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Builders want in on impact fee reduction

Commissioners asked to extend breaks, but county stands to lose fee revenue.

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OCALA - Some area builders have lobbied the County Commission to let more of their number in on the break in road impact fees approved on May 20.

From discussion at Tuesday's board meeting, commercial builders may get what they want and residential builders might not.

The plan could cost the county \$800,000 to \$900,000 in impact fee revenue for road construction, Planning Director Dwight Ganoë told commissioners. The county already is looking at potentially borrowing money through a series of bond issues - which could add up to \$100 million - because prior cuts to road impact fees left the five-year road construction plan in a deficit.

The current situation deals with two separate impact fee breaks approved in May. The board reduced residential and commercial road impact fees by two-thirds for a period of 90 days - temporarily putting them at less than \$2,100 for a single-family home. In May, commissioners also adopted a consultant's recommendations for changes to road impact fees effective Sept. 1, but set the fees on new commercial and residential development at 57.6 percent of the rates that the consultant recommended.

At the time, they said the reductions would apply only to building permits pulled after the May vote. But residential and commercial builders who pulled permits before the vote and have yet to pay their impact fees because they have not received a certificate of occupancy want in on the reduction.

"To us, unfortunately, it felt like we were being discriminated against, that we were not being able to take advantage of the savings when the whole intent of the reduction, from what I understand, was to boost the building development in

Marion County," Larry Finke, a developer of the Juliette Falls subdivision near Dunnellon, told commissioners during their Aug. 5 meeting.

Finke sought to pay the reduced 90-day impact fee rate for permits pulled before May 20. Tuesday, commissioners did not appear to support that request.

According to Planning Department numbers, allowing that reduction to all residential and commercial builders in that situation could cost the county \$2.2 million to \$3.1 million in impact fee revenue.

However, commissioners did appear to go for a suggestion from Commissioner Andy Kesselring, although they can't vote on it until their Sept. 2 meeting.

Kesselring said the county should allow builders who pulled permits before May 20 to let their permits lapse. Then, they can come in again and get a new permit, and the county will charge the new, reduced road impact fees that take effect Sept. 1.

That would mean a break for commercial builders - because the new fee structure reduced their rates - but have a minimal effect on the rates for new residential development.

In a letter to the county, local land use attorney Jimmy Gooding had asked for a reduction similar to the one Kesselring proposed. Gooding wrote that commissioners' decision to only have the reduction apply to new building permits was "misguided."

On Tuesday, Commissioner Jim Payton questioned whether the lower fees would ever save the homebuyer or the retail customer money.

"In reality, this is a windfall to the people who want to take advantage of our benevolent mood a couple of months ago," Payton said.

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