

St. Petersburg Times tampabay.com

March 21, 2011

Consultant warns against cutting Pasco school impact fees

By Jeffrey S. Solochek, Times Staff Writer

LAND O'LAKES - To fight a proposal to cut school impact fees in half, the Pasco County School Board turned to the County Commission's impact fee expert for advice.

He gave them some strong ammunition on Monday to bolster their effort.

Other communities that have decreased their impact fees, in places like Arizona, have not seen a corresponding increase in development, said Carson Bise, president of Tischler Bise consultants. One need look no farther than Collier County in Florida to see there's no correlation between impact fee levels and growth, he continued, noting that Collier has had both Florida's highest impact fees and biggest building booms over many years.

Locally, Bise said, Pasco County's school impact fees overestimate government revenue while undervaluing the school district's true impact from development. When set six years ago, the commission did not take into consideration that the district would be spending millions of dollars on interest payments directly related to borrowing to cover new school construction for growth, Bise said.

What's more, he said, at the time the levels were established, the commission decided to collect only about half of the full justified amount.

Any new estimate would likely show that school impact fees should be higher, not lower, Bise said.

"You have been basically subsidizing development through existing revenue sources," he said, also noting that a decrease combined with shrinking local property values could eat into the district's ability to repay its school construction bonds.

The School Board would have to dip into operating funds to cover the debt in that instance.

The financial situation already had led district officials to postpone plans for a new elementary school in the Wesley Chapel area that had been projected to open in two years. If the impact fee goes down, chief finance officer Olga Swinson said, the district won't be able to afford the school for at least five years, maybe longer.

Decreasing revenue also could force the district to scale back its school maintenance program, which is at about one-quarter the level of where it should be, board vice chairman Allen Altman said.

The current school impact fee is \$4,876 on each new single-family home. Under pressure from developers and contractors eager to jumpstart housing construction, the County Commission is considering cutting the fee to \$2,438 - or possibly more. Commissioners also plan to cut the impact fees in other categories, such as parks, libraries and fire services.

School Board members said they were hopeful that as county commissioners receive this detailed information, they might reconsider the proposal to cut school impact fees.

"The county needs to understand how any change would impact schools and staff," board chairwoman Joanne Hurley said. "We've already had our 50 percent reduction."

St. Petersburg Times: Consultant warns against cutting Pasco school impact fees

Page 2 of 2

Board member Cynthia Armstrong remained confident that commissioners will act prudently because they don't want to harm the school system, as it directly affects the overall quality of life.

"I am confident we are going to work together," said board member Alison Crumbley. "I don't know that we can get them to not cut anything. But we have to be looking at what is best for our students."

But the commission ultimately can do as it wishes, board member Steve Luikart noted. So he recommended the administration begin investigating ideas including a four-day school week to see if savings can be generated to offset anticipated revenue losses.

"Just look at it," he said. "We need to put everything up on the table."

The board and commission are scheduled to meet jointly on April 4 to discuss the fate of the school impact fees.

St. Petersburg Times

2011 St. Petersburg Times. Permission granted for up to 5 copies. All rights reserved.
You may forward this article or get additional permissions by typing http://license.icopyright.net/3.8618?icx_id=1158758 into any web browser. St. Petersburg Times and St. Petersburg Times logos are registered trademarks of St. Petersburg Times. The iCopyright logo is a registered trademark of iCopyright, Inc.