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The View From Here: Impact fees

By **ARNIE ROSENTHAL**, special to the Banner

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Impact fees are payments that builders of new homes and businesses make to the county when they pull their permits. Their purpose is to ensure that new development bears the cost of infrastructure required to support it. Simply put, it is having growth pay for growth.

If there were no impact fees, two things could result: either we would suffer large tax increases, or our infrastructure (and our quality of life) would go down the tubes. In the real world, I believe we would get some of each — higher taxes, and a decline in quality of life.

Impact fees are not new. They've been around for decades and were frequently contested in the courts. However, they were legitimized in 1985 when the Florida Legislature adopted the Growth Management Act. This landmark legislation not only approved the use of impact fees, it also outlined standards to be used in determining their validity. Lee County currently collects impact fees for six different areas of infrastructure: roads; regional and community parks; EMS and fire safety; and construction of new schools.

All of this, the concept of having growth pay for growth, is simple and straightforward. Who could possibly object? Unfortunately, the rich and powerful building industry objects. They would have us all pay higher taxes so they could avoid paying impact fees and, therefore, make even greater profits. Through heavy-handed lobbying and by arguing that raising impact fees would curtail growth, the builders successfully forestalled any adjustment to these fees for a six-to seven-year period, basically 1990 to 1997. Worse yet, they successfully avoided paying school impact fees for about 10 years.

Because our county and school commissioners bought into their story, the infrastructure got further and further behind, the school district got deeper in debt and many school children are forced to attend class in trailers. Finally, in late 1996, Estero Fire Rescue broke this impasse. They argued, convincingly, that the fire district needed a huge increase in fire impact fees and that failure to grant this request would create a safety hazard.

Fortunately, reason prevailed. Our fees were increased by more than 800 percent (i.e., from \$50 to \$484 for a single family home).

Subsequently, commissioners agreed to update all impact fees on a three-year cycle. As a result, collections have soared and so has growth. Whereas, at the time of the Estero action, annual impact fee collections were languishing in the \$12 million to \$13 million range, for the last three years collections have been \$37.3 million, \$54 million and \$74.5 million. What a boost to the infrastructure!

Obviously, the building industry's assertion that raising impact fees would curtail growth has been exposed as a falsehood. But that hasn't stopped the industry from trying to duck these payments. They've simply changed their tune. Now their mantra is that impact fees adversely affect affordable housing. But so do the huge increases in the cost of concrete, drywall, steel, land, etc.

The truth is that impact fees and affordable housing are separate issues. If we choose to subsidize affordable housing, then we should do so. But we don't have to subsidize the entire building industry in order to subsidize one small segment.

Oh: I just had a brilliant thought. Why not create an affordable housing impact fee on new building? Wouldn't that be a wonderful way to fund this subsidy without raising our taxes?

And one final thought: Their lust for higher profits has clouded the judgment of the builders. What they need to understand is that without impact fees, without sufficient roads, schools, parks and safety services, growth would really be curtailed and profits would plummet.

Arnie Rosenthal/Estero

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