

Ernst: Arbitrary impact fee decision is a mistake

By Eric Ernst

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After a 90-minute discussion about numbers, drama at the end of a County Commission meeting underscored the fact that impact fees remain a hot-button topic in Sarasota County.

On Wednesday, the commissioners had just voted to keep impact fees at an artificially low rate when land-use attorney Dan Lobeck came to the microphone to make a citizen's comment.

It turned out to be more than that. He all but accused the commissioners of corruption. ““It's disgusting,”” he said. ““It's offensive to the public interest. I fear what will come afterward.””

As he spoke, several commissioners burst out with something along the lines of ““This is an insult!”” ““This breaks our rules of civility!”” and ““You could be disbarred!””

Hyperbole aside, this was hardly a red-letter day for the commission for several reasons.

They came to Venice to establish an impact fee for roads. Essentially, impact fees are taxes on the construction of new homes and businesses. The word ““impact”” reflects their purpose, which in this case is to establish a fair share, in dollars, for the impact that newcomers have on our road system, which presumably has to expand as the population grows.

Road impact fees do not arise out of thin air. Planners and consultants review previous costs, check prices and predict trends to come up with a number. It's quite an elaborate procedure, partly because the number has to be defensible in court if challenged.

Right now, Sarasota County's road impact fee does not carry that level of legitimacy. At \$1,276 to \$3,386 for a home — depending on the size of the home — the fee is one-third of what a county-hired consultant determined is needed to cover a fair share of roadwork.

The commissioners lowered the fee several years ago in an effort to spur homebuilding during the recession.

It was a feel-good move, nothing else. Supply and demand, not impact fees, drive the housing industry.

With the generously low rates in place, annual impact fee collections dropped from \$17 million during the boom years to \$5.5 million in 2009, \$4.1 million in 2010, \$3.6 million in 2011 and \$3.5 million in 2012 because building slowed considerably.

Maybe things would have been worse without the discount, but the fact remains that impact fees have a marginal influence on homebuilding.

Naturally, builders and developers prefer lower fees because that allows them to sell their product cheaper and/or raise their profits.

Because of the commissioners' manipulation, the fee amount now is arbitrary. They know that.

Even the consultant's original figure is outdated. County staff have been crunching numbers to come up with a new fee schedule.

When county engineer Jim Harriott said the schedule would be ready for a public hearing in May, Commissioner Joe Barbetta chided him for the delay.

Then, minutes later, Barbetta moved to extend the lower fees for another two years, which happened to be exactly what the Gulf Coast Builders Exchange wanted.

Commissioners Charles Hines and Nora Patterson said it made no sense to lock in an admittedly inaccurate number for two years without waiting to hear from staff what the real figure should be.

Their peers disagreed, 3-2, so now, unless someone changes their mind, we're all stuck with it.

Lobeck, often at odds with the building industry through his leadership in a group called Control Growth Now, could not contain his frustration.

His remarks may have been strident, but he gets it.

An example: Harriott mentioned that before the new fees come to a public hearing, the county would vet them with the builders exchange. Lobeck suggested equal time for other civic organizations whose members have just as much at stake as the builders.

He's right. As the economy improves and building continues its momentum and more people move to Sarasota County, we will need new roads. Meanwhile, a source of funding for those roads will have been squelched for no reason other than political expedience.

Someone will have to make up the difference.

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