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Palm Coast, county at odds over impact fee money

By FRANK FERNANDEZ, Staff Writer 

PALM COAST -- The City Council will discuss setting priorities today for spending about \$5 million in transportation impact fees held by Flagler County.

It's a bit of a touchy topic, because Palm Coast officials believe the money belongs to the city and they should be able to decide how best to spend it. But a county official cites an interlocal agreement listing specific projects that qualify for the money.

"The county is holding money that in my opinion belongs to Palm Coast," Mayor Jon Netts said. "If they just wrote us a check, we could use the money at our discretion."

City Council members will discuss the issue and priorities for the money at a workshop beginning at 9 a.m. today at city offices at 160 Cypress Point Parkway, Suite B-106.

One project not listed on the interlocal agreement is sidewalks for Seminole Woods, where council members had suggested using some of the money. But apparently transportation impact fees cannot be used for sidewalks or paths.

The cost of the projects on the list at \$34.1 million far exceeds the about \$5 million available in impact fees.

The list includes \$1.2 million set aside to pay a portion of the \$7.1 million construction cost for Interstate 95 interchange at Matanzas Woods Parkway.

It also includes the extension of Palm Harbor Parkway south of Forest Grove Drive to Old Kings Road at cost of \$2.7 million and the \$9.9 million extension of Old Kings Road at Forest Grove Drive.

Netts said the Palm Harbor Parkway and Old Kings Road extensions are more urgent than the interchange.

"The county for some reason feels that this project needs to expedited and what they are proposing is to use our money or a portion of our money to make up the shortfall in the federal budget," Netts said.

Building the interchange before work is done on Forest Grove and Old Kings would send traffic from the interstate onto smaller local roads, Netts said.

But County Administrator Craig Coffey said until the city started collecting its own impact fees in 2003, the county collected the money based on the county ordinance and rates. The city and the county entered an agreement on how the money would be used, Coffey said.

Coffey also said that impact-fee money cannot be used to pay for walking paths but must go toward roads.

And the county has already dedicated \$2.1 million to build the interchange, he said.

"The reality is we've had to make commitments in order to build the interchange," Coffey said. "We've already committed those monies."

City Manager Jim Landon agrees an argument can be made that transportation impact fees cannot be used for sidewalks or paths.

"It's a gray area," Landon said.

But if the impact fees are used for road projects it could free up other money for the sidewalks or paths, Landon said.

The city is also going to save money by having its own staff design the paths, Landon said.

Other projects on the list include: \$2.2 million for North Pine Lakes Parkway from Palm Coast Parkway to Belle Terre Parkway; \$1.1 million for Royal Palms Parkway Phase 2 from Belle Terre Parkway to Rymfire Drive; and \$15 million for the widening of Old Kings Road from Palm Coast Parkway to Forest Grove Drive.

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