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Proposal: Raise impact fees to \$10,000

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County planners submitted their recommendations Tuesday to more than double the amount of impact fees commissioners should charge property owners wanting to build new homes in the area.

If approved by the board later this summer, the cost of impact fees for new homeowners would jump from \$4,894 to a whopping \$10,124.

Impact fees are one-time taxes imposed on property owners who build a new home. They are designed to offset some of the service costs that new homeowners require from the county.

Impact fees do not affect those who buy pre-owned homes.

The last impact fee hike was approved in late 2002 by commissioners.

"It's the cost of doing business when you're in a (building) climate like this," said county planner Paul Wieczorek, who tabulated the new impact fee proposals.

"We've had such a change in the real estate market, that's why we're saying such a significant increase in impact fees are warranted," he said.

Two of the most significant factors driving up impact fees are land and construction costs, Wieczorek said.

Just as residents must contend with property value increases and hikes in construction prices, so does county government, he said. And those cost factors are considered when calculating impact fees that more realistically reflect the price to the county of providing park, school, library and law enforcement services.

Wieczorek uses equations that have been successfully defended in court to develop cost estimates that commissioners will later consider this summer when a vote is expected. Planners earlier this month proposed increasing school impact fees from the current \$2,406 to \$4,982.

Yesterday, planners proposed hiking road impact fees from the current \$1,845 to \$3,950. If approved by commissioners, library impact fees would jump from the current \$95 to \$154.39.

Impact fees for public buildings would rise from the current \$192 to \$230.

Law enforcement impact fees would increase from \$131 to \$205.98.

Fire service impact fees would see a modest decrease of \$1 from \$112 to \$111.

But the largest hike would be the park impact fee. It will rocket from \$113 to \$500.73.

Although the increases would be hefty, Wieczorek said the costs are in proportion to the general increase in land values and the construction cost of homes.

The Hernando County School Board now collects about \$6.7 million annually in impact fees. That number would double if school impact fees were raised by commissioners to levels proposed by planners.

The impact fee hike, if approved by the board, would also represent another windfall for the rest of county government.

The county now collects another \$8.6 million with its current impact fees - not including school impact fees -- and a doubling of those figures would allow the county to rake in another \$8.6 million of its own.

But those hikes represent nothing more than what county government already pays to supply its residents with the services they want, said County Planner Larry Jennings. He also doubts the increases would slow growth that has spiraled during the past two years at almost a fever pitch.

Commissioner Diane Rowden, a longtime proponent of impact fee hikes, said she would support the increases this summer.

"My decision is not only based on staff, but also listening to my constituents," she said. "We need to raise impact fees to the levels this county needs to meet infrastructure needs.

It will not stop growth. It never has before. People move here because they want the service and they expect to pay."

But Commissioner Robert Schenck said the county should move prudently on the issue. "While I understand government's needs, we should try to remember all these costs are passed on to consumers," he said. "The last thing we should do is inhibit home ownership."

But that is what the board will do if it more than doubles impact fees, one local Realtor said.

"To put all this burden on people coming into this county...is too much," said Gary Schraut, who also sits on the board of the Hernando County Association of Realtors. "Impact fees of \$10,000 can be absorbed when your building \$200,000 or \$300,000 homes," he said. That is not the case for first-time homebuyers wanting a home well under \$100,000, he said.

Those first-time homebuyers are already finding it difficult to find a contractor when most are busy building houses costing \$200,000 or \$300,000, Schraut said.

"The county is pricing the average taxpayer right out of the market," he said. "I just hope the board doesn't over-do it."

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