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PAYING THE PRICE

Quite an impact

Man's restaurant plans dashed by proposed fee hike



David Cadran says he will have to take about \$100,000 loss on renovations he already had made to a building south of Ocala. Cadran had planned to open a restaurant, but he abandoned the idea because proposed impact fees of \$300,000 would make it impossible to make a living. ALAN YOUNGBLOOD/STAR-BANNER

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THE STAR-BANNER

"I can't pay another \$150,000 so I can bring an 80-year-old woman a cup of kicking crab chowder."

David Cadran

Owner of Fat Daddy's restaurant in Summerfield

OCALA - David Cadran hit the bar and drank a beer the day he learned that the county's impact fees for restaurants were expected to double.

Cadran had been planning to open another pub-style restaurant, the kind that serves crab bisque, peel-and-eat shrimp and gourmet pizza. He found a place - an old log cabin on U.S. 441, across from where the Spirit Life Church is building a dome -

signed a lease and began renovating the place. He was going to call the restaurant "The Cabin."

Cadran sank about \$100,000 into construction and spent another \$100,000 on equipment. He planned to have a drive-up window or door where elderly residents and other patrons - who wanted a sandwich or meal without getting out of the car - could pull up.

But a few months ago, Cadran walked into the Marion County Building Department's permit office and learned that the current road impact fee for drive-through restaurants, \$16,000 per 1,000 square feet, likely would double. Last week, the news got worse. County commissioners received a recommendation to increase the fee to \$63,000.

"My whole project is \$300,000. I can't give the county \$300,000," Cadran said.

"I can't pay another \$150,000 so I can bring an 80-year-old woman a cup of kicking crab chowder.

"We're not all Applebee's, Burger King and McDonald's."

Under a proposal currently before county commissioners, the amount someone would have to pay to open a drive-through restaurant in unincorporated parts of Marion County would quadruple. The fees, as in Cadran's case, could put some entrepreneurs out of business or scare others away.

Last Tuesday, Tindale-Oliver & Associates, the Tampa firm hired to restudy the county's transportation impact fees, presented its findings. As expected, the proposal would raise impact fees for new homes, from \$2,200 to \$5,100, as well as increase charges for other residential construction. Impact fees are one-time charges levied by the county against development to offset the cost of road improvements.

Commissioners were uneasy about the proposed fee for restaurants, particularly those with drive-throughs. The county's upfront cost for restaurants would go from \$12,195 to \$26,184 per 1,000 square feet or from \$16,071 to \$63,955 per 1,000 square feet for restaurants with drive-throughs.



Real Estate agent Dawn-Marie Crown, left, and David Cadran look over the building he is trying to get Crown to sell for him. Cadran said he will have to take about \$100,000 loss on development he had already done to the building south of Ocala he planned to open as a restaurant because proposed impact fees of

Bob Wallace, vice president for Tindale-Oliver, told commissioners the number spiked because the county had previously used lower figures when estimating new traffic created by drive-through establishments. The county, he explained, previously estimated that drive-throughs generated 38 percent of the new traffic in a given area, while the state estimate was closer to 60 percent.

In 2002, commissioners reduced a proposed fee for drive-throughs after receiving opposition from restaurant industry lawyers. Before phasing the fee in over a three-year-period, the board dropped the charge from \$13,922 to \$11,670 per 1,000 square feet.

While there was no opposition Tuesday, commissioners expressed concern that the higher drive-through fees and other proposed charges would discourage businesses from opening in places where they are needed to serve growing residential communities. The commission is planning to discuss the fees again during a workshop early next year.

\$300,000 would make it impossible to make a living. Alan Youngblood/
Star-Banner

Commissioner Andy Kesselring said the board could lower the drive-through rate but, since it has to be defensible in court, must ensure the charge is based on a solid formula and equitable in comparison to other impact fees.

"That being said, you can have a lots of methodologies," he added.

Many of the county's road projects are driven by residential, not commercial development, Kesselring noted. He also questioned the numbers used to arrive at the drive-through rate.

"Traffic has to be high enough to locate a restaurant," he said. "And I have a hard time justifying how many new (vehicle) trips were used in that report."

Whether the fast-food industry planned to weigh in on the issue remained unclear. County Planner Dwight Ganoe said he had not been contacted by restaurant chain attorneys or others in the industry.

Calls to fast-food giants, such as McDonald's, went unreturned last week.

Lee Crusberg, spokeswoman for the Florida Restaurant and Lodging Association, said the trade group is always concerned whenever a rate increase could affect restaurants but said that directors had not specifically discussed Marion County's proposal.

Cadran, who owns Fat Daddy's restaurant in Summerfield, signed a \$2,600 lease for the log cabin property in January. He has been fixing up the building for what would become a 150-seat restaurant, which he hoped would employ about 40 to 50 mainly part-time workers.

He also wanted the 5,200-square-foot restaurant to feature a drive-up window so customers could order food without coming in, but that, according to the county, would make it a drive-through establishment. Cadran, who set aside \$15,000 for impact fees, may have to come up with several hundred thousand dollars if he wants to pursue his plan.

He acknowledged he could have researched his business plan better, but he said he had no idea that the county's impact fees would increase so much. The way it looks now, Cadran likely will have to cut his losses and scrap the restaurant plan. He is trying to get out of his lease.

The day Cadran learned about the higher fees at the county office still shakes him.

"I went in there at 8:15. By 8:17, I needed a blood transfusion."

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