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## Lee may slash impact fees

### Bid to aid builders could cut road project

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In an effort to help bolster the sluggish building industry, Lee commissioners Tuesday will consider temporarily eliminating or scaling back impact fees.

Doing so could jeopardize at least one major road project in south Fort Myers.

County Manager Don Stilwell laid out the options in a 17-page memo to commissioners last week. Impact fees are one-time charges on new construction to pay the cost of providing and expanding services and facilities benefiting the development.

"What we need to do is a quick and dirty analysis of what the impact fees should be with the home prices where they are now," said Commissioner Bob Janes, who supports wiping out impact fees for no more than a year.

Stilwell outlined three options:

- Suspend all impact fees for up to a year. The county collects road, park and emergency services impact fees.
- Roll back road impact fees for up to a year.
- Keep impact fees the same.

In February 2007, the county increased road fees from nearly \$3,000 to almost \$9,000 for a single-family home. Commissioners will consider rolling back to the previous level, at least temporarily. That would cost the county \$6.7 million in road impact fees over one year, according to county estimates.

"When it comes to transportation, we absolutely have to do something with that particular impact fee," said Commissioner Tammy Hall.

She will advocate that staff analyze the road fee rate, but does not favor eliminating impact fees.

Due to the building slump, the county collected 74 percent less in impact fees in the 2007 fiscal year than in 2006.

There were 2,248 single family home permits issued in 2007 in unincorporated Lee County, compared to 6,994 in 2006.

Eliminating or rolling back impact fees could jeopardize a \$19 million project that would widen Gladius Drive to four lanes from Winkler Road to Pine Ridge Road. If commissioners keep the fees as they are, the county could start the Gladius project early to add jobs in the county.

The Lee County Building Industry Association has supported eliminating impact fees or at least trimming them, in hopes it would boost new commercial construction and to some extent home building.

Consultant Rich Halpern, president of Marketing Management Inc., a Fort Myers real estate marketing firm, said impact fees are only part of the problem - insurance, taxes and regulatory costs being the others. Traditional thinking says cutting fees lowers home cost, which should excite the market.

It's just not the case in Southwest Florida's overloaded inventory. He's seen builders cutting home prices by \$20,000.

"People are cutting the prices of homes right now and they are still not selling," Halpern said.

The fees serve a purpose, to build roads and parks in development areas, so he does not back suspending them.

"Moderation would be good," Halpern said. "But elimination would be the pendulum swinging too far."

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