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## Sarasota County weighs cutting some impact fees, hoping for job growth

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Call it a fiscal Band-Aid or a mini stimulus package: The Sarasota County Commission hopes to slash impact fees on new homes to sway residential and commercial builders to bring new life to the struggling local economy.

To fight the county's 12 percent unemployment rate, commissioners approved an initial proposal Wednesday to reduce school and road impact fees for two years to resuscitate stalled development.

More jobs, they hope, will come on the heels of new construction.

But the measure -- which would cut the fees charged to developers of a single family home by nearly \$5,000 -- has not passed all the roadblocks. A public hearing is set for January, where the fees could be dropped until 2012.

"Florida is not competitive," said Commissioner Joe Barbetta. "We have to be able to open a Forbes magazine or Wall Street Journal and see an article that says Florida is open for business, and the West Coast is just the place to go."

The commission, which voted down a similar proposal to freeze fees collected from new homes and commercial buildings in 2009, changed direction in large part to compete with Manatee County.

Manatee's impact fee cuts over the past two years have led to an uptick in new construction permits, county records show, and hinted at a recovery in the local economy.

Meanwhile, building has stagnated here.

The Sarasota County ordinance would eliminate the education fee and halve the road fee temporarily, dropping the impact fee for a newly built single-family home from about \$12,000 to \$7,000.

The commission also told staff to seek ways to implement a new impact fee system for the long run, with an approach more favorable to development.

"I think the whole system needs to be revamped," said Barbetta, who supports charging builders based on proximity to urban areas.

Those closest to downtown have the least impact and should be charged less, he says. "We're perpetuating a flawed system."

But Commissioner Jon Thaxton, who has a background in environmental work, warned of the potential for too much growth.

"We want to spur the construction industry to help our unemployment," he said. "But we don't want to do that to the extent that it supports urban sprawl."

Local home builders were thrilled with the decision.

"For every home that is built, that's three jobs," said Carlos Beruff, owner and president of Medallion Homes Gulf Coast, Inc. "For a temporary economic stimulus, this works."

The cost of building a home was driving away buyers, developers say, and made it impractical to develop here as home prices plummeted in recent years.

"There really is no Sarasota residential development industry," said Pat Neal, president of Manatee-based Neal Communities. "I'll be buying permits now," he said.

A 2009 attempt to cut Sarasota's impact fees, among the highest in the state, died due to fears the county would fall behind when development turned around.

In fiscal year 2010, the county collected about \$5.6 million in impact fees from the unincorporated county, with a few million more being passed up from cities.

Compare that with \$32.4 million in 2006, when impact fees reached their highest mark.

The bulk of impact fees are levied for roads, parks and schools.

By law, impact fees cannot be used for new teachers or other employees; rather, the money pays for new schools or roads to directly accommodate new growth.

During the real estate boom, the county kept fees high.

In 2006-2007, the school district received \$10.5 million from the school fee. But with new construction stalled, the school district last fiscal year received only \$700,000 -- at \$2,000 per single-family home.

With enrollment flat or falling, the Sarasota County School Board in October approved a moratorium on the impact fees on new homes.

But the county commission, which assesses the fees with the help of the cities, had the final say.

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