able to vote on whether to write it into law 14 days later. The law would become effective 30 days after it passes the second reading.

City Attorney Audrey Vance said city staff will have recommendations on how to phase in the fees by July 5 when the council takes its first vote on the proposal.

While no one from the business community expressed opinions about the impact fee hike during the council's public comment period Wednesday, the proposal sparked comments from Ron Pure of the Taxpayer Action Group.

Pure urged council members to follow Collier County's lead by setting impact fees higher than Duncan suggested.

The neighboring county charges the highest impact fees in the state, according to Duncan. He said Bonita Springs' fees would be second to Collier's if it were to adopt the maximum justifiable fees.

Pure told council members Bonita Springs is more similar to Collier County than Lee County and said Duncan should have taken that into consideration in the impact fee study.

"There's nothing more local, because we can step out the door here and walk a few yards and we are in Collier County," said Pure, speaking in the council chamber of the new city hall on Bonita Beach Road.

When Duncan Associates first performed an impact fee study for Bonita Springs, the firm piggy-backed off the data it collected for the Lee County impact fee study it created.

Duncan told council members his firm was not asked to analyze Bonita Springs specifically until the city received the report.

After council members questioned the wide gap between the road fees in Collier and the road fees in Lee, Duncan focused study on Bonita Springs road projects alone to determine the local cost of construction. The revised June study demonstrates local costs, but Duncan warned council members the statistical pool used to determine those costs is low.

There are only five road projects to evaluate in Bonita Springs, while there were more than 20 countywide.

For that reason, Duncan said, the city should average county and local costs to arrive at a more conservative fee. Otherwise, the city could set itself up for a lawsuit, he said. Even if the fees hold up in court, Duncan said, the only winners in litigation are the attorneys.

Council member Ben Nelson said Duncan's proposals made sense in terms of avoiding litigation and ensuring that new homeowners don't have to take such a powerful financial blow. He stressed that impact fees on residential structures are not absorbed by developers; they're passed on to homebuyers.

"We need to take it easy on this," said Nelson. "We need to stagger it."

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