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Builders hammer impact fees

Two weeks before they go into effect, commissioners may reduce new-home assessments by 30 cents a square foot

The Charlotte-Desoto Building Industry Association is expected to make another appeal to Charlotte County commissioners today to delay implementing recently approved impact-fee increases on new residential development.

Commissioners will review a proposed reduction in the fees from \$4.19 a square foot to \$3.89 a square foot during a 2 p.m. public hearing in commission chambers at the County Administration Center, 18500 Murdock Circle in Murdock.

The new fees go into effect on June 1. On Feb. 28, commissioners agreed to raise rates on new homes for the first time in 12 years.

In April, commissioners were asked to revise the fees after several discrepancies in the assessment formula were discovered.

Fees for law enforcement, fire and EMS services, and public buildings were assessed by whole population rather than functional population.

Whole population is year-round residents while functional population is the number of people who actually reside in the county for variable lengths of time.

Using functional population adds more ratepayers to the matrix, thereby lowering individual fees.

The revisions would lower the composite fee to \$3.89 per square foot.

Broken down, the fees are: \$2.54 per square foot for roads; 8 cents per square foot for libraries; 83 cents per square foot for parks; 9 cents per square

foot for law enforcement; 4 cents per square foot for fire/EMS; and 23 cents per square foot for public buildings.

On May 7, the county's Planning & Zoning Board recommended

commissioners accept the new rates and stick to the June 1 implementation date despite a request from the CDBIA to wait at least 30 days.

CDBIA Executive Officer Jon Bednerik said the delay would allow the county to ensure its fee structure is compatible with new state legislation, iron out errors, and examine alternate revenue sources, such as real estate title transfer fees.

County officials maintain there's no reason to delay implementation, noting the impact fee ordinance does not conflict with the state's Impact Fee Act, and that revisions if needed can always be incorporated into the fee structure,

However, CDBIA President Suzanne T. Graham said there is a wide range of other reasons why it would be prudent to delay implementation.

Graham, in an e-mail, said commissioners need to take a second look at a study compiled by the National Association of Home Builders that documents how new growth pays for itself in increased property taxes and other revenues.

"Credit needs to be given for the part of growth that pays for itself," she wrote.

Graham said three years ago a vacant lot generated about \$500 a year in taxes. "Today a house that sits on that formerly vacant lot pays approximately \$5,000 a year in taxes," she wrote. "That vacant lot in 20 years only brings in \$10,000, while that new home will bring closer to \$100,000."

Graham said the three miscalculations in the impact fee schedule adopted Feb. 28 could be precursors of other problems that will surface after they go into effect.

"Commissioners need to look at the fact that this process has been rushed and errors are being made," she wrote. "Implementing unconfirmed impact fees on June 1 leaves them open to legal challenge. They should be delayed until the correct numbers are established."

Graham said the delay could give county officials an opportunity to more adequately research additional financing mechanisms, such as grants, a local-option transfer fee on real estate, and increasing property taxes.

"It is time county commissioners looked at all alternatives, not just the political 'easy fix,'" she wrote. "Yes, it is easy to implement an impact fee

to be passed along to (new development that is) not present. Everyone in the county should share the burden."

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