

CRESTVIEW News Bulletin

City: Impact fees do not drive away business

By Brian Hughes | brianh@crestviewbulletin.com

2012-02-15 09:47:06



Crestview city planner Eric Davis addressed head on what some contend is a popular misconception while speaking to the Crestview Area Chamber of Commerce's Government Issues committee.

"One thing I would like to set straight is that the city of Crestview's impact fee does not drive away business," Davis said.

Crestview's impact fees were the topic of a Feb. 8 meeting attended by 18 business and community leaders. Davis was joined by regional planner Alan Gray of the West Florida Regional Planning Council.

"There is a debate going on whether these fees are appropriate and if they have a negative impact on growth," committee chairman Nathan Boyles said.

By ordinance, Crestview collects impact fees to fund improvements to transportation, public safety, water and sewer infrastructure necessitated by new development, Davis explained.

"Our property taxes don't cover...all those things adequately," Gray said. "We just didn't realize that as a nation until the 1960s."

Davis said Crestview's single residential unit \$5,862 impact fees are among the lowest in the region. Only Fort Walton Beach, with a \$1,507 fee, and unincorporated Okaloosa County fees of \$4,000 are lower. Destin's fee is \$6,756, Niceville's is \$8,578.25, Milton assesses \$6,099.15, and DeFuniak Springs collects \$11,651.

Impact fees can actually be beneficial to a developer, according to a handout distributed by Davis, which states, "When impact fees are collected and said fees pay for the expanded infrastructure improvements necessitated by development, the property becomes more valuable."

Most large businesses moving into Crestview expect to pay an impact fee and calculate it into their overall startup costs, Davis said, which is one reason why the myth of impact fees "driving away business" is a fallacy.

"The city has never driven away Olive Garden, Outback Steakhouse or Target. We hear that all the time," he said. "When they come into a place, they expect them (impact fees) to be here. Most of the big players know when they come into places that have impact fees, they will have the infrastructure they need."

In fact, he said, many businesses move within the city limits because of the assurance of having a reliable sewer and water system.

"They come to the city because they can get that commodity. The impact fees that we put in place are to pay for that infrastructure," Davis said. "We're basically saying, ...we want you to come to the city of Crestview but you'll need to help mitigate the impact of your development."

"They are adding to our (infrastructure) strain down the road and they have to help pay for it," Gray added.

However, because of political considerations, impact fees often do not cover the actual cost of improvements, he said.

“The community has to adopt an ordinance to set an impact fee,” Gray explained. “If I tell councilmen they need \$11,000 per home to cover that cost, the impact fee is always short of the mark. People like me need to get smart and request \$20,000. We’re under impact fee. We’re under deficit before we even talk about it.”

Though developers might grumble about impact fees, it hasn’t stopped them from building, Gray said.

“The fees are unreal,” Harris Constructors site supervisor Bobby Edens said recently. His contractors were hard at work on 12 new townhomes of a planned 160 units at the Arbor Lake development off Pearl Street.

“If you look at, since we’ve had impact fees in the ‘70s, we’ve done nothing but grow,” Gray said.

© Copyright 2012 Freedom Communications. All Rights Reserved.

[Privacy Policy](#) | [User Agreement](#) | [Site Map](#)