

City vs. county: Impact fee battle heats up

June 7, 2013

by: Andrew O'Brien | Associate Editor

A \$3.5 million dispute has magnified communication troubles between Flagler County and Palm Coast.

City officials say the county is dragging its feet on a legal obligation that would give the city \$3.5 million in transportation impact fees. Flagler County officials say they have never been notified or provided any documentation of a legal obligation to do so.

And after several face-to-face meetings have been canceled, the communication issue has come to a boiling point.

On Tuesday, the City Council will hear two presentations: one from the finance director on alternative funding options and another from the city attorney, who will provide the council with the steps to begin a conflict resolution — the first step before any lawsuit could move forward.

County officials said they are working on a proposed interlocal agreement.

“There’s nothing to resolve because we’re going to give them the money,” County Administrator Craig Coffey said. “It’s ultimately up to the (County Commission).”

Back in 2000, just after the city incorporated, an interlocal agreement stated the city would collect certain county transportation impact fee money. The county would then spend it on Palm Coast-specific projects that were identified in the agreement. That interlocal agreement was terminated in 2004, when the city began to collect its own transportation impact fees and control how the funds were spent, independent of the county. The question now: Who controls the money that was collected from 2000 to 2004? The city says the county money must be spent on the projects that were listed in agreement, specifically the extensions to Palm Harbor Parkway and Old Kings Road, which the city believes is essential to be completed before the interchange is built. The Matanzas Woods-Interstate 95 interchange was not listed as being eligible for funding.

County officials say they are still willing to give Palm Coast its \$3.5 million, but not until all details are worked out, including a transfer of a portion of Matanzas Woods Parkway to the city and a guarantee from the city not to sue the county — something Coffey said is normal procedure.

The county told the city it would have a new agreement for the city’s review by May 31. As of the morning of June 7, that hasn’t happened yet.

Palm Coast Mayor Jon Netts and County Commission chairman Nate McLaughlin have exchanged public

letters over the last two weeks.

On May 23, McLaughlin wrote to Netts: “Both the city of Palm Coast and county officials have generally agreed to allow the city to use the remaining county impact fees in this particular fund for specific projects desired by the city. As you know, however, the devil is always in the details, and that is what our staff has been working through to complete this agreement and carry out the general intent of the parties.”

In the latest letter from Netts to McLaughlin, dated Monday, June 4, Netts writes: “We had hoped to have your new draft by last Friday (May 31), as you promised. I ask you to get a draft to us as quickly as possible so this project can move forward in a timely and effective manner.”

But communication has broken down, according to Palm Coast City Manager Jim Landon.

“The city still has not received comments on our proposal or an alternative proposal,” Landon said Wednesday. “Also, a number of meetings scheduled to discuss the interlocal agreement have been canceled by the county administration.”

Coffey said Wednesday that those meetings have been canceled for a simple reason: Nothing would be accomplished, because county staff continues to work on the proposal.

“I’m sure he’s going to say that,” Coffey said of Landon. “But they send us an interlocal agreement. It said just give us the money. That’s not an interlocal agreement. We could have met with them all those times, but it would have been a meeting for no reason. ... It’s a lot more complicated than ‘give us money.’”

Coffey said there was about a 90% chance a proposal would be sent to the city by Friday or Monday. “We’re inclined to help them and work with them,” he said. “Unfortunately, it’s not as quick as Mr. Landon would like. They are welcome to sue us, but it’s counterproductive and unnecessary.”