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Article published Sep 17, 2007

Charlotte may help its builders

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CHARLOTTE COUNTY -- Builders suffering from a slow economy could get a break on the fees they pay for new construction.

BEFORE AND AFTER

Two years ago, county impact fees were about \$3,000 for all new homes. Now, the fee is based on square footage, and the fee for a 2,000-square-foot home is about \$8,000.

To boost construction, Charlotte commissioners are looking into temporarily lowering impact fees, used to offset the cost of new roads, parks and other infrastructure.

The move could save developers thousands on new homes and commercial buildings but could also cut into county revenues.

In the past year, building has slowed nearly 70 percent in Charlotte County. The decline is part of the fallout of the faltering real estate market nationwide, but it is more pronounced in this region.

"We're trying to help the economy get itself started," said Commissioner Tom Moore, who suggested the idea last week.

Moore is working with county staff to bring a proposal to the commission for a vote in early October. He said he would like to see the fees lowered to the level they were two years ago.

At that time, impact fees were about \$3,000 for all new homes. Now, the fee is based on square footage, and the fee for a 2,000-square-foot home is about \$8,000.

Building industry representatives have been pushing commissioners to reduce impact fees for at least two months, said Ron Hill, president of the Charlotte/Desoto Building Industry Association.

"I can't say it will put us back where it was before, but I believe it's a step in the right direction," Hill said.

He said he could not estimate how much a fee reduction might boost construction.

Moore said there is little chance that changing the fees will cost the county significantly.

"The activity is so slow now, I'm not worried about the money we would be losing if we do this," Moore said.

"It's not a big risk to the county, and it may help the building industry."

The county collects the one-time fee in an attempt to make growth pay for its impact on county infrastructure, which includes libraries, government offices and public safety buildings. Otherwise, the cost shifts to taxpayers.

Builders and developers typically pass the fees on to home buyers. The county collected about \$30 million in impact fees this year.

If reducing the fees temporarily does not help revive construction, it would at least help those building affordable housing, said Mike Mansfield, executive director of Charlotte County Habitat for Humanity.

Habitat plans to build 20 houses this year. At about \$4,000 a house, the impact fees add up fast.

If the fees were reduced for at least six months, the agency would probably be able to buy the materials for another house with the savings, Mansfield said.

"That's dollars that we can cut right off the cost of each house," Mansfield said.
