Impact fee moratorium extended

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BARTOW - On Wednesday, Polk County Commissioners extended the impact fee moratorium on business development for another 18 months.

The moratorium was set to end on Feb. 1, 2011, but will now end on July 31, 2012. By that time, commissioners hope the economy will have recovered.

If it hasn't reached full strength, they can decide to extend the moratorium or reduce the impact fees from current levels.

Among the strongest supporters of extending the moratorium, Commissioner Todd Dantzler said businesses interested in building in Polk County have held off. The moratorium imposed on because six months was not long enough for them to go through the development process, once they learned the county had suspended the fees.

Commissioners rejected and defeated, at least for now, two other ordinances to reinstate impact fees at a later date, either at 50 percent or even 25 percent of the original fees.

Commissioner Bob English had moved to end the moratorium in February and bring back fees at the 25 percent level. He argued that 25 percent would not be too harsh, and it wasn't a deterrent in 2006 and 2007 when the fees were in full force.

Dantzler said, however, that building in 2006 and 2007 was speculation and not a true indication of growth.

Commissioner Melony Bell said she wrestled in her mind over the issue, but decided getting more businesses would be the best thing. Even getting 10 new restaurants in the county, employing youth and young adults to help them pay for college would be a good thing, she said.

On July 21, the County Commission voted to stop collecting impact fees, effective Aug. 1, for six months to help spur business growth.

Since then, commissioners have tried to determine how or if the impact fee ban is drawing in more commercial development, and hopefully more jobs.

Commissioners had asked County Attorney Michael Craig and Assistant County Attorney Linda McKinley to present options to extend or amend the ordinance at Wednesday's meeting.

McKinley said commissioners could either (1) allow the impact fee moratorium to end and re-impose impact fees at 50 percent of the rate in effect on July 31; (2) allow the impact fee moratorium to end and re-impose impact fees at 25 percent of the previous rate; (3) extend the impact fee moratorium to a date established by the

Board; or (4) consider exempting any alteration or expansion of existing buildings from impact fees.

When the fees were first established in 2009, the levels were already 40 percent of the rates recommended by a study by Tindale-Oliver and Associates Inc. consulting firm.

Most of the public comments spoke in favor of keeping the moratorium and extending it at least another year, if not two, since it takes six months alone just to work through the building process, and most companies that would build in Polk County wouldn't have enough time before February to get started.

Sarah Case of JSK Consulting said a large private developer called her right after the moratorium went into effect to do three projects, but held off after learning the moratorium was only good for six months.

Allea Newbold, managing director for True Partners Consulting in Tampa, helps companies find building sites all over the Southeast, and said Polk is on the high end of cost. The national average for impact fees on a 7,500 square-foot building are $60,000-$70,000, she said, but Polk's cost is $300,000.

"Taxes and fees inhibit commerce," said Neil Combee of Lakeland. "If anyone thinks differently I'll discuss it with them."

He said the "real unemployment number" for Polk County is 18 percent, and with his personal and family connections in Polk County, he figures that a good portion of the people he knows and loves are in that percentage.

Combee asked commissioners to continue the moratorium for at least another two years.

He said Governor-elect Rick Scott plans to create a web site listing cities and counties in order of business friendliness, taking into account such things as impact fees, taxes, and regulations. He hopes Polk County can get listed well on that site.

Robert G. Stanz, an attorney in Lakeland, also said the moratorium needed to be extended for another year or two, because the county needs more commercial real estate, because it generates revenue as places of employment and in taxes.

"I pay $10,000 a year in real estate taxes for my building," Stanz said.

Robert Harper of Lakeland said he has never seen land values plummet the way they have now.

"We're hurting in this county," he said. "Good development is good government; bad development is bad government."

Others said that cutting impact fees puts an unfair burden on the average taxpayer.

Glenn Reynolds of Lake Alfred said that cutting impact fees will mean cutting county jobs for services and infrastructure improvements - essentially cutting one job in hopes of creating another.

He would prefer cutting the gasoline tax or putting a moratorium on the park and library municipal service taxing units, which would put more spending money in the hands of average citizens.

Extension of the moratorium and non-collection of EMS, Transportation, Correctional Facilities, Library, Parks and Recreational Facilities, Fire Rescue and

Law Enforcement Impact Fees for one year would result in an estimated loss of approximately $6.5 million in impact fees, according to Todd Bond, Polk County Director of Budget and Management.

If the county would re-impose impact fees at the rates in effect on July 31, the $6.5 million would return to the budget, Bond said. Imposing fees at 25 or 50 percent would, of course, bring in less money.

Commission Chairman Edwin Smith called that estimate a speculative number.

“If you don’t get any building, you lose nothing,” he said.

Tom Deardorff, Polk County growth management director, said he has developed a new publication called “Development at a Glance” to help the County Commission keep a better handle on non-residential construction activity while the moratorium is in effect.

He said it is really too early see a development trend attributed to the impact fee moratorium.

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