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North Port considers halting impact fee hike

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NORTH PORT -- City commissioners are considering backing off a planned increase in construction impact fees, tampering with the most direct way that development is supposed to pay for itself in North Port.

Commissioners say the increases, approved last year and slated to take effect in October, are sending the wrong message to businesses the city wants to entice.

Home building in North Port has been in a slump for more than a year, but the commercial development that followed the rooftops has held relatively steady, a trend city leaders fear will not last as they look for ways to bring more jobs and amenities to the city.

"We're going to look at all aspects of impact fees," said Commissioner Fred Tower.

The commission is reopening the debate on whether lower impact fees will spur the economy enough to risk losing tax dollars the city would otherwise receive.

Impact fees pay for long-term building projects, including road improvements, parks and improvements to the municipal water and sewer system.

North Port is already looking at putting off plans to build Little League fields this year and says there will not be enough money coming in to finish widening Sumter Boulevard.

Builders are embracing the move to cancel the planned increase and cut fees, which would save them money at a time when Sarasota County is implementing its own impact fee increases.

IMPACT FEES NOW

Single-family house: \$6,861*

Mobile home: \$3,577*

Shopping center: \$14,849

Bank: \$17,723

Office: \$7,062

BEGINNING OCT. 1

Single-family house:
\$9,808.96*

Mobile home: \$5,536*

Shopping center: \$17,491

Bank: \$18,598

Office: \$9,145

**Fees outside Thomas Ranch development*

"It would be the smartest thing that I think the city could do at this point in time," said Paul Morgan, of the North Port Contractors Association.

The October fee hike, the last of a two-part phase-in, was a compromise that went against the advice of City Manager Steven Crowell and an outside consultant who said the city should have tripled its fees last year.

The commission did not go along, opting instead to gradually increase fees over two years.

This last piecemeal increase is what the commission will consider stopping or postponing. Crowell told commissioners that he should have known months ago if a major revenue stream was going to be tampered with.

If the rate cut goes forward, this will be the second year in a row that the city had to absorb a major loss of revenue late in the budget process.

Last year, in a surprise move, the commission cut property taxes by more than 30 percent, leaving the city to spend almost \$6 million of its savings to get by this year.

Now, with an anticipated leveling off in property values, Crowell said North Port is likely to see a second year of deficit spending.

But for commissioners who want to jump-start North Port's economy in the midst of a massive downturn in the real estate industry, this is the time to act.

Crowell is "concerned about the money not coming in," said Commissioner Vanessa Carusone. "But hey, the money ain't going to come in if nobody comes anyways."