

orlandosentinel.com/news/local/breakingnews/os-orange-impact-fees-20110329,0,3795464.story

OrlandoSentinel.com

Orange leaders agree to cut impact fees by 25%

By [David Damron](#), Orlando Sentinel

8:24 PM EDT, March 29, 2011

Orange County leaders agreed in principle Tuesday to cut growth impact fees by 25 percent because of a drop in construction costs during the recession.

Developers wanted deep cuts in the fees the government charges to offset costs that new businesses and homes have on municipal services. The local homebuilders' lobbying group argued it was "the chief obstacle to economic recovery."

They applauded after commissioners voted 7-0 to draft an ordinance that would trim road, school, park, fire and law-enforcement fees by a quarter during the next 18 months, or until studies can produce more accurate fee costs. A final vote on the issue was set for mid-May.

"There are developers who do want to move forward, but are waiting," said Marion McGrath, president of the Home Builders Association of Metro Orlando. "Are we expecting to see a boom? No. But it's a step in the right direction."

McGrath's group urged county leaders to follow Polk County and suspend all but its school impact fees. Those education charges are typically the largest levy, and in Orange, they make up about \$13,000 of the \$18,000 in fees charged for a new single-family home, officials said.

With Orange's 25 percent across-the-board cut, a builder would get \$4,500 knocked off the \$18,000 fee charged for a new single-family residence. Commercial projects, however, don't pay school or park impact fees, so the fee and discount would apply only to road, fire and law-enforcement fees.

Commissioner Ted Edwards, an attorney who represents builders and owns development assets himself, initially pushed for a 20 percent cut in fees. But citing anecdotal evidence of construction-cost drops and discounts in other parts of Florida, Edwards later suggested a 25 percent across-the-board reduction. No other commissioner or member of the public objected.

Edwards said that once these reductions pair up with permit and development-review streamlining plans now under way, "this is one more element to creating jobs."

Everyone agreed that the building, land, engineering and other costs that determine fee charges have dropped. Other Central Florida governments have already made similar cuts, with Brevard and Lake counties recently suspending road fees, officials said.

A representative from the School Board said education leaders also are set to take up impact-fee cuts of at least 20 percent. That could defuse any future fight over school-fee cuts between the two governing bodies.

Despite the unanimity over cuts, warnings were expressed that the upcoming fee studies would show some current charges are in line with the county's actual costs.

advertisement



Mayor Teresa Jacobs — a longtime advocate of making growth pay for itself — said she was confident that the studies would, in fact, show Orange is not overcharging developers to build or widen roads.

Commissioner Fred Brummer conceded the discount would spark little office or residential construction activity, given the glut in those markets. But Brummer said it could nudge along stalled apartment-complex projects.

County staff also said that the discounts would increase the already staggering drop in impact-fee revenues. That would likely mean even more delays not only for new roads and ball fields, but also for sheriff's vehicles and fire stations.

Road impact-fee collections in Orange fell from \$31 million in 2006, to \$4.1 million last fiscal year. School impact-fee collections dropped from \$92 million to \$23 million during that same time, officials said.

Developers say that even without the proposed discounts those revenues may stay low anyway: If no one builds, no fees go into county coffers.

"Our industry has been decimated over the last four years," McGrath said. "We're dying and we really need help."

ddamron@tribune.com or 407-420-5311

Copyright © 2011, [Orlando Sentinel](#)