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# Road impact fee increases proposed

By GRAY ROHRER, grohrer@breezenewspapers.com

A proposed new ordinance to raise road impact fees for new construction projects in Cape Coral, some as much as 196 percent, has local developers seeing red.

"They're out of their minds," said Cape Coral Construction Industry Association President Bob Koenig, vice president, Kraft Construction.

According to the proposal, which will be under consideration Monday, the city is looking to raise the fee for road impacts 74 to 196 percent, depending on the type of building.

Movies theaters, which currently pay a road impact fee of \$8,369 per 1,000 square feet are looking at an increase to \$14,586 per 1,000 square feet, a 74 percent hike. Fast food restaurants, which currently pay \$14,384 per 1,000 square feet for their impact to the city's transportation infrastructure are looking at an increase to \$41,250 per 1,000 square feet, should they choose to build in Cape Coral. That's a 187 percent hike.

Mayor Eric Feichthaler said he supports an increase, but said the current proposal raises the fees too high, too fast.

"The importance of the impact fees are well known, particularly with the road projects. There are so many we need to do," Feichthaler said.

"The fact that it's a 150 percent increase in some cases is way too much. My initial thought is to have a smaller percentage increase, and have it phased in over a period of the next two to three years, and have the first increase not to occur for the first six months," Feichthaler said.

Councilmember Dolores Bertolini, who sponsored the proposed ordinance, said the higher fees, while not ideal, are necessary.

"I know (the increases) are shocking, but that's because we haven't been voting on it all these years," Bertolini said.

"There's never a good time to do impact fees. When we were in the growth period, they (developers) didn't want impact fees," she said.

City officials often point to other areas, like Lee County, where impact fees are a little higher, in defense of the increase.

To build a single-family home in Lee, an \$8,976 road impact fee is



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assessed, \$607 more than the proposed Cape Coral rate.

Builders discount the argument.

"Ours probably are now a little lower but you also have to compare with Charlotte County where the total fee is \$2,500," Koenig said.

Road impact fees are intended to pay the cost of new roads or street improvements that are needed when new buildings bring extra vehicles through the area.

Other impact fees address other "impacts." Most fees are assessed to all types of construction, residential, commercial and industrial.

On the residential side, Charlotte County charges about \$2,500, total, for every new home built. DeSoto County currently is charging no impact fees at all. Collier County is at the other end of the extreme with a levy that totals about \$30,000 per home.

In Cape Coral, impact fees of various types currently add up to about \$15,000 per home. Permitting and inspection fees, and utility assessments, if applicable, are not included.

Koenig said the higher fees would kill off the remaining housing construction in the city.

"How many houses did we do last month? Seven? Maybe we'll get down to three after they pass this — and at some point, maybe we'll get down to none," Koenig said, referring to the seven permits issued in the city for single-family houses in the month of September, a record low.

Koenig also said the commercial side will suffer.

"Nobody considers the fees on commercial and industrial," he said. "Have you taken a look at those?"

The city assesses retail, commercial and industrial buildings various fees for every 1,000 square feet. The total fee is less for smaller buildings, higher for larger stores, restaurants, health care facilities, churches, private schools and industrial buildings. Facilities like golf courses are assessed by the acre.

The fee for medical office buildings — one of the city's "target industries" for the type of businesses the city is hoping to attract is looking at a jump of 158 percent — from \$8,634 per 1,000 square feet to \$22,284. The fee for new banks also is proposed to go up 158 percent — from \$9,060 per 1,000 square feet to \$23,385.

To build a new convenience store with gas station, the road impact fee stands at \$12,679 today. The proposed fee is \$37,497 per 1,000 square feet.

The fee for industrial facilities, like a plant to build boats may seem low in comparison: the current impact fee for roads is \$2,310 per 1,000 square feet; the proposed fee, \$5,762.

For the large-scale projects the city is hoping to attract through its economic development efforts, the costs can add up quickly, Koenig said. For example, a 100,000-square-foot-plant devoted to light, clean industrial production would see its fee for road impacts increase from \$231,000 to \$576,200 under the proposal, he said.

"How does that encourage someone to come in here and put in a new facility?" Koenig asked. "It doesn't encourage them at all."

Given its current fee structure — and the fee structure proposed — the city might find it hard to get the type of development it wants so badly on the recently annexed Zemel tract, Koenig said.

"You have to make it attractive to businesses, the proper businesses, to come here," he said. "This doesn't help at all."

Mike Jackson, executive director of the city's Economic Development Office, said the higher fees won't prevent businesses from coming to the Cape.

"It is perceived as a barrier to economic development, but all the research I've seen says otherwise. I haven't seen a situation in which a project was built somewhere else because of impact fees," Jackson said.

Not all Cape Coral business leaders are opposed to the increase, though. Elmer Tabor, a stalwart of the Cape business community, said the fees are needed to pay for infrastructure.

"As much as I don't want to see any more costs out there, we've got a lot of Cape Coral that needs to grow," Tabor said.

Koenig said the construction industry will be at the Council meeting Monday to speak out against the proposal.

"I'm sure we're going to show up, yes," Koenig said.

City Hall is located on Cultural Park Boulevard.

The meeting begins at 4:30 p.m. The ordinance is not at the top of the agenda.







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