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Local Governments Suspend Impact Fees



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TAVARES, Fla. -- Local governments are giving up millions of dollars they used to collect from developers and they suspended impact fees to encourage new construction. But WFTV learned on Tuesday why critics call it "builder welfare."

John Drury's City Hall office is a room with a view .

"I see eight new restaurants," said Drury.

It's part of the business boom in Tavares. In 2009, there was \$11 million worth of new construction.

"After we passed the impact fee waiver ordinance, that tripled," said Drury.

The impact fees pay for new roads and services required by growth, but cities and counties across Central Florida have stopped collecting the fees. Government watchdog Vance Jochim said he doesn't like it.

"It was pushed through by the builders. It does benefit them," said Jochim.

Jochim, and other conservatives like him, said they love tax cuts, but he said this is different. It's nothing more than builder welfare.

"How would you respond to that kind of criticism?" asked WFTV reporter Berndt Peterson.

"It's really up to the consumer," said Andrew Knutt, Homebuilders Association President.

Knutt insists the buyer saves the money, not the builder. He said suspending impact fees has led to more work.

"And with that work there are jobs," said Knutt.

Six-hundred-thirty new jobs, according to Lake County Commissioner Jimmy Conner, who said impact fees were standing in the way. They can add thousands of dollars to the cost of a new home and tens of thousands to a business.

"When you charge a doctor \$90,000 of transportation impact fees, they don't build the office," said Conner.

Critics said local governments will miss out on millions.

The Lake County School Board is giving up \$4 million that was supposed to pay for more classrooms.

"And so the question is, where are the taxes coming from to pay for what they used to pay for?" asked Jochim.

For Tavares, it was a loss of \$1.8 million, but Drury said they're getting it back.

"For every buck that we waived in impact fees, we had \$17 in new construction," said Drury.

Also, a better view from Drury's City Hall office.

Lake County officials said they've seen a \$10 million increase in taxable property value, since they suspended the fees. Some local municipalities have waived impact fees through the end of 2012.

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