

The Daily Commercial

Tavares officials to discuss extending impact fee waiver

TAVARES

LARRY ELL | Staff Writer

larryell@dailycommercial.com

Continuing an incentive to spur commercial development will likely be a hot topic of discussion Wednesday night.

The Tavares City Council will consider extending the city-wide impact fee waiver program for another year. The current waiver ordinance is set to expire at the end of December.

If the extension is approved, developers and business owners would pay no Tavares impact fees for construction within the city limits. The council has three options:

-- Approve public hearings in December to extend the waiver program through December 2011.

-- Approve public hearings in December to extend the waiver program through June 2011 with fees thereafter to be paid over five years.

-- Take no action and allow current program to expire.

City staff is recommending one of the first two options, especially since they feel the program has yielded positive results.

According to figures provided by Economic Development Director Bill Neron, in the first 10 months of 2010, the city approved permits for new construction with a total value of \$31,016,761 with a corresponding loss of \$1,817,254 in impact fees.

Neron said that every dollar of impact fee waived resulted in \$17.07 of new construction value.

"In speaking with the owners of several of the large commercial projects for which building plans have been approved, all have stated that the current impact fee waiver program was a major consideration in moving their projects forward at this time," Neron said.

Neron's report shows that 73 percent of any new construction dollars generated by a waiver of impact fees will be spent on commercial ventures, and 27 percent on residential construction.

The report also says that the \$31 million in estimated new construction through Oct. 31, 2010, is nearly three times the \$11 million in new construction recorded in 2009.

Council members, however, must weigh the potential long-term implications of losing the impact fee revenue.

City officials say the majority of the \$1.8 million in revenue lost the first 10 months of 2010 were from waived water and sewer impact fees. Even though the city has received grants and loans to upgrade the water and sewer system, there could still be a need at some point in the future for some level of water and sewer impact fees, they said.

Tuesday, November 16, 2010 - www.dailycommercial.com/111610tavaresimpact