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Construction impact fees going up July 15

By **JEREMY COX**, Staff Writer

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Michael and Tona Nelson are racing to get the building permits for their new Spanish Wells home by the end of this month. Beginning July 15, new Bonita Springs homes are expected to be charged 22 percent more in fees intended to offset the cost of improving local roads.

Coincidence?

"I'm not hurrying to get it done because of that," said Michael Nelson, 59, the general manager of a North Naples gated community. "It just happened to be timing."

Despite the anticipated road impact fee hike, the first for the city in five years, builders like the Nelsons don't seem to be worried. Some are even cheering the increase, saying they are willing to pay a little more to help fix the city's overburdened road network.

"Certainly, if the impact fees go where they're supposed to go, the fees will help out," Nelson said. "We need it badly."

Impact fees are one-time assessments on new construction that are supposed to make growth pay for growth. Often used to build new roads, schools and parks, the fees are charged when builders pull a permit.

A city study suggests raising road impact fees by \$535, from \$2,436 to \$2,971 - the same amount charged in unincorporated Lee County. City leaders scrapped their plans to change park impact fees after the study suggested raising one type of park fee and lowering another.

The city council is expected to adopt the new fee on June 15, making the increase effective a month later. When other impact fees like those for schools and the fire district are added, the total impact fee tab for building a new home in Bonita will jump to \$6,478, or 9 percent.

Michael Reitmann, director of the Lee Building Industry Association, said he doesn't plan to

contest the higher fees.

"We really do need the roads desperately, and since they moved to the same level as Lee County, we decided not to respond to it at all," Reitmann said. "That is one impact fee where the county had used a good approach to calculate the fees."

It's no coincidence that the city's road impact fees mirror the county's. The governments used the same consultant to develop the fees: Duncan Associates of Austin, Texas.

Reitmann doesn't expect the new fees to slow the pace of Bonita's building spurt. Higher impact fees typically hurt the people who can least afford to buy a home the most, but those people can't afford to buy the homes that are being built in Bonita anyway.

"They aren't building \$100,000 homes in Bonita," Reitmann said.

The city waives road and park impact fees for homes constructed by its official housing arm, the nonprofit Bonita Springs Area Housing Development Corp. The agency sells homes that cost under \$150,000.

If the city didn't nix those fees, "it would increase our costs and drive away a lot of our customers," said Mary Sorge, who heads the HDC.

Ultimately, builders pass along the cost of impact to consumers in the form of higher home prices. For shopping centers, the fees prompt higher rent prices.

In a way, though, road impact fees are good for business, said Steve Myli, an estimator for commercial construction with McGarvey Development. They help head off clogged roads.

"You need foot traffic. As an up-and-coming company, they need people. And that means they need accessibility to their building," he said.

But are the new road impact fees high enough? City leaders don't think so. Even though the ink has barely dried on the impact fee study, city officials already are looking into new ways of computing impact fees that will take into account the city's rapid growth.

Bill Lonkart, a member of the Taxpayer Action Group, agrees the city should charge more than \$2,971. Just to the south in Collier County, the road impact charges are between \$1,977 and \$7,062, depending on the size of a home.

"If in fact we're in the same location, the (Bonita Springs) impact fees should be comparable" to

Collier's fees," Lonkart said. Bonita officials "are so far behind, they need a dramatic increase to catch up."



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