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SARASOTA LOOKS AT IMPACT FEES

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A growing list of the region's cities and counties are temporarily reducing or eliminating impact fees to stimulate a nearly prostrate construction industry.

The latest proposal is from Sarasota County. It is considering a moratorium on impact fees, which are now more than \$15,000 for a 2,000-square-foot home. But the proposal is drawing resistance from slow-growth advocates, who argue that the cost of new roads and other infrastructure would be shifted onto taxpayers.

Even advocates for temporarily waiving the fees on new construction admit the effort may be little more than window dressing. Impact fees are paid either when building permits are granted or when construction is complete. Both permits and construction have plummeted during the downturn.

"Even if it is just a gesture, I think it's extremely important to encourage the community, because I don't think we've seen the bottom of the well yet," said Sam George, a member of a committee that advises county commissioners on impact fees.

Communities around Southwest Florida have been declaring moratoriums on impact fee collections, or delaying putting planned increases into effect.

Sarasota County and North Port elected officials canceled planned fee increases this year, while the Charlotte County Commission cut impact fees by more than half last year. DeSoto County temporarily removed the fees altogether.

Nothing has been proposed yet in Manatee County, but Commissioner Carol Whitmore said she asked the county administrator to consider an impact fee

reduction Friday after hearing about Sarasota County's proposal.

"I think we'll be talking about it very soon," Whitmore said.

Sarasota County Commissioner Jon Thaxton pushed for impact fee increases the county adopted in early 2007, which boosted the charge on building a 2,000-square-foot home nearly \$5,000 to \$15,586.

While those fees were justified and should be reinstated after the economy recovers, Thaxton argues that they should be suspended for now. That way, when the economy does turn around, Sarasota would be ahead of the curve.

"The bottom line is that there may be an adverse impact of these fees in terms of a recuperating economy," he said.

Builders would welcome the news, said Jay Brady of the Gulf Coast Builders Exchange.

"If you suspend all of them indefinitely, that's a huge message," Brady said.

Most commissioners, though, do not appear to favor Thaxton's call for a moratorium.

"I don't think that's going to jump-start the economy," said Commissioner Joe Barbetta.

Barbetta, along with Commissioners Nora Patterson and Shannon Staub, said they would consider waiving impact fees for targeted areas in the county or targeted industries, rather than an across-the-board moratorium.

It will take years for the market to catch up and find buyers for all the empty homes in the county, said Barbetta, who would consider waiving impact fees for new businesses that would create jobs.

The commission's advisory board on impact fees knotted in a 3-3 vote Friday over whether to recommend the moratorium.

Since impact fees pay for expanding the capacity of the county's congested roads, eliminating them would shift the burden onto taxpayers, said Dick Sheldon, a member of the advisory board.

"I hope we can figure out how to create jobs here, but I don't think you should do it on the backs of the taxpayers," said Sheldon, a neighborhood activist.

But to Whitmore, the harmful economic effects of impact fees are very real.

Her husband, a doctor, and some partners were going to build a medical office building in Manatee County but scrapped the plan and opted for an established building in Sarasota County because Manatee's medical impact fees would have been \$750,000 for the building.

"Tell the people working in construction that this doesn't trickle down," she said.

The fee reductions could significantly affect services that local governments provide, services that are already strained by declining property tax revenue.

Charlotte County's budget director estimated last year that the county would lose nearly \$14 million in 2008 from the reduction, which rolled back fees to 1998 levels, or \$3,000 for a 2,000-square-foot home, compared with \$8,000 before the fee cut.

Even if home building continues at the same slow pace next year, North Port would still give up at least \$300,000 from the September fee freeze.

Staff writer John Davis contributed to this report.

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