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Impact fees – pay 'em or waive 'em?

Lake commissioners debate pros, cons

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TAVARES

A doctor who wants to build a new 5,000-square-foot medical office in Lake County must ante up about \$33,000 in road-impact fees before his construction crews can turn the first shovel of dirt.

A handyman who hopes to open his own hardware store in a new 10,000-square-foot building in Lake would need \$99,000 just to cover the road-impact fees for his dream venture.

County officials suspect those fees are blocking commercial and industrial projects that could fatten the tax base and provide desperately needed jobs in a county where 12.7 percent of the workforce was jobless in December.

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"We've never been in a situation like we're in now," County Commission Chairman Welton Cadwell said.

Cadwell, who has never previously supported eliminating, suspending or waiving transportation-impact fees that are used to build county roads, suggested this week that it might be time for the county to give it a try.

"We've got to do something to kick-start the commercial and industrial building," he said after a commission meeting. "If you look at the price of some of the transportation-impact fees, those costs truly might be the difference between a 'yea' and a 'nay' for someone to move forward on a new project."

Though split on the idea, commissioners voted unanimously to consider a proposal next month to suspend the fees through the end of the year.

They also will consider an alternative plan, suggested by Commissioner Elaine Renick, to pay road-impact fees of commercial or industrial projects using incentive funds in the county's economic-development budget.

"The impact fee still gets paid," Renick said. "We've given the businesses the boost that they need but we're still taking care of the roads. An impact fee means there's an impact – and somebody has to take care of it."

Renick and fellow Commissioner Linda Stewart expressed concern that suspending or waiving the county's

transportation-impact fees would eventually heap the burden for new roads unfairly onto taxpayers.

Commissioner Jennifer Hill, liaison to a citizens committee that reviews impact fees, said the 11-member panel was supportive of "exploring the idea of an indefinite suspension" of the fees.

In fiscal year 2009, which ended Sept. 30, Lake collected \$3.5 million in transportation-impact fees – \$1.88 million from new commercial enterprises and \$1.67 million levied against new residential construction.

The revenues were sharply down from the previous two years, when the county collected \$8.1 million in transportation-impact fees in fiscal year 2007-08 and \$12.2 million in 2006-07.

The fees continued to slump in October and November, falling to \$282,000, a loss of more than \$110,000 from the same two months in 2008.

"If you're not collecting anything, you're not building anything," Cadwell said.

Conner said he believed the suspension of impact fees could help get the economy moving.

"Business people are afraid right now and rightfully so," he said. "Any small thing we can do might be enough of an impetus to move a project forward."

Marion County commissioners, also citing a desire to jump-start a lagging economy, recently suspended transportation-impact fees for a three-month period, joining Brevard, Highlands, Indian River, Nassau, Putnam and Santa Rosa counties, which took similar actions.

Orange County commissioners also decided to suspend the annual increase in impact fees this year.

Lake officials are not certain if the fees alone have discouraged new development.

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