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County forgoes impact fee in hopes of jump-starting economy

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Three weeks after indefinitely continuing a moratorium on transportation impact fees, the County Commission on Tuesday unanimously agreed to set an expiration date: the end of 2010.

This action, designed to further stimulate the local economy, came after the commission heard from contractors who said the moratorium is making a difference.

These fees are collected to pay for infrastructure needed as a result of growth.

In January, the commission voted to waive transportation impact fees for 90 days. Then in March, commissioners signaled that an even longer moratorium was likely by approving an indefinite extension.

County Commissioner Mike Amsden said he was not sure in January that waiving the fees would lead to more projects being launched.

"I was skeptical at the beginning," Amsden said Tuesday. But he said he has traveled the community and found that new jobs have been created.

The commission learned that new-start residential permits between Jan. 1 and March 31 rose by 58 percent — from 102 to 161 — when compared to the same period in 2009. That's just for unincorporated Marion County.

The impact fee waiver cost \$1.4 million for the first three months of this year. The commission used remaining sales tax dollars to make up for that shortage.

Mounir Bouyounes, the county engineer, said he expects waiving the fee through December will cost an additional \$3 million.

He said he will submit an updated five-year road improvement plan that will reflect the fact the county will not be collecting the fees.

Commissioners want to make sure that priority road projects will not suffer. Bouyounes told the board he will resubmit a balanced road plan.

During the meeting, several contractors and an architect pleaded with the commission to extend the moratorium until Dec. 31.

Contractors said they are finally starting to see their businesses growing and they are putting more people to work on many new projects.

Gilbert Martinez of Partin-Martinez Architecture Co. urged the commission to continue waiving the impact fees because designing projects take months.

"Suspend this through the end of the year," he said.

The county collected \$6.4 million last year in transportation impact fees. The idea of a suspension emerged as part of a lobbying effort by the Ocala-Marion County



Chamber of Commerce, the Ocala-Marion County Economic Development Corp. and the Marion County Building Industry Association.

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Proponents wanted the fees suspended to help spur business expansion and reduce a Marion County unemployment rate that hit 15.4 percent in February.

Meanwhile, Bouyounes and Lucienne Gauffillet — the county's Sustainable Growth manager — offered a new ordinance that is a compromise of sorts.

The ordinance gives impact fee breaks but allows the county to recoup the fees through increased property tax revenue.

That ordinance, which also passed Tuesday, creates two new economic development programs.

Though the ordinance goes into effect immediately, it will not be used until Jan. 1, 2011, when the transportation impact fee moratorium expires.

The ordinance has two tiers: one aimed at large businesses — those with 500 or more employees — and the other at small businesses.

One part is called the Transportation Impact Fee Relief Program. It is meant for large businesses that expand or relocate to Marion County. To qualify, they must:

- Create at least 10 jobs within a year that pay 115 percent of the average county wage;
- Make at least \$500,000 in new capital improvements including equipment and machinery; and
- Offer a project that generates at least \$25,000 in impact fees.

The other part is called the Small Business Impact Fee Assistance Program.

As originally proposed, applicants could recover 50 percent of their transportation impact fees if they add two or more new jobs within 12 months.

However, the commission voted Tuesday to bump that up to 100 percent to keep all businesses, whether large or small, on a level playing field.

While the average wage requirement is the same for the small business portion, these applicants only need to invest \$50,000 in capital improvements.

The ordinance sunsets in two years, unless the commission chooses to re-enact it.