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Impact fee cuts hurt Pasco school district

By Times Wire

In the name of job creation, Pasco commissioners gave short shrift to the county's largest employer - the public school system.

As part of an economic development strategy that has been a near universal flop elsewhere, commissioners Tuesday took the first step toward knocking almost \$11,000 off the fees charged to build roads, schools, parks, libraries, fire stations and other infrastructure to handle growth. To placate the politically influential building industry, commissioners said they wanted to lower the fees to stimulate new home building and create jobs for tradesmen.

It's a supposed short-term deal that will expire at the end of 2012, but other counties that cut or eliminated their impact fees already have retreated from the original sunset provisions. It's also proved to be a miserable failure in other counties.

Citrus County eliminated its transportation impact fee in May 2010. The result? In the last seven months of the year, the county issued 97 permits for single-family home construction, an 8 percent drop over the same time period a year earlier. It's a similar story in Hernando County where commissioners halved their fees, then extended the discount for another year after permits dropped.

Polk County reduced its fees in April 2009 then followed with a full one-year moratorium (absent school construction fees) in August 2010. Still no recovery. Permits issued still remained flat, growing less than 1 percent for the year.

Even favorable data presented from Manatee County fails to recognize that Manatee's industrial recruiters said they created or retained more than 2,800 jobs with average salaries of \$48,000 through \$3 million in economic incentives. In other words, the economic developers helped create a pool of new-home buyers. Extrapolating that impact fee cuts are solely responsible for the uptick in Manatee is intellectually dishonest.

In Pasco, part of the new fee schedule - still subject to public hearings and formal votes - calls for halving the \$4,400-per-home school impact fee that is producing about \$4 million annually for school construction. The district now is earmarking those dollars for a new elementary school in Wesley Chapel to be built in 2013-14 to relieve crowding at four other schools. The commission's unspoken message to children is that they can stay in portable classrooms a little longer.

More importantly, the commission paid little heed to the declining school district budget that has forced it to use capital dollars to pay property and casualty insurance premiums, or concerns that falling property tax revenue could mean using impact fee revenue to help pay off \$60 million in debt from building 11 new schools to handle growth. Commissioners have a hard enough time managing their own finances, they shouldn't be grabbing for the district's ledgers as well.

Commissioners said they want to put home builders and subcontractors back to work through discounted impact fees. How are they going to feel if the school district has to lay off some of its 9,900 employees because the commission helped exacerbate a \$60 million budget shortfall? The commission should remove the school impact fee from its calculations because replacing its transportation impact fee with a new mobility fee is projected to reap greater rewards for new home buyers than initially expected.

By allowing schools to remain whole - as Polk County did - the commission can still boast that this misguided economic development strategy will result in a cut of almost \$8,400 per single-family home, or half of the \$16,800 the county charges in impact fees for transportation, public safety, hurricane shelters, parks, libraries and schools.

Builders and developers said they need the impact fees cut to remain competitive with other counties. If home building does rebound, Pasco's builders can share the same sales pitch of neighborhoods confronting renewed traffic congestion and school crowding - just like everybody else.



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