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Board members debate future of impact fees

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Published: Wednesday, January 21, 2009 12:03 AM EST

Palatka Daily News

Leave them untouched or reduce, suspend or abolish them?

Opinions on what should be done with impact fees in light of current economic conditions ran the full spectrum Tuesday during a joint workshop meeting of the Putnam County Commission and Putnam County School District board.

While no vote or action was taken, it appeared that a majority of county commissioners favored doing at least something to reduce or suspend impact fees, while a majority of school board members were reluctant to touch them.

Tuesday's joint meeting came about after the county commission sent a letter to the school board last fall requesting it. The school board put off scheduling the session until after its reorganization in November.

Commission chairman Nancy Harris said the commission is working on an "economic stimulus package" for the county - one that would presumably include some change in impact fees.

"We've pretty much decided (in previous workshops) not to eliminate impact fees," Harris said. "I for one would like to see us do something to let people know we're concerned about them."

Harris said she favors reducing the fees for a limited period to see whether the fees have been suppressing new home and business construction.

Without any hard numbers to prove or disprove that theory, Harris said it was nevertheless important to demonstrate the county is serious about improving its economy.

Harris and Commissioner Chip Laibl pointed out that school enrollment and property values are dropping, so why shouldn't school impact fees be reduced as well?

School Superintendent Tom Townsend said, however, the money from the fee is critically important to a school system facing budget deficits.

"Times are so uncertain right now," he told school board members at a later meeting. "My desire is that we wait and see what the Legislature does."

The state Legislature convenes in March.

If lawmakers in Tallahassee give school systems more flexibility in how they can spend dollars earmarked for capital improvements, that would make money in the impact fee trust fund more vital to meet capital needs, Townsend said.

Impact fees are aimed at offsetting part of the costs of future growth so existing taxpayers don't have to bear them.

Construction of a new, single-family house in Putnam County incurs about \$7,000 in impact fees. The lion's share, or \$4,347 of that, is the school impact fee. The rest is collected by county government for roads, emergency services and recreation. Municipalities collect their own impact fees and also collect the school fee on residences.

County commissioner Brad Purcell differed with fellow commissioners, saying education is the most important activity supported by the fees. Purcell said Putnam's fees are the lowest in the region other than Flagler County's. If Putnam drops its fees, he said, the county would encourage more of the poorest population to move in.

"We've got our share," he said.

Purcell suggested instead that the county suspend its building permit fees. "Target it to the people who are not spending \$150,000, but \$1,000," he said.

On the school board, new member Terry Wright seemed willing to forego all or a portion of impact fees if it will boost new home construction.

"It would encourage more families to come here," he said. "A family with two or three kids would mean more to us in FTE dollars (the per-student amount provided by the state) than we can recover in impact fees."

Other school board members said the county should proceed cautiously and gather updated information before pondering any fee changes. Board attorney Jim Padgett said it is important to make decisions based on facts and not emotions.

If the school board were to change its impact fee, it would have to hold public hearings, then communicate its wishes to the county commission, which enacts the enabling ordinance.

Fees were approved in October 2006 and implemented in March 2007. According to the ordinance, the school system is not required to review its fee until three years from the adoption date.

The school system has collected more than \$873,000 in impact fees since inception. Although some \$730,000 of the money was earlier misdirected into the general fund, it has since been restored to a specific interest-earning trust account. None has yet been spent for capital improvements.

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