

Panel votes to extend impact fee moratorium

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BARTOW - County commissioners voted unanimously Tuesday to extend a two-year impact-fee moratorium for an additional 18 months.

Commissioners imposed the moratorium Aug. 1, 2010, stopping the collection of impact fees to help pay for transportation, parks, jail, police, ambulance service and libraries to serve new development. They later voted to extend it to July 31 of this year. Impact fees for schools are still being charged.

Tuesday's extension will expire Jan. 31, 2014.

The extension was in the midrange among options set out by county staff members, who suggested commissioners could consider an extension of up to two years.

Impact fees are charged on new development to pay for the costs of providing facilities and services to handle the impacts of that growth. Without impact fees, the entire cost of improving public facilities and services caused by the demand of new growth falls on general taxpayers.

Before commissioners voted to impose the moratorium, the fees were set at \$9,622 for a new, single-family home. The bulk of that was made up of the \$4,895 road impact fee and the \$4,160 school impact fee. Fees were considerably higher for commercial and industrial buildings even though they do not pay school impact fees.

Commissioners imposed the impact fee moratorium in hopes of encouraging an economic turnaround, especially for commercial and industrial development.

County officials admitted at previous meetings that the evidence is unclear how much the absence of impact fees influenced plans to proceed with development.

But during Tuesday's hearing, a procession of local developers and development consultants testified the moratorium made projects ranging from new medical offices and retail stores to apartment complexes and restaurants more financially feasible and that the completion of the projects will generate property taxes, sales taxes and new jobs.

Lakeland developer Mike Hickman said the fact that his client didn't have to pay \$179,000 in impact fees speeded development of a multimillion-dollar medical office near Lakeland.

"He wouldn't have gotten a mortgage," Hickman said, telling commissioners he thanked them for their "wisdom."

Lakeland developer Mark Hulbert told a similar story about how the moratorium persuaded a client to go ahead with another \$5 million medical building, adding the project provided work for tradesmen who otherwise might have been idled by the housing slump.

Steve Sloan, an engineer involved in development projects at Pickett Engineering in Bartow, said he has had clients basing their decisions to move forward on the status of the moratorium.

"I'd like to see you extend it as long as possible," he said.

No one appeared at Tuesday's hearing to oppose the extension, though commissioners did receive an email opposing the extension from former County Commissioner Jean Reed, chair of Florida Bipartisans Civic Affairs Group.

Reed argued it could cause Polk County to slip back into another massive infrastructure gap.

Commissioner Todd Dantzler said he views impact fees as a "barrier" to economic growth.

"I want people to know Polk County is open for business," he said before making a motion to extend the moratorium.

Commissioner Melony Bell seconded the motion.

Following the hearing, Bell asked how much money the county had not received because of the moratorium and how much had been gained in estimated property taxes from projects started after the moratorium began.

Todd Bond, the county's budget officer, said the estimated impact fee loss is about \$4 million, and the estimated property taxes from the new projects would be about \$600,000 per year. He said that figure may be off because there's often no direct relationship between the value stated on the building permit and the value on the tax roll.

County Manager Jim Freeman said those figures also don't include other revenue, such as sales taxes or the overall effect of spending on the local economy.

"It doesn't include the jobs being maintained," said Commission Chairman Sam Johnson.

Commissioner Bob English, who has been the most outspoken proponent of impact fees on the current commission, said he thought the proceeds from impact fees also have created jobs building roads and parks all over Polk County and said he hopes commissioners will consider reinstating them someday.

Nevertheless, he went along with the extension because he said he thought it would attract entrepreneurs.