

Lee looks at cutting fees to spur business development, like Collier did

By TARA E. McLAUGHLIN

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FORT MYERS — Lee County leaders may consider following Collier and more than a dozen other Florida counties that have slashed fees charged to businesses in hopes of breathing life back into a struggling economy.

Businesses that build new buildings or move into existing space are charged thousands of dollars in impact fees to offset the increased need for government services, such as roads.

Lee County's community development staff at Monday's management and planning meeting will suggest commissioners consider reducing, or even waiving, some of those fees, starting with a plan to tackle vacancies.

"The biggest problem we have is unsold inventory," said Joan LaGuardia, community development spokeswoman. "So from an economic development point of view, we're trying to do the things that will encourage people to move into those buildings."

A fee reduction program, which could take a couple of months to implement, could be in effect for two years, LaGuardia said. She said there is no way to calculate potential bottom-line effects to the county.

The picture is particularly grim for medical offices, which tend to have high traffic and correspondingly high fees, about triple that of general office space.

In Lee County, impact fees for a 1,000-square-foot general office are about \$7,400. A medical office of the same size is about \$24,400. So a doctor looking to expand into this space would have to front the difference via a change-of-use fee, about \$17,000.

Collier County waived this fee in a two-year pilot program that began in March 2009. A year later, 40 businesses had taken advantage of the program, collectively saving about \$1.3 million.

Collier's plan stemmed from two problems, said Amy Patterson, impact fee and economic development manager: "Businesses that couldn't find space because they were subject to impact fees and owners who couldn't get tenants for the same reason. It was able to bring those two groups together."

For this reason, Jeffrey Rubin, who had closed his Bonita Springs dental practice, bought a building on Naples Boulevard in July 2009.

"I jumped all over that when I heard that that saved me \$41,000," Rubin said. "Nobody's going to look a gift horse in the mouth."

Word of Collier's program, as well as a trend in other cities and counties, spread through Lee County government, where no such program exists.

Saeed Kazemi, public works director for Fort Myers government, began hearing stories of owners in the medical profession looking to move into existing buildings. They were holding off because the fees were too high, he said.

Fort Myers doesn't have its own impact fee ordinance; it follows county government's.

"We saw that communities were (waiving fees) and we said, 'OK, why don't we just ask the question and let's do it,'" Kazemi said.

On Oct. 4, Kazemi sent a letter to the county asking it to consider providing some relief with regard to impact fees.

Additionally, in May, Lee County's Horizon Council, a consortium of business and development leaders, formed a task force to address the issue of impact fees.

"We had a competitive disadvantage," said Ron Inge, who led the task force.

Word had spread that someone looking to open a medical practice was considering moving to Collier County to avoid impact fees.

The group suggested to the county, among other things, that it reduce or eliminate the change-of-use fee or implement across-the-board cuts to all impact fees, such as those charged for parks, and fire and emergency medical services.

Randy Mercer, a founding partner at commercial real estate company CB Richard Ellis, said a change-of-use waiver would help improve the 25 percent vacancy rate for commercial space.

County officials should go even further, he said, and waive impact fees completely for at least a year or reduce them to rates they were at before an increase a few years ago.

Rates increased in 2007, which Mercer blames on the county's current commercial vacancy rate.

"If they would roll them back to where they were before they tripled them," Mercer said, "we might have a shot of pulling out of this economic tailspin that we're in."

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