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### Housing is hurting, but Palm Beach County may raise developer impact fees

**Fees now about \$10,030 for a new home from 1,400 to 1,900 square feet**

By Andy Reid

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PALM BEACH COUNTY

Despite a hemorrhaging housing industry, Palm Beach County is considering fee increases on new homes and other development that builders warn will worsen the economic pain.

County Commissioners on Tuesday decide whether to boost "impact fees" -- one-time charges levied on new construction to help pay for new roads, schools and other facilities needed to accommodate growth.

For residential development, the charge is based on the size of the home.

The county now charges about \$10,030 in impact fees for a new home ranging from 1,400 to 1,900 square feet.

Last spring, county staffers suggested increasing the fee to \$10,967 but commissioners delayed the decision a year because of the drop-off in development.

Commissioners on Tuesday could once again decide to forgo an increase or the board could move forward with increasing the fees. How much the fees could increase would be up to the commission.

A coalition of building industry groups wants the commission to again hold off on any increases.

The economy is "worse" this year and the county should focus on making living in the area more affordable, according to a letter from the Construction Industry Alliance of Palm Beach County.

The industry "was blindsided" by the impact fee proposal resurfacing on Tuesday's commission agenda, said Michelle Anaya DePotter, executive director for the Associated General Contractors of America's Florida East Coast Chapter.

"The construction industry is not in any (position) to bear any type of increases right now," DePotter said.

The county reviews its impact fee costs every two years and was due for an increase last year.

A county consultant last year proposed a 76 percent increase, which would equate to a \$7,600 boost on homes from 1,400 to 1,900 square feet. County staffers instead proposed a more modest 9 percent increase, excluding road and school fees -- which are the most expensive fees.

In 2005, during the height of the building boom, the county received \$99 million from impact fees. That dropped to \$23 million last year, and the county anticipates about \$8.5 million this year, Impact Fee Coordinator Willie Swoope said.

Less development lessens the need for new roads, parks and public buildings, but development will pick up, and the strain on county facilities will return, Swoope said.

"These are capital facilities that are demanded by growth," Swoope said.

The costs of impact fees ultimately get passed along to "the already overtaxed consumer," according to the alliance.

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