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Impact fee cut rejected

Commissioners say incentive didn't work

By BRIAN LIBERATORE • bliberatore@news-press.com • November 2, 2010

1:10 A.M. — Noting a lack of results from other counties that tried to spur the building industry with fee cuts, most Lee County commissioners Monday rejected an across-the-board cut.

They did, however, support trimming fees on commercial and medical developments.

"I recall pretty clearly that even at the height of the construction boom our friends in the building industry were complaining about the impact fees," said Commissioner Frank Mann. "Whether we're at the height of a boom or the bottom of the recession, we're going to get those complaints."

The county charges fees for new construction to pay for new roads, schools and parks made necessary because of the growth. Axing the impact fees, Mann said, would force the cost of that new infrastructure on existing taxpayers.

Lee commissioners won't be following the lead of Collier County, where commissioners last week decided to make a 50 percent reduction to school impact fees and a 32 percent decrease to transportation fees retroactive to builders who already have applied for permits.

No results

More than a dozen counties across the state have dropped impact fees in the past two years hoping to stimulate a sagging building industry. So far, the successes are scarce.

Hernando County commissioners halved impact fees in 2009, only to watch permits drop 14 percent.

Six months after eliminating most impact fees in Indian River County, the top planner told commissioners in a July 2009 memo: "The obvious conclusion is that the impact fee suspension did not result in a significant increase in building permit activities."

The results were similar in Manatee County. After a 50 percent drop in road transportation fees in 2009, single-family home permits dropped 8

percent the next year. They rose 15 percent this year.

"The feeling is that there's so many variables involved, it's hard to sort out if (the decreased impact fees) had any effect," said Tom Williams, impact fee administrator for Manatee County.

Though commissioners largely rejected the idea of an arbitrary 25 percent cut to impact fees, most voiced support for lowering impact fees to developers building medical facilities.

Spur growth

Commercial impact fees are now based on the type of industry. Builders of a regular office building pay road impact fees of about \$7 per square foot, while a medical office building costs \$24 per square foot. The logic is the medical building has more people entering and leaving, hence it's responsible for more cars on the road.

But with the medical profession one of the few seemingly recession-proof industries in Southwest Florida, commissioners said they want to do anything to encourage the growth.

The county's planning staff recommended lowering medical impact fees in line with regular office buildings.

The commission could vote on the rules change as soon as next month.

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The changes wouldn't affect residential property, although commissioners said they would like to see the county study its current impact fee rates. They haven't been adjusted since 2008. With the recession dragging down the cost and the need for new roads, schools, firehouses and parks, Commissioner John Manning said he was confident a new study would mean lower impact fees.

The lower fees alone won't turn around the building slump, Manning said, but "it's more of a spoke in the wheel that may spur something."

Single-family residence:

Community Park: \$796

Regional Park: \$698

Roads: \$9,066

Schools: \$ 4,157

EMS: \$95

* Fire (Estero): \$545

Total: \$15,357

General office space (5,000 square feet)

Roads: \$36,890

EMS: \$335

* Fire (Estero): \$995

Total: \$38,220

Medical offices (5,000 square feet)

Roads: \$121,835

EMS: \$335

Fire: \$994

Total: \$123,165

SOURCE: Lee County

* Fire impact fees for a single-family residence and general office space reflect fees in the Estero fire district, as an example. Fees in other districts differ.

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Lee County commissioners also agreed to move ahead with plans that would allow them to prequalify construction firms bidding on county road projects.

The hope would be to keep companies with a shaky financial or legal history from bidding on county projects.

Lee County has had issues with Michigan-based firm Posen Construction in recent months. But Commissioner Frank Mann and County Attorney David Owen said the contract changes were not specifically targeting Posen.



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