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# Lee officials concerned with proposed impact fee law

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Lee County officials worry that a proposal to limit the ability of Florida cities and counties to collect impact fees would stymie their efforts to build enough roads, parks and schools for the booming populace.

Meanwhile, advocates for the bills being considered by state lawmakers point to the county as a poster child for local governments they say have grown too reliant on the one-time assessments.

Builders say the system for reaping impact fees is fundamentally broken across the state. They contend that many local governments charge excessive fees, use the money on projects it wasn't intended for or don't spend it quickly enough.

A pair of identical bills being pushed by the Florida Home Builders Association in the Florida House and Senate attempt to change that. The legislation will help create consistency across the state, said Sen. Michael Bennett, R-Bradenton, one of the legislation's main sponsors.

"We talked to the construction industry and to local governments, and there was no consistency at all when it came to impact fees," Bennett said. "The impact fees in Collier, Manatee and Charlotte County are completely different."

Michael Reitmann, director of the Lee Building Industry Association, is enthusiastic about the bill.

"It's the best thing that could ever happen," he said. "It forces (local governments) to play by the rules."

But the bill goes too far, Lee Community Development Director Mary Gibbs said. The county collected more than $35.4 million in impact fees from the start of its fiscal year Oct. 1 to Jan. 31, and it needs every cent to keep pace with the demands created by the area's growth, she said.

The bills likely would reduce how much money Lee County collects because of a provision that gives developers a discount on impact fees. Homes and businesses would be credited for the amount of property taxes they generate over 30 years that goes toward the same things that impact fees traditionally pay for, such as roads and parks.

To supporters, the provision will prevent local governments from burdening people with what critics call duplicate charges. To Gibbs, it will be a nightmare.

"We use impact fees as part of the way to pay for growth, and there's so much growth we're having a hard time keeping up," Gibbs said. "If they're going to try to cap them or give huge credits to where you would literally have no impact fee, we'd be concerned."

Impact fees are one-time assessments on new construction intended to offset the cost created by that development. They are assessed for each new home and business built in the county and paid by developers, who typically pass them on to consumers in the form of higher prices.

Impact fees boost the cost of a single-family home in unincorporated Estero, for instance, by $6,844. Lee County and the city of Bonita Springs charge six different impact fees for things such as roads, parks, schools and fire service.

That is relatively few compared with Collier County, which charges 11 impact fees. But in Lee, impact fees have long roiled animosity between local officials and builders. Both sides fought over the creation of school impact fees in court for years, a battle county officials eventually won.

The House Growth Management Committee in Tallahassee ran out of time last week while discussing the bill; further discussion could be scheduled as early as this week. The Senate has yet to take up the bill.

As growth management issues take center stage in the Legislature this session, the impact fee bills could rise from a sideshow to the main act, said John Smith with the Florida League of Cities.

Impact fees pump millions into local government coffers each year. In the fiscal year ending Sept. 30, 2002, 40 of Florida's 67 counties charged impact fees, collecting more than $466 million; the 19 counties that imposed school impact fees raked in nearly $125 million, by state estimates.

For their part, Bonita Springs officials had hoped to spend about $10.2 million in impact fees this fiscal year on everything from widening East Terry Street to renovating Riverside Park.

Officials from cities across the state don't like the idea of the state meddling with impact fees because it is one of the few types of funding sources they can control, Smith said. The Florida Association of Counties also has come out against the legislation.

"We are opposed to any bill that dilutes the authority of local governments," said the association's spokeswoman, Kriss Vallese. "We believe these bills do that."

Although he works in Tallahassee, state Rep. Mike Davis, R-Naples, said he is siding with local officials on the issue.

"I like local government to have as much flexibility as possible." Davis said, adding that fees should be fair but don't have to be imposed the same way in each county. "One county may choose to have a law-enforcement impact fee while another doesn't. ... I don't have any problem with that."

But advocates say local governments often charge too many impact fees, driving up the cost of homes and driving out affordable housing. Bennett singled out Lee's neighbor, Collier County, as a culprit.

"Collier County has no affordable housing," Bennett said. "They need to look into getting some and maybe this legislation can help."

He also said too many counties are relying on impact fees to solve all of their problems. He says that is unfair because it puts all of the burden of paying for growth and infrastructure improvements on the backs of new homeowners.

Doug Buck, a lobbyist for the Florida Home Builders Association, said his group worked with Bennett to draft the bill. If the legislation passes in its current form, local governments will be able to set their own impact fee rates as long as they are calculated using the most up-to-date data, he said.

The bill also would create a six-month grace period between the creation of a new impact fee and when it goes into effect. Further, if the government fails to use the impact fee money within six years, it would have to be refunded with interest to the person who paid it.

And instead of charging impact fees when the developer pulls a building permit, the government only would be able to collect when there is a real estate closing or a certificate of occupancy is issued. Because those actions are tough to track, government officials predict headaches would follow.

"That's like a developer's-relief act," Bonita City Attorney Audrey Vance said. "The developer is going to create the impact, but the relief isn't going to come until the closing. ... My guess is you're going to have a lot of people moving into their homes without a certificate of occupancy."

*Staff writer Larry Hannan contributed to this report.*