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Charlotte County Commission to consider rescinding impact-fee rollback because of 'unintended consequences'

Charlotte County Commissioner Tom Moore was hoping to stimulate the local building industry and help smaller businesses when he voted to roll back impact fees several months ago.

Three of his colleagues agreed, and temporarily lowered the commercial fees to the 1997 rates. At the time, it seemed like the right thing to do, given the economic circumstances.

But that decision has resulted in "unintended consequences," as the county could lose millions in funding for future improvements.

Now, commissioners will consider rescinding the impact-fee rollback before it expires in October.

"We're going to change back to the original impact fees," Moore said. "It's a shame. Some little builders might have benefited."

The issue came to a head Tuesday when several commercial developers attempted to finalize their agreements.

Charlotte Commons plans to develop a vacant stretch of land between Loveland and Veterans boulevards. Representatives from both parties had been negotiating for about two years. The 514,000-square-foot site was nearing final approval.

However, the agreement stalled after the commission learned how much they would have to credit the developer for fixing several problematic intersections.

Prior to the rollback, Charlotte Commons would have paid about $7 million in impact fees, according to Growth Management Director Jeff Ruggieri. The company would now be responsible for less than $2 million if it got the entire development permitted by October.

Normally, a developer's impact fees are applied to multiple area improvements, but the county has a policy to reinvest the money directly into the vicinity of the new project.

In this case, Ruggieri said the intersection improvements -- which include Veterans Boulevard and Kings Highway and Peachland and Loveland boulevards -- would cost about $4 million to complete.

Land-use Attorney Geri Waksler said Charlotte Commons has agreed to pay the difference for the road improvements, as long as the county reimburses her client $2 million in impact-fee credits to use at other projects.

County officials are doing everything they can to avoid that scenario.

"It just pushes the problem off for future projects," Ruggieri said, noting the county would have less money to apply to other road improvements.

As a result, the agreement could be in jeopardy. The commission postponed any decision until a future date.

"I think there is a very good chance ... we will not be able to come to an agreeable developer's agreement," Moore said.

Although impact-fee credits are holding up any action, another factor could play a role in the outcome.

Waksler said the agreement also is premised on the developer's impact on surrounding infrastructure, known as proportionate fair share.

The concept bases the fee on the percentage a development affects and adds to traffic. The commission has already deemed the Kings Highway and Veterans Boulevard intersection to be the worst in the county.

However, Waksler said proportionate fair share was never calculated into the agreement because the amount would not come close to what was needed to fix the intersections. The results of the last study to examine the area showed traffic generated by all the surrounding developments accounted for less than 5 percent of the total. Using these results, the fair share for Charlotte Commons would be about $209,000, according to Waksler.

"I understand (the county's) concern, but it didn't come from my client," she said. "The problem has continued to get worse and there's no money in the impact-fees budget to fix it. This agreement fixes the problem."

For now, the agreement will remain in limbo and the impact-fee rollback will likely get pulled before its trial period ends.

Moore said it's too bad the reduced rates couldn't serve the purposes officials envisioned when they made the change last October.

"We tried to do something nice, but we got burned legally," he said.

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