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County rejects impact fee changes

Commission fears higher impact fees could cripple housing market.

**BY CHRISTOPHER CURRY
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OCALA - Amid complaints that higher transportation impact fees would pave the road to an even slower housing market, the County Commission turned down a consultant's proposed increase Tuesday.

The county hired consultant MuniFinancial last October for \$24,500 and instructed the Orlando firm to change the way the fees, which are one-time charges on new development to pay road construction, were assessed.

The idea was that residential development comes first and commercial growth then follows because of the customer base. Thus, residential transportation impact fees should go up and the fees for commercial and retail development should drop, the consultant's study recommended.

Effective Jan. 1, the road impact fee on a new single-family home would have gone to \$10,588 instead of \$6,107. On the other hand, the road impact fee for a 10,000-square-foot medical office would have dropped from almost \$200,000 to \$35,190.

But the bottom has dropped out of the local housing market since the county hired MuniFinancial. Through the end of July, the county Building Department has issued a total of 1,535 permits for new homes in 2007, compared with 4,170 through the first seven months of 2006.



Zoom

Cars pass by construction cones along Southwest 60th Avenue. The county rejected raising impact fees on Tuesday.

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Against that backdrop, commissioners Jim Payton, Stan McClain and Charlie Stone formed the majority of a 3-2 vote against the new method for calculating road impact fees.

"I do support it, but I don't think the time is correct in doing this," Stone said. "I do think we should postpone it until the housing market comes back a little bit."

Payton went further and said the county should just get rid of road impact fees because there is no "appetite" to pay them and the county lacks money for needed road projects even with them.

County Engineer Mounir Bouyounes listed road construction projects that impact fees have funded, such as Southwest/Northwest 60th Avenue and 31st Street, or will fund in the future, such as the planned Belleview Beltway and the 42nd Street overpass across Interstate 75.

Commissioners Andy Kesselring and Barbara Fitos voted in support of the consultant's changes. Kesselring says the fees needed to rise because it "costs more to do infrastructure."

Several members of the local home construction industry spoke against the proposed increase and argued it could hobble the local economy. Kesselring disagreed.

"Impact fees are not what's causing the downturn in the housing market," he said.

FUNDS OK'D FOR EDC

Also on Tuesday, the County Commission voted to give the Ocala/Marion County Economic Development Corp. \$145,000 for the upcoming 2007-08 fiscal year starting Oct. 1. Commissioners initially voted down funding the EDC at that level earlier in the summer, but left open the door for a lesser amount.

McClain recommended the \$145,000 figure Tuesday after the county removed \$700,000 from the proposed 2007-08 budget, which had been set aside to help the Pensacola-based Institute for Human Machine Cognition open an Ocala location.

McClain said IHMC, a nonprofit research organization in the areas such as robotics, would still ask for some county funding. But he believed it would not reach \$700,000.

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