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GROWTH DEBATE

Builder Fees Are Not Cut

The Polk County Commission rejects proposals to reduce the fees that help pay for services as the county grows.

By <u>Tom Palmer</u> THE LEDGER



SCOTT WHEELER | THE LEDGER SUPPORTERS OF THE CONSTRUCTION INDUSTRY brought lumber with a message to the County Commission on Wednesday.

BARTOW | Polk County's impact fees won't be cut.

County Commissioner Jack Myers on Wednesday couldn't find a second for his motion to cut most of Polk's impact fees in half and the proposal died.

Myers then suggested a smaller, 25 percent cut in the fees but it failed in a 3-2 vote with Commission Chairman Sam Johnson supporting the plan and Commissioners Bob English, Jean Reed and Randy Wilkinson voting against it.

English said he didn't think cutting impact fees would aid the economy as proponents contended, and he called it a "hope not a promise."

Myers, a persistent critic of impact fees, earlier this month proposed cutting in half the fees the county charges on a new home to pay for growth-related costs of roads, parks, libraries, jails, and police, fire and EMS services. The school impact fee wouldn't have been changed, meaning the total fees would have dropped from \$11,821 to \$7,996.

County staffers projected that would mean an \$18.3 million drop in revenue.

What that would have meant in concrete terms could have been the halt of work until next year on the

second phase of the widening of County Road 540A, and a delay in plans to widen portions of Berkley Road, County Line Road and Kathleen Road.

In addition, the loss of revenue would have delayed the construction of three new fire stations as well as purchase of new park land and computers for local libraries.

Reed said she was nervous about the effects of Amendment 1, the property tax cut plan approved by Florida voters last month, and she said an impact fee cut could worsen the revenue picture.

"We're on a very slippery slope," she said.

Wilkinson was skeptical of the builders' claims that impact fees are related to the slowdown in construction. Wilkinson cited Duval County, which he said has no impact fees and still suffered a slowdown.

During Wednesday's three-hour public hearing in Bartow an overflow crowd spilled into the lobby of the county administration building.

Representatives of the local development industry wearing "Save Our Jobs" tags came to support the cuts.

A procession of builders told commissioners how they have had to lay off employees because of the slow housing market.

"Everyone's running skeleton crews," said contractor Chuck Hunt. "Put our people to work."

Contractor Doug Thomas said the impact fee cut is worth trying.

"We won't know until we try," he said.

The construction workers outnumbered a handful of others who argued against the impact fee cuts.

Al Whittle from Florida Bipartisans criticized the proposal, calling it "the wrong solution to the right problem."

Impact fees have nothing to do with the housing slump, he said, laying the blame instead overbuilding and unscrupulous lending.

Whittle said impact fees will keep Polk County from getting into a hole with the infrastructure deficit.

At the heart of the issue was whether cutting impact fees would help to revive the local homebuilding industry and the economy in general. The economic discussion consumed the first 90 minutes of the hearing.

Two local economists, Gordon Kettle and Asim Khan, concluded that reducing impact fees would have a minimal impact on the local economy.

Cutting impact fees "would not have a dramatic impact," Kettle said, and he said other factors such as prices and interest rates would have more impact. He said it would take 20 to 21 months to turn

around the current unsold housing inventory.

"There's no easy button answer," Kettle said. "It won't restore the housing industry to what it was."

On other side was Elliot Eisenberg, an economist for the National Association of Home Builders, who argued reducing impact fees would allow more people to buy homes.

He said impact fees inflate the price of homes.

Following the public hearing, Scott Coloumbe, executive director of the Polk County Builders Association said he disagreed with the vote and said it was based on misinformation.

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SCOTT WHEELER | THE LEDGER PEOPLE WATCH THE IMPACT FEE HEARING on televisions Tuesday in the lobby of the Neil Combee County Administration Building in Bartow, where county commissioners voted down lower fees.

SCOTT WHEELER | LEDGER PHOTOS OPPONENTS OF CURRENT DEVELOPMENT IMPACT FEE RATES hold up Save Our Jobs signs Wednesday during a Polk County Commission public hearing. Commissioners voted 3-2 to maintain the fees on new construction at their current levels.