

Collier commissioners put impact fee problem in hands of county's Productivity Committee

By I.M. STACKEL

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NAPLES — Collier County commissioners hope their Productivity Committee can reign in the cost of impact fees.

At the same time, officials will be faced with paying down debt on existing infrastructure with less money coming in.

Four years ago, Collier collected \$100 million in impact fees, money that is paid by residential or commercial developers to offset the effects of growth on the neighborhood and environment.

Last year, Collier collected something in the area of \$50 million, said Productivity Committee Chairman Larry Baytos, who is now chairman of the subcommittee studying the issue.

Commissioners have budgeted less than that for the current fiscal year, Baytos said.

"Our goal is to either reduce impact fees (or find another way to) keep the economy going," Baytos said Friday.

There's no quick answer, but the process requires a lot of math.

"Every three years, to justify fees, new studies must be performed," he said.

Collier's impact fee manager Amy Patterson said there are 12 impact fees.

"Not all are imposed on all construction," she said. "Schools, libraries and parks are not applied to commercial construction. The exception is hotels and such."

Reiterating Baytos' observation, Patterson said money from impact fees dropped about 50 percent between 2007 and 2008.

It's been a roller coaster ride for those who monitor collection and distribution.

"What we saw happening over the past few years, was there was more residential construction than commercial. Then, it shifted," Patterson said last week. "Law requires the county to look at impact fees every three years, and in between, we must do consumer price indexing."

Last year, commissioners amended the county ordinance to develop an "indexing methodology."

"The board decided (it needed) a more localized look, a localized index," Patterson said.

That's when it was handed off to the brainy Productivity Committee.

Friday, Baytos said they just got their completed copies of the transportation impact fee report from Tindale-Oliver & Associates in Tampa. The report is dated Nov. 13 and committee members discussed it on Nov. 19.

"Transportation makes up about 80 percent of fees for commercial uses and one-third of fees for homes," Baytos said. The Tindale-Oliver study showed that land prices have come down and there will be a fee reduction for a lot of commercial uses, he said.

Baytos' committee will look at methodology, such as the cost of relocating utilities. In Collier County, those costs are included in the impact fees. Maybe they shouldn't be, he suggested.

In his recent report, Steve Tindale noted that there are several primary components of the impact fee, including cost, credit and demand.

"In comparison to other communities, the county's overall cost is slightly higher than the average, due to the additional costs related to building interchanges, mitigation and utilities," Tindale wrote in the report.

What Tindale discovered about the transportation component of the impact fee: Collier is charging more than it should.

"Overall, the calculated fee is \$11,366 for a mid-size, single-family home

compared to the current fee of \$11,523," Tindale wrote. He provided a table of current and proposed fees, compared with those in other counties.

Baytos said that Lee County officials are also working on trying to index their fees.

So far, Charlotte County is the only county that has reduced its impact fees.

"They turned them back to 1998 levels," Baytos said.

Whether Collier will try something similar to stimulate the construction market is something Baytos can't address right now. But it will likely be discussed at the committee's Dec. 3 meeting.

He knows the county can't raise impact fees.

The construction industry is "on life support" already, Baytos said.

Commissioner Donna Fiala said the commission cannot expect the economy to bear more financial burdens.

"With our economy being what it is (and) with our tax base eroded tremendously, it's kind of a catch-22, isn't it?" Fiala said.

"Right now, we can't raise them. We've reached the limit," Fiala said. However, there are other modifications that commissioners may be able to consider.

Suppose someone wants to take an old vacated home and move in, she suggested.

"Don't charge them impact fees," Fiala said.

Baytos said he hopes his committee will be able to come up with a reasonable approach.

Fiala said all must find a way to fix the local economy.

"We have to do everything we can to encourage business and the hiring of employees," Fiala said.

"There's so much at risk here besides impact fees," Baytos said. "I couldn't begin to predict the outcome as I suspect we will find ourselves conflicted; a desire to provide relief to the construction economy tempered by the realization that impact

fees are needed to meet debt obligations for previous infrastructure investments and that ad valorem revenues may continue to come under pressure."

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