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Suspending impact fees shouldn't be only option

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When the Hernando County Commission sits down Tuesday afternoon to ponder its impact fees, it needs a broader discussion beyond consideration of a builder-endorsed moratorium.

Builders are proposing a one-year suspension of the nearly \$9,200 fee for a new single-family home, to be followed by a 50 percent cut for the next 12 months, as a way to jump-start residential construction and to create jobs.

They can make compassionate arguments about the county's unemployment rate and the suffering local economy, but this proposal is the equivalent of giving new home buyers a pass on investing in the capital costs tied to necessary infrastructure — schools, roads and public safety — or the amenities that greatly enhance the quality of life here — parks and libraries.

The proposal fails to recognize that similar strategies have not stimulated the construction industry in most of the 11 other counties that have lowered their fees or suspended their collection, nor does it account for the relative bargain that exists already in Hernando County. The impact fee in neighboring Pasco County is \$20,000.

It was disappointing then for a Hernando School Board majority to buy into this thinking and to vote 4-1 to support some unspecified reduction. Only School Board member Dianne Bonfield correctly put the stressed education budget above the home-building industry.

A more plausible option would be to mimic the formula in Polk County, which excluded education from its impact fee reductions. Schools account for \$4,266 of the total impact fee in Hernando County, while the transportation fee is \$3,627. None of the other five fees tops \$501.

The current fee schedule has been in place since 2005, and asking to put it back to the 1986 days of no fees is poor planning. However, it is not unreasonable for the commission to re-evaluate its fees, which are based on land acquisition and construction costs, to determine whether they are now overpriced in light of falling real estate values and construction prices.

We would note, however, that the exorbitant price for acquiring right of way for widening Elgin Boulevard indicates the transportation impact fees may not be out of line at all.

The commission also shouldn't give short shrift to the idea of switching its timetable for collecting the fees. Hillsborough County, for instance, uses a system dubbed capacity assessment that assigns utility infrastructure costs to the building lot. The cost is payable over a multi-year period and is a substitute for an impact fee tacked onto the price of a new home. Switching to that collection method may accomplish the builders' goals of lowering the up-front price of a new house to stimulate activity.

The commission has multiple options to discuss at its workshop Tuesday. Suspending the fee entirely shouldn't be the prime consideration.

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