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Get to the bottom of sweetheart fee deals

By Times Wire

Just how many developers have received sweetheart deals from St. Petersburg City Hall? Officially, no one knows. City officials never attempted to find out, nor did they acknowledge publicly that some businesses were given unauthorized breaks on transportation impact fees. But Mayor Bill Foster, who has proven himself willing and able to look into festering problems not of his own making, should determine just how much the city failed to collect under then-Mayor Rick Baker's administration and from whom. Anything less than a thorough investigation suggests there is something to hide.

As *St. Petersburg Times* reporter Michael Van Sickler reported last week, a city employee undercharged developers of the Hilton at Carillon Park by \$219,951 in 2004. Most striking, the permit receipt shows that the employee, Don Tyre, had calculated the correct impact fee amount of \$313,702 based on \$1,439 per hotel room. But that number was scratched out and replaced with \$93,751, based on the \$413 unit rate the city assigns to efficiency apartments.


Three years later, when Pinellas County auditors discovered the discrepancy, Tyre said he had acted under orders. Whose? He couldn't remember, nor does the official record say. But a followup investigation by City Hall that examined 50 of the more than 10,000 permits issued between 2003 and 2008 found two others with significant irregularities: Tyre apparently had never assessed the \$39,692 impact fee for the Best Western Hotel at 6638 Fourth St. N, and David Goodwin, then-assistant director for development services, apparently approved a \$58,380 reduction in impact fees for the Holiday Inn Hotel at 2171 54th Ave. N. Yet the city still failed to collect nearly 40 percent of the Holiday Inn's reduced impact fee assessment of \$62,496 before issuing a certificate of occupancy.

The 2009 internal city audit also noted shoddy documentation in many files. New policies were implemented as a result. And city lawyers proceeded to try to get payment for the unassessed impact fees in the three cases. The issue arose anew last week when city staff brought forward a settlement agreement that would have the Hilton pay just \$60,000 of the \$219,951 the city failed to assess seven years ago.

Now that it's clear City Hall never looked beyond those 50 permits, City Council member Wengay Newton asks the obvious question: "How do we know a bunch more didn't get collected?" He hasn't gotten a satisfactory answer. Council member Karl Nurse told Van Sickler later, "I don't now why you wouldn't have a criminal investigation into this."

The fact is, every dollar City Hall failed to collect shortchanged the city's transportation needs, shifting that burden onto every other taxpayer. Tyre and Goodwin still work for the city. Foster can't relish digging up permit files from nearly a decade ago, but he should get to the bottom of this and see if there isn't more money to be collected. Otherwise he sends a signal there is no problem when City Hall plays favorites.

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