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Article published Jan 29, 2006 County revisits raising impact fees

Suddenly, charging developers a greater impact fee for roads doesn't seem like such a bad thing after all.

Alachua County commissioners said they are beginning to feel trapped in a traffic jam over roads - stuck with few ways out. So they will revisit the compromise-driven impact fees they approved in September 2004.

Commissioners want to see, among other things, if any of the negative effects developers had predicted about impact fees have come to pass.

"Once we start looking back on the analysis, I don't think all of the bad things people said would occur have happened," Commissioner Rodney Long said. "I don't see where development has stopped. I can't tell you whether there is a major impact on affordable housing, but I don't see that to be the case."

SpringHills, Newberry Village and other new developments have revved up the impact fee issue.

Alachua County keeps growing and more roads are at or reaching the limit of traffic they are allowed to carry under concurrency laws, yet the county has few ways to get money to build or widen roads.

One alternative is the impact fee - a levy on new homes and businesses designed to cover or at least offset the costs for added roads, parks and other needs.

The residential impact fee for transportation is \$1,052 per 1,000 square feet. Fees on nonresidential development vary depending on the type of building.

County officials say the fees charged are less than half the amount that would be needed for the development to pay the full cost of its impact.

Commissioners voted for the lower fee in part out of concern the fees could stop development or make starting a new business too pricey for a mom-andpop operation. But a development such as SpringHills is in a different class altogether.

The road costs will be millions with SpringHills, a development of regional impact at NW 39th Avenue and Interstate 75 that developers intend to fill with several big box stores.

"We reduced commercial fees to less than 50 percent. Now we have the biggest traffic-drawing commercial entities you could imagine coming in, and our impact fees don't cover our cost," County Manager Randall Reid said. "They talk about the little family-owned pizza parlor that can't afford this, but here you have a national corporation bringing in nationally sized retail firms that will bring in more traffic than anything else possibly, and our ordinance is geared for the little guy."

Current impact fees, which were implemented in March, were approved in 2004 on a 3-2 vote. The fees were lower than initially proposed and were a compromise reached by business and environmental groups.

Commissioner Mike Byerly and former Commissioner Penny Wheat dissented, saying the fees should have been higher.

Reid will collect data for the first year on how much money has been generated, how much would have raised had they been higher, the amount of growth during the year and other information. The information is expected to be given to the commission within a few months.

Commissioner Cynthia Chestnut, who was an advocate of the lower fees, said she is now open to raising them.

"We started out with reduced impact fees for everyone realizing they would not pay for the development needs at a particular site. That was the introduction," Chestnut said. "Obviously, I don't think we will be able to support infrastructure needs by having the lowest impact fees in the state."

But the notion of higher fees so soon is troubling to building and business interests.

Brent Christensen, chief economic development officer for the Gainesville Area Chamber of Commerce, said a review of the fees after three to five years would give a truer picture of the effect they are having.

Christensen added it is too early to tell whether development has slowed due to impact fees because many of the projects now getting reviewed were in the pipeline before the fees became effective. Changing the fees after 12 months could interrupt a business's plans, he added.

"They want to have some idea what costs are going to be in that three to five year horizon," Christensen said. "I think it is disappointing that if there is truly a situation that is bothering the county, that it wasn't anticipated 12 months ago."

Byerly said he doesn't believe any slowdown has occurred, adding that he is pleased the other commissioners are willing to revisit the fees.

Byerly said he still believes the county should recoup the full amount of public costs associated with private development. Without that, the county must take money from other needs to cover the costs.

"I think full impact fees are fair and an entirely appropriate way for the county to meet some of its needs," Byerly said. "People start getting serious when development applications start coming back with recommendations for denial. I think the county has, in a sense, been in denial for years about the time we've all known is coming. It's here."

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