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## County to slash impact fees — if it's legal

Builders speak out against raises

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Published: Wednesday, May 21, 2008 at 6:30 a.m. Last Modified: Wednesday, May 21, 2008 at 12:48 a.m.

OCALA - The County Commission devised and approved its own economic stimulus package for residential and commercial development Tuesday, although commissioners were not quite sure it was legal.

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Toward the end of a two-hour hearing on a consultant's recommendations to lower road impact fees on commercial development and raise the fees on residential construction, commissioners voted to reduce all transportation impact fees to one-third of their current rates for 90 days

The change would go into effect as soon as the County Attorney's office determines if it is legal. Marion County Planning Director Dwight Ganoe said he believes current state law requires a 90-day window before any increase or decrease in impact fees could take effect. Commissioner Jim Payton said the board could just approve the decrease and then find out if it's legal. And they did.

Can you work on that right away and let us know if that is legal," Commission Chairman Charlie Stone told County Attorney Tom Wright after the vote.

Stone's comment drew laughter from some of the crowd in the commission auditorium.

The commission was scheduled to vote on the recommendations in a study impact fee consultant MuniFinancial presented last July. The consultant concluded impact fees on residential development should go up and commercial fees should drop because residential growth is what draws new residents to town and new vehicles to the roadways. Then, commercial and retail development follows the roof tops.

The County Commission voted down those recommendations last August but commissioners asked for the issue to be brought back because they believe high impact fees on commercial development are killing some projects.

Tuesday, commissioners approved a modified plan that will - after 90 days - give an even larger decrease for commercial fees than the consultant recommended and keep impact fees on residential construction steady. They approved the consultant's recommended formula, but then, at the suggestion of Commissioner Andy Kesselring, set road impact fees at 57.6 percent of the amount the consultant recommended.

That percentage would keep the impact fee on residential construction level after the consultant's formula takes effect. What it means is that the impact fee on a single-family home, which would have gone from the current \$6,107 to \$10,588 under the consultant's original numbers, will be less than \$2,100 for 90 days and then go to approximately \$6,098.

The break for commercial development will be far greater. For example, a fast-food restaurant with a drive-through was charged \$75,935 per 1,000 square feet under the old impact fee formula. The consultant's recommended changes would cut that to \$27,713 per 1,000 square feet, but the 57.6 percent level commissioners approved cut deeper and put it at approximately \$15,962 per 1,000 square feet.

A transportation impact fee is a one-time charge on new development to fund infrastructure construction required to meet the needs of growth. Payton started out Tuesday's two-hour hearing by suggesting the county eliminate all road impact fees for the rest of the year. He said with construction slow, that would have a "negligible" impact on the county's road construction needs.

Commissioner Andy Kesselring pointed out that the county took in \$5 million in road impact fees in the first quarter of 2008, even with the construction industry

Several homebuilders spoke against any increases in residential impact fees during Tuesday's hearing, saying it would add onto a homeowner's purchase price at a time when the economy is struggling.

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