Panel passes impact fee bill

By Zac Anderson, Herald-Tribune
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TALLAHASSEE

Local governments across Florida have been slashing fees charged for new development in recent years to spark economic growth. But state leaders may go a step further and temporarily abolish the fees altogether for small businesses under a bill gaining momentum in the Florida Legislature.

The legislation would suspend road impact fees and so-called “concurrency” charges that developers pay to help cover the cost of new and wider roads, but only for commercial developments smaller than 6,000 square feet. The suspension would last three years.

Supporters cast the bill as a small-business incentive that could encourage infill development in urban areas.

“I’ve used the term real estate clean up,” bill sponsor Rep. Mike La Rosa, R-St. Cloud, said Tuesday before the legislation passed the Senate Community Affairs Committee.

The fee elimination could represent a substantial savings for small businesses. Sarasota County currently charges as little as $741 in road impact fees per 1,000 square feet for a new furniture store and a high of $13,621 per 1,000 square feet for a fast food restaurant. Manatee County charges commercial developments between $627 and $7,800 per 1,000 square feet for road impact fees.

Impact fees are one-time charges for new development, designed to help pay for the expansion of roads, utilities and other government facilities needed because of growth. Cities, counties and schools began using the fees widely in the 1980s to help cope with the costs of a rapidly expanding population.

State officials also passed rules intended to make sure the improvements were made as the growth occurred, a concept known as concurrency.

Some lawmakers worry the legislation would limit the ability of local governments to pay for new roads and other infrastructure.

“Historically, we put concurrency in place because we were having trouble building roads and wastewater facilities and other infrastructure that we needed, that when new businesses come in they help create," said Sen. Darren Soto, D-Orlando. “Do you think this is going to bring us back to an age where we just we can’t afford those types of infrastructure and they’re going to potentially come to the state for that kind of money?”

Bill co-sponsor Rep. Travis Hutson, R-Elkton, said the legislation is designed to help “mom and pop” businesses. Large developments would still be charged fees to help pay for infrastructure.

Supporters of the bill also note that that city and county commissions could opt out of the fee moratorium by a majority vote.

“There are no mandates in this bill,” Hutson said, adding “We’re not handcuffing anyone.”

Requiring a vote to opt out of the fee moratorium puts political pressure on local governments, said Sarasota attorney and growth control activist Dan Lobeck.

“They’ll just blame Tallahassee even though they’re going to have to own their votes,” Lobeck said, adding that “the alternative to impact fees and concurrency are tax hikes and traffic congestion.”

Lobbyists for Florida cities and counties have strongly opposed the legislation. Their opposition led the sponsors to strip language from the bill Tuesday that would also have applied the fee moratorium to smaller residential developments.

Florida League of Cities lobbyist David Cruz said his group continues to have concerns about the bill.

Lawmakers repealed much of Florida’s statewide growth management regulation in 2011. Going a step further and limiting what local governments can do to regulate development infringes on their home rule authority, Cruz said.

“Each city is different and every city knows what their infrastructure needs are,” Cruz said.

Charles Pattison with the environmental group 1,000 Friends of Florida also spoke against the legislation.

“We just don’t think that a one-size-fits-all from Tallahassee is the right way to go,” Pattison said.

If the bill passes — it still has two more committees to clear in both the House and Senate — Sarasota County Commissioner Christine Robinson said Tuesday she likely would support the fee moratorium for small businesses.

Sarasota and Manatee counties have both cut impact fees in an effort to spur development in recent years. Sarasota County commissioners recently extended the fee reduction for two years.

Robinson said temporarily abolishing the road impact fees and concurrency payments altogether for small businesses could help the local economy.

“We struggle to be able to find incentives for small business development and that would be something I would be interested in,” Robinson said. “It would certainly spark redevelopment in areas that are struggling.”