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Builders leading anti-fee charge

Two studies sponsored by business groups say higher impact fees would flatten Lake's economy.

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TAVARES

Commissioners wrangling with proposals to boost impact fees for new development won't find a shortage of concerns -- or studies -- over whether the hikes would stymie Lake's growth and hurt its economy.

The latest study released last week by a local business group claims that large increases in road-impact fees would mean the loss of about \$77 million in yearly economic output and almost 1,000 jobs countywide.

That study, distributed by the Council of 100, looks at how higher fees would affect the commercial community, said spokeswoman Mandy Wettstein. The group is made up of large and small area business owners and several developers.

The council's study is the first of two by economist Hank Fishkind of Orlando-based Fishkind & Associates Inc. -- but one of several that county leaders will grapple with for the next few weeks.

The stack of impact-fee studies is "just piling up from everybody," Commissioner Jennifer Hill said. "It depends on whose wallet it's affecting. There are a lot more people involved now, a lot more people speculating that are in a home-building business, that haven't been in the past."

Commissioners are expected to vote on fees to build and improve roads next month and will tackle school fees after that. The proposed increases -- some of which are the highest in the state -- vary depending on the type of development.

One option is to increase road-impact fees for most single-family homes from \$2,189 to \$11,396. Most new businesses could face at least four times the current rates.

Companies pulling out?



Home builders and business leaders say those increases would crush the county's construction-dependent economy and scare away companies.

"It'll be unbelievable at those rates," said Jean Kaminski, executive director of the Home Builders Association of Lake County, which presented a study last month outlining "flaws" in the county's proposed fees.

"There have been companies who were already in the process of negotiations to come into Lake County, who have just decided not to because of the high cost of development and fear of what might be coming," she said.

The home-builders' study suggests a road impact fee increase of about \$3,500 compared to the proposed \$9,200 hike.

Meanwhile, a political committee created by construction and building interests bitterly opposed to fee increases released a report last month suggesting that buying a house or office space in Lake County already has become far more expensive than eight other like-sized counties around the Southeast. And the group argues that Lake hasn't diversified its economy enough to attract new families and professionals.

In an e-mail last week to commissioners and County Manager Cindy Hall, committee chairman Don Magruder challenged county leaders to come up with a "basic economic plan" before deciding on any fee increases.

"Lake County has over a quarter of a million people who must provide for their families and make a living, and the county has no idea on the economic future," wrote Magruder, general manager of Leesburg-based Ro-Mac Lumber & Supply Inc.

Magruder's company and other construction firms are top employers in Lake, behind government, education and health services. And because of the housing market's downturn, Magruder said his company was forced to lay off about half of its 500-plus employees.

'A difficult ballgame'

Hill said the county already is trying to bring in high-paying and diverse employers, including medical ventures, and says an increase in impact fees won't stop growth. But she said she was concerned about the fees' impact on the commercial sector.

"The [county's] study came in pretty extreme," she said.

Not all the proposed increases for new business are too high, Commissioner Linda Stewart said, adding that some of Lake's fee rates lagged behind other counties.

And not all residents oppose the proposed increases. Stewart and Hill said they've received e-mails supporting higher fees and input from residents who have done their own research on impact fees.

"Somewhere in all of those is the right answer," Stewart said. "We need to use our common sense. We don't make them so high that they do hurt our economy, but we have to pay for the growth that is coming and has come."

During a meeting last month, Commission Chairman Welton Cadwell called the impact-fee issue a

"difficult ballgame."

Commissioners also will consider raising fees to pay for new schools and classrooms. School officials are revisiting the proposed rates, which would have made Lake's school-impact fees the highest in the state.

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