

Paying for roads is still a challenge in Destin

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By Fraser Sherman

The last thing Destin needs is to have new development pay 31 percent less for roads, City Councilor James Bagby says.

"I cannot support a 31 percent drop," Bagby said at this week's council meeting. If new development doesn't pay for its impact on city services, he said, "it's on the backs of the current taxpayers of Destin."

Despite Bagby's objections, the city passed an ordinance that doubles the road impact fee on single family homes, increases the fee on warehouses and multi-family residences and cuts fees on retail and office development anywhere from 31 percent to 87 percent. The fee for a single-family detached home will rise under the new ordinance from \$471 to \$942; for a retail project under 100,000 square feet, fees would drop from \$3,702 to \$1,215.

Because of the cuts, the city's revenue from the road fees is expected to shrink 31 percent. The council members did vote unanimously to have staff draw up a second ordinance that would eliminate the loss, but it will be months before that comes to council for a vote.

The city charges road, park, police and library impact fees to cover the expense of providing services to new development. Last July, Duncan Associates told the council the fees only covered one-tenth of the cost, but rather than increase fees tenfold during a real-estate slump, the council voted to double them instead.

Some councilors and local business groups said that was still too high. After months of debate, the council passed the police fee earlier this year, and passed the park and library fees early at Tuesday's meeting. Then came roads.

Duncan's study found that residential development has a bigger impact on roads than the old fee schedule allowed for, but retail and office space had less. That means the latter fees have to be cut, because local governments can't charge fees higher than the actual costs caused by new development.

Councilor Larry Williges said he couldn't believe single-family homes had a greater impact than shopping centers, and that the new fees were unfair: "It's putting the burden on single-family residents and multi-family residents, and everyone else gets a free ride."

Bagby said the city couldn't afford to lose any road funding, and called for an alternative fee schedule with smaller reductions on commercial fees and a larger increase, to \$1,357, on single-family homes. Bagby said that wasn't enough of an increase to discourage anyone who could afford a Destin home, and the city would receive as much revenue as under the old rules.

Councilor Dewey Destin said Bagby's alternative raised fees too much. He said the city should swallow the 31 percent cut until the next state-required impact-fee review in two years.

The council rejected Councilor Destin's motion by a 4-3 vote: Councilors Destin, Sam Seevers and Kelly Windes voted yes, Williges, Ted Corcoran and Jim Bagby voted no, Cyron Marler was absent and Craig Barker broke the tie with a no vote.

Bagby moved to have staff draw up the revenue-neutral ordinance, but Councilor Destin said the city couldn't wait: Now that Duncan's study proved the old retail fees were too high, there was no justification for the city to keep imposing them.

"You're here to fix a problem," City Attorney Jerry Miller said. "None of the other issues are as important as eliminating the opportunity for a (legal) challenge."

The council reconsidered its vote and this time the 31 percent-drop ordinance passed on a 5-1 vote, with Bagby voting no and Marler absent.

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