

No impact-fee increase

Palm Beach Post Editorial

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It's a tradition in Palm Beach County that every time the county increases the impact fee on new construction, builders complain and trot out reasons why it's unfair. This time, they may have a case.

A recent study recommends that the county double its impact fee, the fee charged to ensure that new construction pays for growth. The county charges \$9,890 in impact fees on a typical house, which is less than nine counties charge. If the county commission accepts the recommendations of University of Florida Professor James Nicholas, the fee would increase to \$18,026 and vault to third-highest in the state.

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The largest part of that increase would be for road work. The proposal would give the county the highest road impact fee in the state, at \$11,335, a 135 percent increase. The next highest counties, Lee and Collier, charge less than \$9,000.

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 Now, though, is not the time to hammer an ailing industry with massive cost increases. Home builders are absorbing losses, laying off workers and ridding themselves of once-buildable land. As much as the county is investing in biotechnology, the local economy remains tied to the building industry.

Fortunately, County Administrator Bob Weisman understands the dilemma and would not expect any fee increase to go into effect this year. Additionally, he is open to phasing in higher fees over time, a move that would let the real estate recovery get under way.

The county reviews impact fees every three years and there's no doubt that costs have increased sharply, particularly for roads. But County Engineer George Webb says the peak may have been reached, and there's evidence that costs are dropping. It would make sense to update the study this year before any fee is approved.

Obviously, raising the impact fee would annoy builders most, but it also would look like a revenue shift. To offset the budget losses from Amendment 1 and the Legislature's action last year, cities and counties undoubtedly will be looking for new sources of money. Making the builders pay is an obvious, and popular, source. But state law requires that impact fees be tied only to the cost of serving growth, and the county has diligently made sure of that over the years, raising the fee five times since its introduction in 1989.

Given the housing recession, Mr. Webb probably is correct that the cost of road-building will decline. Waiting for new numbers, while giving the real-estate industry time to recover, would allow the debate over impact fees to focus on the size of the increase, not the timing.



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