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Manatee commission OKs impact fee reduction

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MANATEE -- Stoked by a glowing report on job creation, the Manatee County Commission on Tuesday vowed to extend incentives for developers who build new homes and businesses here.

Commissioners voted 5-2 to authorize the drafting of two ordinances that would extend the reduction of impact fees for two years. A 50 percent reduction of transportation impact fees and suspension of educational impact fees passed in 2009 were set to expire July 26.

Earlier, commissioners praised economic development staff for a report that showed the county's incentive grants have created or retained 2,844 jobs since 2009.

The majority of the commissioners said keeping impact fees low is the best way to keep the good news flowing.

"Fifty percent of something is better than 100 percent of nothing," Commissioner Robin DiSabatino said. "It's the right thing to do for our economy. We've thrown out this lifeline to our developers and business community for two years. They're just about to reach out and grab it, and we can't take it away now."

Impact fees are one-time costs created to pass on the burden of constructing roads, parks and schools to developers of new homes and businesses. The current reductions save an average of about \$8,000 per home, according to developer Pat Neal of Neal Communities.

County Administrator Ed Hunzeker proposed the extension. He said the tough economy has slowed demand for new roads and lowered the cost to build them.

"I am a firm believer in charging the development community for the cost of development, but not overcharging in today's economy," Hunzeker said.

The extension of transportation impact fees will deprive the county of \$12 million in capital improvement revenue, Hunzeker said. It will lead to a one-year delay of two projects: the extensions of 44th Avenue East from 30th Street East to 45th Street East and 45th Street East from 44th Avenue East to State Road 60.

The School District of Manatee County will lose about \$5 million that could have gone to pay for new schools, but Superintendent Tim McGonegal supported the extension.

The finished ordinances must come back before the commission for approval, and there will be at least one public hearing, likely in May, Hunzeker said.

Commissioners Joe McClash and Michael Gallen opposed the extension. McClash proposed a substitute motion that would have extended the reductions for just one year while the county completes an impact fee study. Gallen seconded the motion, but it was defeated by a 5-2 vote.

Gallen said the reduction of impact fees helps developers produce less expensive housing that makes current Manatee County property, which has taken a big dip in value, less attractive to interested buyers. He also said state law requires counties to raise enough money to meet their infrastructure needs.

"It's either we're going to raise taxes or we're going to violate state statute," Gallen said.

McClash suggested the county consider issuing bonds to pay for 10 years worth of road projects because interest rates are low. The commission voted unanimously to ask Hunzeker to present the board with options for seeking bonds.

"I really think the commission should take advantage of the low cost of building roads. ... I think we would set the future in place," he said.

Three residents spoke during a public hearing on the impact fee reductions, two of them opposing the extension.

Jim Kaiser, the president of the Federation of Manatee County Community Associations, said his membership wants developers to pay their fair share for new roads.

"We're dealing with people that live here and pay their taxes and have paid their impact fees. And now we're having people come in that aren't having to pay their impact fees. You're giving them an advantage we did not receive," Kaiser said.

Hunzeker and several commissioners credited the reduced impact fees for allowing Manatee County to weather the recent economic downturn better than most Florida counties, including Sarasota, which has not reduced its impact fees.

Manatee County's residential building permit approvals dwarfed Sarasota County's in every month of 2010, including by a count of 68 to 24 in December.

Sarasota County Commission is expected to vote on a 50 percent reduction of transportation impact fees at a meeting today.

"Obviously, we're doing something right," Commission Chairman Carol Whitmore said.

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