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Home Builders Won't See Any Reduction In Impact Fees

By DAWN WADE, Staff Writer

Homebuilders in Polk County won't be seeing a break on impact fees.

County Commissioner Jack Myers, who introduced a plan to cut several impact fees by 50 percent, found no support on Wednesday, and an amended plan - to cut the fees by 25 percent, failed 3 -2.



Impact fees affected in the plan would have included those for EMS, libraries, parks, roads, law enforcement, fire and jails. School impact fees would remain the same.

If passed, homebuilders would have seen a drop of \$7,402 to \$3,701 for the affected fees, and the county would have seen a loss of an estimated \$18.3 million in revenue.

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Variety of Uses Are Put Forth For Old Bartow Cigar Factory

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Spay Day For Feral Cats Is Feb. 26 County Manager Mike Herr said if passed, cuts in impact fees would stop current road projects, the construction of three fire stations, the purchase of new park land, and computers for libraries.

This issue - loss of revenue versus stimulation to the economy - became the major controversy during the hearing.

Tempers had already flared early in the week when the Polk County Builders' Association circulated a flyer asking members to bring vehicles to "fill up the parking lot," and attend the meeting to show support or to speak.

Opponents of the cuts accused the PCBA of nefarious tactics to keep the opposition from being heard, which Scott Coloumbe, executive director of the PCBA, vehemently denied.

"We have been accused of trying to pack the parking lot and keep people from speaking," he said. "This is a bold-faced lie."

Commissioner Sam Johnson jumped to the defense of the PCBA, stating he felt the group had been unfairly vilified for doing what many other groups speaking before the commission do. He also said that while PCBA is an organization, its members and supporters were citizens, too.

"It is almost as if (people think) you have become separate from members of the

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10 Named To Bartow Mayor's. Youth Council public," he said.

Controversy aside, many, many people were able to attend the 1:30 p.m. public hearing, packing the board room and outer hallway, sharing room with a group against a landfill planned in Mulberry.

The county also offered parking assistance with golf carts, and attempted to make room for all attending.

The hearing began with two economists: Elliot Eisenberg, an economist for the National Association of Home Builders, and local economist Gordon Kettle.

Eisenberg offered a picture of reduced fees creating a booming economy in Polk.

"For every single housing construction job you create, you are creating one non-housing job as well," he said.

He asserted that the new houses would pay for themselves within six years, with the increase of taxes and jobs into the local economy.

Eisenberg said the reduction of county fees would eventually create an environment more attractive to home buyers and builders.

"You might say a reduction of \$3,000 or \$4,000 may not price everyone into buying a house and being a panacea," he said, "but it may make developers and builders in other counties look and say 'I might want to build in Polk.""

He also claimed impact fees were "pernicious," forcing a rise in the cost of all housing, which he called "unfair."

Eisenberg also said the county could do more to lower house prices, such as allowing higher densities, expediting the permitting process and throwing out outdated codes.

"You have all these powers," he said "Impact fees are but one of these tools."

Economist Kettle agreed that impact fees were but one tool, and perhaps not the sharpest in the box.

"I think this would be a positive move," he said, "but I don't think cutting impact fees will make that much difference."

Kettle asserted that far more important to businesses and homeowners were recurring costs - utilities, wages, and other fees, rather than a one-time impact fee.

With a surplus of built houses and a falling market, Kettle said the problem stemmed from "a crisis of confidence," rather than specific fees.

"I don't know the answer; I think the market will take some time to correct itself," he said. "Markets do correct themselves, and we are going through a correction.

"The bigger the bubble, the bigger the correction," he said. "This is not going to go away overnight."

Kettle said he felt the small positive effect of the fees would be more than offset by the loss of revenue to the county.

"There are costs," he said. "You will reduce tax revenue in the short run, and there will be no big bang."

Many opponents of the plan agreed, including some working in the building industry.

"I know downturns, and you aren't going to change it with (reducing) impact fees," Alan Lane, who described himself as a 20 year veteran of the construction industry said. "I had a tax increase two years ago, and now you're going to allow new developments and new developers to sponge off the taxpayers again."

Other builders, however, pleaded with the commission to allow the reduction.

Wearing stickers stating "save our jobs," builders and others involved in the construction industry described a year of lay-offs and lost revenues, asking commissioners again and again to vote for the reduction.

"We don't know what will happen till we try," Doug Thompson said. "We have nothing to lose, as there's no money coming in the door now."

"I think people move here for the quality of life and that includes things like libraries, parks and decent ways to get from here to there," Nancy Simmons said.

Al Whittle called for the recusal of three commissioners - Randy Wilkinson, Sam Johnson and Jack Myers - all of whom hold real estate licenses, but the county attorney said that there was no legal conflict of interest.

Wilkinson, for his part, said he regretted his feelings, but he could not support the motion or any reduction in fees at this time, as he wanted to see what would happen with the recent passage of Amendment 1, a tax cut plan approved by voters last month.

Commissioner Jean Reed agreed, stating she felt nervous about the possible loss of county funding from the passage of Amendment 1.

"We're on a slippery slope," she said, "and I want to keep things where they are for now."

Commissioner Bob English, who also did not support a cut, said he would prefer a plan that allowed the county to build affordable housing, thus giving builders work, and alleviating a large need in the county.

He called making the cuts "a symbolic gesture," and said building affordable housing would be a real way to both offer home ownership and jobs to the community.