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## **Commission considers hiking impact fees to cover the cost of progress**

**By CINDY SWIRKO**

SUN STAFF WRITER

Between a proposal to more than double impact fees for roads and a decision to seek more money from SpringHills for road improvements, Alachua County may be sending developers a message: Get ready to pay.

County officials say the need for, and cost of, new roads is so great that developers should pay more.

Impact fee advocates say it's about time.

Critics say people who want to buy a new house or build a new business will suffer - the current fee on a new 2,000-square-foot home of \$2,104 could more than double. A fee at the full calculated impact would put Alachua among the top counties in Florida.

But a Gainesville consultant who helps counties develop impact fees, retired University of Florida professor James C. Nicholas, said no one should be surprised.

"The reaction is that people have sticker shock. Well, what do they think happened to the cost of roads? They see what's happened with the cost of land and cement. Did anybody really think that roads would go down in cost?" Nicholas said. "Traffic is going up and up and up. Maybe the Easter Bunny is going to come hippity hop and build some roads."

Impact fees are a way to get developers of new homes or businesses to pay for the traffic their project will create. The fee is typically passed on to the buyer.

When it comes to large-scale stuff - such as the planned SpringHills development of regional impact at NW 39th Avenue and Interstate 75 -

proportionate share is another tool.

County commissioners are tentatively set in early May to consider comprehensive plan amendments sought by SpringHills to substantially increase the retail space it can build.

Under proportionate share, a study is done to determine what roadwork is needed to handle traffic from the new development along with general traffic increases in the same area. Costs are then split between the developer and the county.

Recent action by the county indicates a more aggressive approach to getting money from developers may be coming.

"The cost (of roads) is going up," County Commission Chairwoman Paula DeLaney said. "And I think we have had a failure in leadership of not making the decisions that maybe we should have been making all along - that if we had been making we wouldn't have such a huge backlog right now. I think you are going to see us getting tougher and tougher to deal with in transportation."

Alison Cox, president of the Builders Association of North Central Florida, said new homes and businesses will become more costly if impact fees are boosted.

That could price some homebuyers out of the market and lead to higher home costs in general, since some owners of existing homes could increase their prices, she said.

It could also lead to more people buying homes in neighboring counties but working in Gainesville, she said.

"We are always concerned with things that make housing more unaffordable," Cox said. "If you look at the proposed impact fees on businesses, some of them are extremely high. How is a smaller shop supposed to compete?"

The county said keeping up with transportation needs will be difficult without the measures. In 2003, it cost \$1.75 million to build a milelong lane of road. County officials estimate that cost now at \$6.78 million.

If that is sticker shock for the county, developers said they are shocked when they see the impact fee increases that county planners say are needed.

The current residential impact fee is \$1,052 per 1,000 square feet of house. The new calculated fee is \$4,348 per square foot. That would add \$6,592 to the cost of a new 2,000-square-foot home above the current impact fee.

County commissioners, aware of the potential of impact fees to jeopardize affordability for some buyers, put \$100,000 into a fund to help residents who meet income guidelines in buying a new home.

DeLaney believes prospective home-buyers can find something affordable regardless of impact fees - but not necessarily new homes in western Alachua County subdivisions.

"The real affordable housing is always going to come from the used-house market, where you are not paying an impact fee," she said. "Generally, inside the city of Gainesville, there is an awful lot of affordable in resale. And your kids can walk to school there."

Potential impact fee increases on businesses are even higher. A fast-food restaurant now pays \$3,814 per 1,000 square feet. The new calculated fee is \$166,772 per 1,000 square feet.

Large-scale superstores would also face substantial increases from the current \$3,814 per 1,000 square feet to \$74,869 per 1,000 square feet.

Under the new calculated rate, a 200,000-square-foot Wal-Mart Supercenter - the size of the store being built in east Gainesville - would have to pay more than \$14.9 million in impact fees if it were built in the unincorporated area.

The rationale is that those businesses create a lot of traffic that further crowds the roads.

"What we did with our calculations is show the relative impacts of different kinds of uses have," said Growth Management Director Rick Drummond. "That way if you compare the tables, the calculated fees compared to the ones in effect, they are capturing the full impact of some of those retail commercial uses."

But some commissioners also have questions about the how the calculations were determined and whether any consideration is given to how a particular development - a mixed-use residential/retail complex or the new Publix at Haile Plantation, for instance - might ease traffic in some areas.

Among them is Commissioner Lee Pinkoson, who also believes that some of the calculated fees are too high.

"That \$166,772 for a fast-food restaurant is absurd," Pinkoson said. "We won't have any with a fee like that."

Drummond added that a recommendation to the County Commission on

whether the new fee should be the full calculation or a reduced rate has not yet been formed.

Current impact fees were enacted about two years ago and are reduced from the original calculated fee. Drummond said that is fairly common among counties with impact fees as a safeguard against litigation.

Some believe higher fees are overdue.

Kendra Siler-Marsiglio, president of Women for Wise Growth, said the organization favored higher fees two years ago but agreed to the compromise reduced fees to at least get something.

Siler-Marsiglio said the group intends to participate in the process leading to a commission vote on fees, and favors a tougher stance.

"We would definitely support higher impact fees at this point in time," she said. "If you just look around, development is all around us. You can go outside and see new buildings going up everywhere. That typically equals more traffic. It does impact the community, so development should pay its way a little bit."

So far, proportionate share is being considered only for SpringHills. But there, too, the county is looking to get more money for roads.

A new list of road improvements was developed midstream that is much more extensive than the list that was used in the early negotiations.

SpringHills developer the Pennsylvania Real Estate Investment Trust is now looking at a \$58 million bill compared to about \$22 million when an initial vote on a comprehensive plan amendment needed for the development was approved by the commission in early 2006.

Drummond said he will present the new list to the commission when it again considers SpringHills. Drummond said he is obligated to give the commission the best available data.

State Department of Transportation Lea Gabbay said the county can use whatever list it wants.

Gainesville attorney Patrice Boyes, who represents SpringHills, believes the county is unfairly changing the roads list in midstream to get more money out of the developer.

Boyes also contends the original list is the only one that has been accepted by the state departments of transportation and community affairs.

"That should be of paramount influence on the County Commission. The developer's traffic study is the only one done according to state standards and held up to scrutiny," Boyes said.

Boyes added that changing the road lists now "is out of bounds. And if it happens on this project, it can happen to any other economic initiative that comes to this community and there will likely be no meaningful development in this community in the future."

But commissioners say they want the full picture of road costs with both SpringHills and development in general.

Several have said they believe measures such as increased impact fees are needed, though not necessarily at the full rates.

"What I would support is, even if we want to go all the way to the top (fee), that we would do it over a couple of years," DeLaney said.

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