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02/28/06

Impact fee hike could get OK today

Timing, they say, is everything -- especially when adopting a proposed 235 percent increase in impact fees.

Charlotte County commissioners will, in essence, set the stage for imposing dramatic hikes in "development-driven" fees with a revenue projection for next year's budget.

The bottom line: Even with the first impact fee hike since 1994, the county will be scurrying for years to keep pace with exponentially expanding infrastructure needs.

Commissioners will consider imposing a \$4.10-per-square-foot levy on new residential development during a 2 p.m. public hearing today in commission chambers at the County Administrative Center, 18500 Murdock Circle.

As part of the commission's regular morning agenda, County Budget Director Ray Sandrock will present a midyear update on revenues for this year's budget, and what is expected for the 2007 spending plan.

If the impact fees are adopted as proposed, Sandrock projects they will generate \$6.5 million this year, \$13.3 million next year, and more than \$62 million over a five-year span for road projects alone -- \$41.7 million more than the \$20 million anticipated without increasing impact fees.

The money would provide a large component of the estimated \$80 to \$100 million shortfall in road projects in the county's five-year, \$278 million capital improvement program.

On Feb. 14, commissioners told consultant James Nicholas, a University of Florida urban and regional planning professor, that they preferred an impact-fee schedule based on square footage rather than one that assessed by unit.

Commissioners had been considering a 251 percent increase that would have raised the fee on each new home from \$2,642 to \$9,263.

However, commissioners favored an alternative square-foot formula -- similar to the way commercial development is assessed -- because it is more "affordable housing friendly" by charging smaller homes less.

Nicholas initially said levying \$3.96 per square foot for each new home would generate approximately the same money as the per-unit assessment.

He has since revised that per-foot rate to \$4.10.

Broken down, the six fees are: \$2.50 per square foot for roads; 8 cents per square foot for libraries; 81 cents per square foot for parks; 14 cents per square foot for law enforcement; 19 cents per square foot for fire & EMS; and 38 cents per square foot for public buildings.

Using this formula, a new 2,160-square-foot home would generate \$8,856 in fees.

Commissioners will decide if the county will use a nationwide construction costs index, or a "weighted index" that includes two-third construction costs and one-third land costs, to raise fees incrementally.

They will also determine when to implement the higher fees, with 90 days -- June 1 -- among the options.

The county first adopted impact fees in 1987. They were last updated in 1994.

While the proposed impact fees are 235 percent higher than those imposed for 12 years, during that same timespan, the median home price in the county has more than tripled from \$85,000 to \$288,700, according to the Florida Association of Realtors.

The county expects an annual population growth of 5.6 percent a year between 2005 and 2010. That projects 18,000 residents in 8,115 new homes.

Using these numbers, the new impact fees would triple revenues to finance "development-driven improvements" in the next five years from \$30.2 million to \$92.5 million.

There's been relatively little opposition to the proposed higher fees.

The Enterprise Charlotte Impact Fee Task Force has offered several suggestions, such as capping annual increases in fees to 3 percent and extending implementation to six months after adoption.

The Charlotte-DeSoto Building Industry Association, which represents 675 area builders, has not taken a position on the proposal.

However, with other area governments also considering proposals to raise fees or impose them for the first time, some opposition could surface at this afternoon's public hearing.

Also this morning, DeSoto County commissioners will review an impact-fee increase with a new square-foot levy.

The proposed DeSoto fee range would be no less than \$3,800 for a smaller home to no more than \$10,093 for a larger dwelling.


Charlotte and DeSoto school districts are also pondering impact fees up to

\$5,000 per new home. Right now, the only area school district to do so is Sarasota County, which levies new homes at \$2,032.

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