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Pasco County commissioners endorse slashing impact fees

By Lee Logan, Times Staff Writer

Commissioners endorse at least an \$8,500 cut during a packed commission meeting.

NEW PORT RICHEY - Citing a depressed home building industry, county commissioners agreed Tuesday to a major cut in the fees developers pay for services such as roads, schools and parks.

Commissioners unanimously endorsed cutting so-called impact fees by at least \$8,500 on a single-family home. The cuts are only temporary, though, with fees reverting to current levels starting in 2013.

The board endorsed the plan after several hundred developers and contractors filled the commission chambers and spilled into overflow seating.

"These people are here to tell you, that even the ones who are employed, they're employed at less money and less hours than before," said Alex Deeb, who owns Deeb Family Homes in New Port Richey.

Deeb pledged to offer a rebate to home buyers equal to the amount of the fee cut and said other builders are willing to do the same.

The county levies various fees on new developments to help pay for the cost of new growth. Developers have long argued Pasco's fees are too high, putting it at a disadvantage with neighboring counties.

Commissioner Jack Mariano proposed the cuts, acknowledging that spurring new home growth is a short-term fix to create construction jobs.

"If we can put them at least in a competitive situation," Mariano said, "you're going to see more people working, more jobs being created."

Impact fees for a typical single-family home in Pasco total \$16,900. Fees for water and sewer lines are another \$4,000, and will remain the same under this proposal.

Under the plan, fees for libraries, parks and fire service would nearly be eliminated.

Fees to help build new roads would be cut almost in half for new homes clustered in high-growth areas. Those in rural areas would see comparatively higher fees, though they would still be less than the current amount.

The fee for schools, currently \$4,800 for a new home, is still in flux. One option would cut the fee to \$400 and another option halves the levy. Commissioners plan to work out an exact figure during a joint meeting with the School Board.

Pasco schools superintendent Heather Fiorentino said impact fees are sometimes used in lean budgets to help pay back bonds for new schools built during boom times. Citing a \$60 million shortfall in next year's budget and likely layoffs, she called the lighter cut "significantly better" than the other option.

The proposal means a total cut in fees of \$8,500, or \$10,500 if the board accepts the steeper cut for schools. The board plans to formally adopt the new fees during a meeting next month, and the new fees would be retroactive to March 1.

Commissioner Ted Schrader said he understood builders' concerns, but said a better long-term strategy is to lower fees on new commercial development. He said each new home uses more services than the taxes it brings to county coffers.

"If all you're doing is adding additional residential, then all that's going to do is add more burden on local governments," he said.

Other counties who cut or suspended impact fees have had "mixed results," said Commissioner Pat Mulieri. But she said the lower fees might advertise Pasco as more business friendly. "Perception is reality," she said.

An upcoming shift in the way officials collect transportation fees could cushion the blow for road projects. Officials plan to replace the transportation impact fee with a so-called "mobility fee," which cuts fees for new developers and uses other funding methods to help pay for roads.

A November proposal before the county planning board called for a 5-cent gas tax increase and a \$50 charge on all taxpayers. That \$50 charge has since been dropped from the plan. The gas tax increase would need a super-majority vote on the commission, which is unlikely.

Now officials are looking at a plan that would use taxes collected as property values rise to help pay for road upgrades. Exact rates will be hashed out during a board workshop next month.

The plan also allows the county to steer new development toward areas set aside for dense growth and transit while discouraging development in rural areas.

.Fast facts

Pasco impact fees

Below are the current and proposed impact fees for a single-family home between 1,500 to 2,499 square feet. Water and sewer impact fees will not change and are not included in the table.

Transportation: Current \$10,302. Proposed: \$5,700.*

Fire: Current: \$248. Proposed: \$27.

Rescue: Current: \$171. Proposed: \$19.

Parks: Current: \$891. Proposed: \$174.

Library: Current: \$144. Proposed: \$15.

Hurricane: Current: \$240. Proposed: 0.

Schools: Current: \$4,876. Proposed: \$398 or \$2,438.**

Total: Current: \$16,875. Proposed: \$6,333-\$8,373.

* The highest proposed fee for homes built in the west and south areas of Pasco. Other areas would have higher fees.

** The school fee still under consideration pending a joint meeting by county commissioners and the School Board. Proposals range from removing all construction-related money to cutting the fee in half.

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