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Road-fee plan helps developers, Jacobs says

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Taxpayers were shortchanged as much as $10 million because Orange County staffers wrongly gave developers discounts on fees meant for wider and better roads, County Commissioner Teresa Jacobs charged Tuesday.

Under the county's 7-year-old "pay-as-you-go" policy, Orange County commissioners routinely approve more homes and businesses on the county's most clogged roads in exchange for cash from developers for future road improvements.

But the policy drew fire from Jacobs, who says county staff has greatly discounted the amount of money developers should be paying to improve or widen roads near their developments.

"I think a lot of our citizens would be pretty outraged," Jacobs said. "I think it runs contrary to the concept of growth management."

The issue erupted Tuesday when the County Commission was asked to vote on two new pay-as-you-go agreements.

Despite Jacobs' misgivings, the majority of the county commissioners voted in favor of the new agreements.

Some commissioners and Mayor Rich Crotty said they worried that the county would face a lawsuit if it didn't approve the two developments after approving the others.

Instead, the commission agreed not to consider any more agreements until a committee could report back on the issues Jacobs has raised.

"I just want to know who's right here," Commissioner Bill Segal said.

Since the inception of the policy, the county has signed about 80 pay-as-you-go agreements, though the vast majority have come in the past two years.

For much of the past year, Jacobs has been the sole commissioner protesting the agreements.

She argues that the policy is flawed because it does nothing to speed the construction of new roads, while allowing more cars on roads that already have more traffic than they can handle.

Orange's policy was designed as a loophole to the state's growth-management law, which prohibits new development on crowded roads.

This past spring, the Legislature passed a bill that will take the same pay-as-you-go concept and apply it statewide. Gov. Jeb Bush signed the growth-management bill into law Friday.

The debate over pay-as-you-go agreements dominated the last-minute negotiations between the state House and Senate over the growth-management bill, Senate President Tom Lee said last week.

"It's one part [of the new law] that concerns me the most," Lee said.

If developers don't pay their proportionate share of improvements, the pay-as-you-go concept could do more harm than good, Lee conceded.

Rules on how to implement the new law have yet to be determined, but it could make matters even worse in Orange County.

The new law might give developers an even bigger break when it comes to paying for roads.

"When the smoke clears, we'll probably have to give credits back against impact fees [that developers paid]," said Deputy County Administrator David Heath. "That's going to take money away from our ability to widen roads."

Heath defended the way county staff has handled the pay-as-you-go deals.

"There've been no shenanigans here," Heath said. "Everything was done in the sunshine and approved by the county commission."

Jacobs contends that staff overstepped its powers when it cut the cost to developers. The county has used outdated or inaccurate information to calculate developer payments, Jacobs said. She said under the flawed formula, developers are paying less than 50 percent of their proportional share of road improvements.

"I don't want to be a killjoy,' " she said. "But sometimes you have to face problems head on. Some of what I heard today was hogwash."

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