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by: Megan Hoye | Staff Writer

From the Staff Writer's Notebook: The County Board's decision to stop impact fees for two years is a big deal. It's a move that could save thousands of jobs in the county.

The larger-than-usual audience erupted in applause Monday after the Flagler County Board of County Commissioners voted in favor of a two-year moratorium on the transportation facilities impact fee and parks and recreation impact fees.

Starting Oct. 10, those who wish to build a residential property within the county will shave about \$1,700 from their costs, and commercial builders will likely save much more.

These savings are the "tipping point" for people's decisions whether to build or to relocate to a place without impact fees, such as neighboring Volusia County, said Barbara Revels, chairwoman of the board.

Her sentiment was backed by a string of officials from area construction companies as well as the former, current and future presidents of the Flagler Home Builders Association, all of whom attended the board's regular meeting to urge commissioners to pass the moratorium.

Their testimonies were unified: They keep losing customers because of impact fees, they said. They can't be competitive with other counties.

Commission Vice Chair Nate McLaughlin said that after Volusia County issued a moratorium on its impact fees, construction increased in the area. And construction brings jobs, he said.

Charles Rinek, owner of Charles Rinek Construction and a life director of the FHBA, said that while he understands that impact fees fund county development, their current existence does little because nobody is building anyway.

"In the last few years, we've seen the fact that our county has been suffering," Rinek said. "It's been suffering because we have one of the highest rates of unemployment in the country."

Slowed construction is largely to blame, he said, because even residential development spreads jobs to other sectors of the economy.

"If you look at statistics from '04 or '05, you have around 2,000 permits in the county," he said. "Now, it's 200 or 300 — that's a 90% drop."

The moratorium would boost building in the area, generating tax revenue for the county to make up for lost impact fees, Rinek said.

Impact on vacant homes

One concern among commissioners was that creating an incentive for new construction would shift the focus away from the county's inventory of vacant homes.

But builders were adamant that increased construction would increase home values, thus improving the health of the market whether for new construction or for the sale of existing properties.

"If you think the squeeze in the value of homes is scary, go to the property appraiser's website and look at vacant land," said Garry Lubi, chairman of the Flagler County Chamber of Commerce & Affiliates. "Some lots are only at 5% or 10% of what they were at their peak."

Romaine: try 'short-term plan'

Nearly all of the members of the public who commented at the meeting said they thought a boost to the construction industry would spread to other industries.

But some questioned whether there was enough evidence indicating the economic benefits of an impact fee moratorium to support a two-year stop on them. Others questioned the fairness of eliminating the fees those residents of the county who had already paid them and who would have to shoulder any development-related expenses.

"A moratorium on the impact fees might be detrimental to (taxpaying citizens)" said Abby Romaine, a candidate for the District 2 of the County Commission. "Rather than having a long-term, open-ended moratorium we take a short-term plan with a cap on it."

Romaine suggested that the county offer an incentive program by promising to waive impact fees for the next 50 construction permits pulled. This would create a sense of urgency to boost the market and allow commissioners to see whether the loss of impact fees truly helped the economy before committing for two years.

Peterson: Bubble in the making?

Commissioner Alan Peterson was of a similar opinion, saying any increased construction would be artificially created in a manner akin to the housing bubble leading up to the economic collapse of 2008.

"There has been no proven correlation between economic activity and moratoriums on impact fees," Peterson said, citing the monthly unemployment reports generated by the Center for Business Excellence, which shows jobless rates in both Flagler and Volusia counties.

"Each month, the change in unemployment for both counties is identical," Peterson said. "The moratorium (in Volusia County) doesn't seem to have affected the unemployment rate in any way."


Ultimately, the motion for a moratorium on the transportation facilities impact fee and parks and recreation impact fees passed on a 4-1 vote. Peterson cast the only opposing vote.

"Right now, we're getting nothing," said Commissioner George Hanns. "We have an opportunity to make something. When you have nothing, you have nothing to lose."



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