

Top Story

Schools cash in on impact fees

New Lee homes bring \$100 million since '01

By Dave Breitenstein

dbreitenstein@news-press.com

Originally posted on December 18, 2005

School impact fees are racing into Lee County at breakneck speed, eclipsing the \$100 million mark in less than four years.

And the revenue stream will kick into a higher gear Jan. 1, when school fees nearly double on all new homes.

Southwest Florida's frenzied real estate market is undoubtedly driving up home prices and clogging roadways, but it also is pumping more money into the school district. Every time a developer submits a home permit, the county collects cash: \$2,232 per single-family home, \$691 for a multifamily unit and \$425 per mobile home.

Between December 2001 and September 2005, school impact fees generated \$105.2 million for school construction and technology upgrades. That's an average of \$2.3 million per month, or \$75,195 per day, that has helped defray costs of building 10 new schools, seven campus additions and the purchase of vacant land for future schools.

Impact fee critics speculated younger families and service workers would be priced out of the market, and the development industry sued the county to stop the fees. A judge ultimately ruled in favor of the fees, an outcome Estero resident Edward Lewis believes is a positive step in creating better public schools.

"Florida has one of the worst school systems in the country, so anything they can do would help," Lewis said Thursday. "A sales tax and impact fees could be the solution."

Few could have imagined the cash cow impact fees have become for Lee schools:

- In 2001, school officials estimated fees would generate \$12 million to \$15 million annually, almost enough to build one new elementary school.
- The 2005-06 school budget projected \$45 million in annual impact fee revenue because of Lee County's building boom.
- Recently, interim Chief Financial Officer Jim Buckley put the annual figure at \$65.9 million. He cited record-setting months of construction permits being issued and higher per-home fees that start rolling in on Jan. 1: \$4,309 for single-family homes, \$1,704 for each multifamily unit and \$982 per mobile home.

Lee schools must spend impact fee revenue in the geographic attendance zone where it is collected.

So far, 41.6 percent, or about \$43.8 million, has come from new homes in the west zone, which is predominantly Cape Coral.

RELATED NEWS ON THE WEB

Latest headlines by topic:

- [Real Estate](#)

Powered by [Topix.net](#)

DELIVERING YOUR WORLD

- ▶ [Subscribe to The News-Press](#)
- ▶ [Signup for daily email news](#)
- ▶ [Printer friendly version](#)
- ▶ [Email this article](#)

..... ADVERTISEMENT

But the east zone — Lehigh Acres, Alva and Buckingham — tripled its annual output in 2004-05, jumping from \$5.9 million to \$16.1 million. Last year, the south zone produced only half as much impact fee revenue as the swelling west and east zones.

District leaders aren't high-fiving each other for winning the impact fee lottery, however. Construction costs have soared as the industry directs its materials and labor to rebuild the northern Gulf Coast, thus driving up costs of new schools by as much as 30 percent.

Another factor that dampens any financial celebration is the shrinking roster of affordable homes. The median sales price of an existing home in Lee County was \$322,000 in October, according to the Florida Association of Realtors.

If families can't afford to build a house here, the school district doesn't collect impact fees. Then again, if fewer people move to Lee County, the school district will need to open fewer new schools.

"The impact fee increase will definitely give us more potential revenue, as long as the market stays strong," Superintendent James Browder said. "If the new construction market settles, it still, by comparison, will allow us to stay equal with growth, or close."