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Builders groups to oppose North Port fee

City says money is for roads, but builders say it gives other governments tax ideas

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NORTH PORT -- Builders are rallying their forces against North Port over a fee they fear could give other cities and counties in Florida a new way to tax development.

North Port started collecting a fee in May to fix roads based on square footage of new construction. But the city has not used any of the money because two lawsuits have held it up.

Now the North Port Contractors Association, with about 140 members, and the Home Builders Association of Sarasota County, with 664 members, reported Tuesday that they are teaming up to file yet another lawsuit.

"They're going to find it is going to be a hard road to go," said Paul Morgan, a member of the contractors association.

Morgan and other builders claim they are being told to repair roads that were in bad shape before the construction boom of recent years even started.

Under the new fees, builders are charged 50 cents per square foot for houses and 75 cents per square foot for commercial buildings. In the first three months, the city collected \$91,908.

The amount could balloon in the coming months with such large scale commercial projects as the 140,000-square-foot Lowe's on U.S. 41. That store alone would mean more than \$100,000 in fees paid to the city.

The new fees prompted lawsuits from Fourth Quarter Properties, which owns Thomas Ranch on the city's west side, and Gran Paradisio development, which is going up on Thomas Ranch. Their attorney, Jim Tasso of Tampa, calls the new charge "an unlawful impact fee."

North Port's willingness to fight for the fee speaks to the copious problems facing the city's 813-mile road system, which will cost tens of millions of dollars to fix.

"We get complaints almost every other week," said Commissioner Fred Tower. "We just don't have money within the city budget" to repave roads.

The city budget for next year does not contain any money to repave roads. This year, North Port spent an unprecedented \$13 million to fix roads but had to dip into a windfall from the auction of abandoned lots to come up with the money.

Builders also say they do not like the possibility that North Port's fee could provide a road-map for other governments looking to tap into development dollars.

"They realize the tremendous potential of this to create a framework elsewhere," said John Olliver, a Venice-base builder and incoming president of the Sarasota Home Builders.

Sarasota County Administrator Jim Ley said the county is not contemplating a similar fee. The county does charge impact fees on a new house that are more than double the impact fees charged by North Port. However, impact fees can only be used to pay for road improvements to keep up with growth, not to fix roads full of potholes.

The city claims it can use the new road fee to bring its streets back to the condition they were in years ago, before construction trucks became commonplace here.

Builders say the roads have been neglected since General Development Corp. installed them decades ago.

North Port city commissioners have been divided over the fees. Commissioners Richard Lockhart and Vanessa Carusone have voted to end them and do not like the city's chances in court, but they have been unable to sway the rest of the commission. Builders, meanwhile, are lobbying for a swing vote.

"Our greatest hope is that the City Commission will reconsider this," said Lawrence Anderson, executive vice president of the Home Builders Association of Sarasota County.
