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News

Impact Fees

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Face Suspension

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A proposal to suspend Putnam County's impact fee on new construction appears destined for approval next month.

The suspension, which would last about six months, is touted as a way to spur the local building industry, but it also has been embraced by those who opposed the fee all along.

A vote on the proposal will be Feb. 24 and passage seems certain based on comments by county commissioners during a lengthy workshop Tuesday afternoon.

Other steps, including preference for local bidders on county projects and rebates on building permits, also are under consideration.

"I think it will help our citizens," Nancy Harris, chairwoman of the commission said. "I just think our people are really hurting and I want to give them a break."

Other commissioners expressing support for a suspension were Kenny Eubanks, Chip Laibl and Ed Taylor.

The commissioners seem ready to suspend the levy even though some in the building trades predicted it wouldn't make any difference.

"I think it's too late," said David Dwyer, owner of a Palatka heating and air conditioning firm. "I think we're in too deep."

But Dwyer endorsed the suspension in principle.

Building contractor Wayne Annis also backed the suspension, but said, "I don't see how the impact fee is going to help the economy."

He also predicted larger developers would benefit from the suspension.

Annis and others said the fee - which actually is separate levies to recover costs for specific services such as roads, EMS and schools - was more of a burden on commercial projects than homes.

Construction of a new, single-family house in Putnam County incurs about \$7,000 in impact fees. The lion's share, or \$4,347 of that, is the school impact fee. The rest is collected by county government for roads, emergency services and recreation. Municipalities collect their own impact fees and also collect the school fee on residences.

Putnam County set its fees according to a study that determined costs of services. The impact fee for schools was an amount determined by a study performed for the county school board.

Several commissioners on Tuesday expressed a willingness to suspend the school levy, too.

"I look forward to the discussion with the school board," Laibl said. "How firm are we going to be?"

The school district's fee was based on incorrect projections of growing student enrollment and property values, Laibl said.

Holding a copy of the county's study, Laibl said, "This was based on real working numbers. The other was future projections."

Lisa Parsons, chairwoman of the school board, said Tuesday night, "I hope the county commission will include us in any further discussion of our impact fee, but we'll respect whatever they decide."

In a recent joint meeting with commissioners, school officials were reluctant to tamper with the fee.

School Superintendent Tom Townsend said money from the fee is critically important to a school system facing budget deficits.

"Times are so uncertain right now," he told school board members later. "My desire is that we wait and see what the Legislature does."

The state Legislature convenes on March 3 for a 60-day session.

"I hope the Legislature lets us know what they're going to do (about school financing) before the end of the session," Parsons said.

County Commissioner Brad Purcell said the state had reduced the county's property tax revenue \$3 million per year and suspending impact fees would further hamper services demanded by residents and needed infrastructure.

Without the impact fee, current residents will shoulder the costs of development, Purcell said.

"I just say no," he said. "I just don't think it's appropriate."

Fees are an alternative to declining property tax proceeds, Purcell said.

"I think we need to look at these funding sources as the way of the future," he said.

Impact fees were approved in October 2006 and implemented in March 2007. According to the ordinance, the school system is not required to review its fee until three years from the adoption date.

The school system has collected more than \$873,000 in impact fees since inception. Although some \$730,000 of the money was earlier misdirected into the general fund, it has since been restored to a specific interest-earning trust account. None has yet been spent for capital improvements.

Copy editor Al Krombach contributed to this report.

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