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## IMPACT FEE

# Impact fee cuts gain traction

### Counties please builders, but critics say taxpayers will pay

By [Dale White](#)

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Governments that long relied on impact fees charged to developers are backing off from charging the fees as a way to stimulate construction and the economy.

Developers could get a break on impact fees for another two years in Manatee County and may soon see the same fees drop further in Sarasota County.

Counties and cities impose the fees on construction so that newcomers help pay for the new or expanded roads, schools, parks and other public facilities needed to serve them.

Home builders insist the relief is needed to stimulate their industry, which got hit hard by the recession.

Before Manatee reduced its impact fees in 2009, developer Pat Neal said, the fees were adding more than \$20,000 to the cost of a typical home he was building at the time in Parrish.

In order to compete with foreclosures and short sales, Neal said, he must adjust prices. He emphasized that nearly 600 workers rely on Neal Communities and its "trade partners" for employment.

"Our overall goal is to be competitive," Neal said Monday. "... Impact fees are expensive."

Yet controlled growth advocates and environmentalists counter that reducing or suspending the fees means growth will not even partially pay its way.

"Nearly everyone now recognizes that those who benefit from fast development should at least pay for it, rather than having the cost hidden in everyone's property tax bill," Glenn Compton, chairman of the environmental group ManaSota-88, wrote the Manatee County Commission.

Today, the Manatee commission will consider extending its suspension of impact fees for schools and its 50 percent reduction in road impact fees another two years.

According to the county, the move reduced the fees on a typical home from about \$15,000 to about \$5,500.

A 2009 ordinance that lowered the fees expires July 26.

Manatee officials say the lower fees appear to have helped its home-construction industry. The number of residential building permits granted by the county rose from 831 in 2009 to 1,206 last year.

Neal said that in Sarasota County, the number of residential building permits filed each month have been about half or less what Manatee has been processing since it lowered its fees.

Sarasota commissioners resisted lowering the fees until December.

With the School Board's consent, they imposed a two-year halt to school impact fees, which had been about \$2,000 on a single-family home and about \$500 per unit in a multifamily building.

Noting that the costs of road construction have declined since it updated its road impact fees in 2007, on Wednesday the Sarasota commissioners will consider cutting those fees in half for any building permits issued before Feb. 1, 2013.

Sarasota County's road impact fees range from \$2,552 to \$6,772 based on the square footage for a new home. The fees vary for commercial and industrial properties.

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