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## **Counties and Builders Spar Over Charges**

By Andrew Dunn

The Ledger

LAKELAND - Like a poker player, Polk County has watched its neighbors raise the stakes on school impact fees.

But with a lawsuit looming, Polk only has two options. Check the bet or fold its cards.

Talk of boosting Lake County's school impact fees by \$10,000 raised more than one eyebrow in Polk.

The Lake County School Board recently approved increasing school impact fees from \$7,055 to \$17,513 based on recommendations from a consulting firm. The Lake County Commission still has final say over the proposal.

Polk County raised its own impact fees from \$1,607 to \$8,596 in late 2005 to pay for the county's explosive growth and to help reduce class sizes in accordance with a Florida constitutional amendment. The School Board also agreed that if it received any class size reduction money from the state, it would reduce the fee. The state came through, and the rate stands now at \$6,006 for each new single-family house built in the county.

Last April though, the Polk County Builder's Association sued the county, saying impact fees should not be used to pay for class size reduction.

Scott Coulombe, executive director for the Builder's Association, said it bothers him that people see impact fees as an easy solution.

"An impact fee, politically, is the path of least resistance," he said. "The people who it most affects are not here."

He said governments always seek the highest amounts possible when asking for impact fees. He said the philosophy is to aim high and settle for a more appropriate amount.

Coulombe said the fees only address newly constructed homes and not the new families with school-aged children moving into established homes or into apartments. Conversely, it is prohibitive to residents who already live in Polk and want to build a new home.

"Does it add to our affordable housing woes?" he said. "Absolutely. It kicks it square in the teeth."

While the suit lumbers through the court system, the funds are being held in escrow.

"It's just a real shame," said Bob Williams, assistant superintendent of facilities and operations for Polk schools. "We calculated not too long ago that by the end of the year we'd have about \$20 million sitting in the bank that we can't touch. That's pretty much the cost of a new elementary school."

Williams said he doesn't understand the Home Builder's logic in filing its lawsuit since a similar suit was filed in Osceola County recently and was lost by the Builder's Association there.

Osceola originally raised its school impact fees to \$9,868 per single-family home. After the lawsuit was filed, the fees were dropped to \$8,023. Now the fees are up again to \$9,981, making them the highest in the state unless the Lake County Commission seals its new rate.

The Orange County School Board has also taken steps to raise its impact fees. The Board approved raising fees from \$7,000 to \$9,696. The measure must still be approved by the Orange County Commission.

Coulombe said he doesn't know how Lake can justify a \$10,000 impact fee hike. And he said all of the counties seem to take their lead from one another. "As the saying goes, 'Monkey see, monkey do.'"

County Commissioner Bob English said what other counties do has no bearing on Polk's school impact fee. He said it boils down to how rich or poor the property tax roll is.

"I think the weaker the tax base, the higher the impact fees are," he said.



COUNTY	CURRENT	PROPOSED
Lake	\$7,055	\$17,513
Orange	7,000	9,696
Osceola	9,981	None
Polk	6,006	None

SOURCE: Ledger research, March 9, 2007

## HURTING EDUCATION?

School Board member Frank O'Reilly said the Polk County Home Builder's Association's lawsuit is hurting education. He said Polk held up its end of the bargain by lowering the fees when it received class size reduction money.

"The Builder's Association and the officers of the Builder's Association should be ashamed," he said.

O'Reilly, though, didn't think the Lake County decision would have much bearing on Polk's impact fees. Since Polk's fees are in legal limbo, he said there's no reason to even discuss raising them.

"I don't think we should go now and try to raise ours," he said. "I would just like us to get what we are entitled to from day one."

Superintendent Gail McKinzie said there has been no discussion about raising school impact fees in Polk County.

"What we'd like to do is get this lawsuit settled and start collecting the ones we have," she said.

She's hopeful that Florida's soon to be enacted concurrency law will ease some of Polk's growth woes. Concurrency requires infrastructure, from sewers to schools, to be in place before a new development is built.

"I think concurrency allows us to be a definite player (in development planning)," McKinzie said. "... That's kind of nice for a change."

Williams said he was not surprised by Lake County's impact fee discussion, particularly given the rising costs of construction over the last few years since Polk's impact fee study. He said it will probably be time soon for Polk to conduct another study of its own.

So does he foresee higher impact fees for Polk?

"I would think so, primarily based on the cost increases of new construction," Williams said.

## **OTHER MONEY**

School impact fees aren't the only local revenue stream available for building Polk schools. The district also has a half-cent sales tax for construction. The tax has earned the district a total of \$100 million since it began in January 2004.

But the tax money was already spoken for before it even began. The district lined up 15 years worth of construction and renovations it needed funded. Those projects have now had to be augmented because of class size reduction.

For the 2006-2007 school year, Polk had more than 40 school construction projects slated. Additionally, four new elementary schools will open this fall.

The district has 167 construction projects planned through 2010, including more than a dozen new schools. The price tag is more than \$500 million.

Polk expects to collect more than \$658 million from the sales tax, impact fees and state contributions. But the district estimates it needs more than \$885 million to build every classroom that's needed to comply with the class size amendment.

Williams said the district is meeting the class size amendment requirements each year. He said some districts are not. The state, he said, has made it known that class size takes precedence.

The state has forced some districts, such as Hernando County, to spend more money on class size reduction. Typically, that money comes out of a district's operating funds.

Williams said that without the sales tax and impact fees the district "would probably have 5,000 portables."

Bruce Munroe, the newly elected chairman of the Sales Tax Oversight Committee, said impact fees may irritate retired residents who don't have school-aged children. But he said families with kids are getting a good deal, new schools to accompany those new homes.

"Given the price of the houses, \$150,000 to \$200,000 now, it's not that significant given what

you're getting for the money," he said.

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