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Milking the cash cow

In the middle of a lively exchange about impact fees during Tuesday's Alachua County Commission meeting, Mike Bylerly spilled the beans. Responding to Lee Pinkoson's concerns that proposed impact fee increases are too excessive, Byerly retorted:

"The point is that somebody's got to pay."

Infrastructure improvements "have to be built," Byerly continued. "We're just changing who pays and how."

Actually, that's not exactly true.

It is true that "new growth should pay for itself" is a well-worn rallying cry among those, Byerly included, who think the higher the impact fees the better. But it is also true that new development is just about the only thing that has been "paying its way" around here for the past several years.

That's because since the adoption of Save Our Homes, a lot of residential property tax valuation has been taken off the tax rolls. And still, county government has managed to double its revenues in the past five years.

To the degree that county government has been growing fat on healthy annual revenue increases, and it has, it is thanks largely to new development. Developments built since 1993 make up 31 percent of the county's property tax rolls.

In other words, new growth is the cash cow that has allowed county government to prosper. Pinkoson argues that as those new dollars rolled in, county commissioners neglected to invest a portion of them in infrastructure improvements that might better accommodate growth.

"It's not new development that's not paying its way," Pinkoson said, "it's old development."

To make up for the county's years-long failure to wisely spend growth-generated revenues, staff now proposes draconian impact fee hikes; the idea apparently being that the cash cow simply cannot be over-milked.

Under the proposal, residential impact fees would more than double, from $1,052 per 1,000 square feet to $2,439. Fees for a drive-through bank would go from $1,821 to more than $15,000. A new convenience store's fees would jump from $3,814 to $25,618.

But the problem with over-milking the cash cow, Pinkoson argues, is that overly burdensome impact fees will discourage new businesses, especially smaller enterprises, and make the goal of building more affordable housing even more elusive.

"If we want to impede growth, that's the way to do it," Pinkoson said.

And, indeed, Byerly all but conceded Pinkoson's point: "The problem has shifted to too much growth, too fast," he told Pinkoson. "I don't see how you can justify the hidden subsidies for growth."

One might make the argument that, to the contrary, it's growth that's been subsidizing Save Our Homes-sheltered property owners and keeping county government afloat.

County commissioners won't decide on the impact fee question until later this summer. The good news is that Pinkoson isn't the only commissioner who is worried about increasing fees too much, too fast.

"How about implementing it over several years?" wondered Chair Paula DeLaney. "There's more to this discussion then yes\no, take it or leave it."

In point of fact, major opponents of the proposal - realtors, developers and the Gainesville Area Chamber of Commerce - are not arguing against the need for impact fees. They just want those fees to be fair and reasonable. "We recognize there needs to be diversity of revenue," said Melissa Murphy, who chairs an impact fee committee for the Builders Association of North Central Florida.

Milking the cash cow is fine. But killing the cow is ultimately self-defeating.
