

[Print This Article](#)[Back to web version](#)

# BRADENTONHERALD.COM

Monday, Jan 12, 2009

Posted on Thu, Jan. 08, 2009

## Can impact fee changes spark local economy?

### County, city officials looking for new ways for economic boost

By CARL MARIO NUDI  
cnudi@bradenton.com

MANATEE — The economic slump has slowed construction of new homes and commercial buildings, sparking discussions on ways to stimulate growth among developers and builders.

Some ideas floated to accomplish this are the elimination, suspension or deferring of impact fees.

Impact fees are charged on new construction to pay for new roads and additional public services needed because of the development.

"We'd be in favor of anything to help reduce the impact of the costs," said Alan Anderson, executive vice president of the Home Builders Association of Manatee County. "We want to stimulate building."

Anderson said government needs to be a partner in finding ways to spur growth during the economic downturn.

Pat Neal, of Neal Communities, who has been building homes in Manatee County for more than 30 years, said if the county reduced impact fees, "it would be a marvelous thing."

Neal said he would be able to offer more homes in the low \$100,000s.

"Selling more homes would increase property taxes," he said.

Manatee County Commissioner Larry Bustle said Wednesday the commission needs to look at impact fees and the slowdown in growth of the county.

"I know a lot of the capital improvement projects are planned and need to be paid for," Bustle said, "but we need some way to mitigate the effect of impact fees on the economy."

County commissioners are scheduled to review the impact fee structure later this month.

In anticipation of the discussion, County Administrator Ed Hunzeker issued a memo to commissioners outlining what would be the unintended consequences of eliminating, reducing or deferring impact fees.

Because the major source for funding infrastructure in the county is impact fees, reduced revenue "would substantially reduce the number of projects in the (capital improvement program)," Hunzeker wrote.

"Therefore, it would significantly reduce our 'Expediting Projects' Program that is part of the County's Economic Stimulus Program," the memo stated.

Commissioner Joe McClash questioned the wisdom of changing the impact fee structure.

"People want to break the rules of development by eliminating impact fees," McClash said. "There's no free ride."

He said impact fees pay for the infrastructure needed for new development.

"If there were no impact fees, the existing citizens would have to pay for the new infrastructure and services," McClash said. "You can't have growth without increasing services."

For Commissioner Donna Hayes, whose district includes most of East Manatee where most of the county growth has occurred over the past 30 years, said she would like to see impact fees deferred.

"But we have to take into consideration those projects that were approved and are dependent on impact fees," Hayes said. "Jobs may be at risk."

Bradenton city officials have a different take on impact fees, since there has been very little growth in the city over the past year.

Tim Polk, director of the city planning department, told the city council at its monthly work session Wednesday that

his staff has researched other communities on how they provided some relief on impact fees for developers. The phasing-in of the fees based on the stage of construction the development has reached is one of the methods other governments have used.

"It might require payment as each floor is completed," he said. "We're looking at ways to jump-start construction."

There are a number of projects waiting for the economy to improve, Polk said, and looking at how impact fees are levied might help move them along.

He said he will talk to area developers to get more ideas and then present a proposal to the city council.

After the meeting Wednesday, Mayor Wayne Poston said city officials are looking at several ideas.

"Our goal is not for us to sit back and say the economy is bad," Poston said, "and not do something.

"We need to do something to help people. We're asking, 'Should we charge for infrastructure already built out?' "

---

© 2009 Bradenton.com and wire service sources. All Rights Reserved. <http://www.bradenton.com>