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Commission rejects plea to delay impact fee increases to help economy

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Rejecting pleas to help boost the local economy, Collier County leaders won't delay impact fee increases scheduled to take effect in January.

By a 3-2 vote Tuesday, Collier commissioners rejected a request from the business community that they delay increasing impact fees for six months. Business leaders argued that by delaying an impact fee increase, the commissioners could help out the struggling economy.

The county indexes the impact fees, which are onetime charges on new construction, every year. That means that the fees are adjusted to account for inflation. This indexing is scheduled to occur in January.

Commissioners Donna Fiala, Fred Coyle and Frank Halas rejected the request to postpone the increase. Commissioners Jim Coletta and Tom Henning supported the idea.

Coletta and Henning favored delaying the increase of every impact fee except road impact fees for six months. That would have cost the county coffers about \$670,000, County Manager Jim Mudd said.

The other commissioners opposed the cut, with Coyle arguing that it wouldn't do much to help the economy.

Going into the debate, it was clear that Coletta and Henning would favor the delay, and Coyle and Halas would oppose it. That left Fiala as the swing vote. She hadn't made up her mind when the debate began.

When the discussion did begin, Fiala seemed inclined to support the delay, but wavered and then came out on the other end when the vote was taken.

"I thought I was going to vote for it when we started, and then I ended up opposing it," Fiala said. "As I heard the facts, I realized it was not the right thing to do."

She decided that delaying impact fee increases wouldn't do much good, and also decided that there was more of a need for existing homes now on the market to sell, Fiala said.

"Hopefully if prices on new homes are too high, people will look at buying existing homes that are already on the market," Fiala said.

Collier Building Industry Association President Brenda Talbert said delaying increases in impact fees would give a needed jolt to the local economy.

"Ronald Reagan showed cutting taxes stimulated the economy," Talbert said.

Steve Hart, senior vice president for public policy at the Greater Naples Chamber of Commerce, said the commissioners would show leadership by delaying the impact fee increase.

“By making this decision (to delay the impact fee increase) you send a signal that you believe your actions can benefit the greater good,” Hart said.

But Coyle and Halas objected to the suggestion that impact fees had anything to do with the county’s economic downturn.

“In the last two years we rolled back \$67 million (in property taxes) to stimulate the economy,” Halas said. “But I’m not in favor of subsidizing private sector businesses.”

Coyle said government hadn’t caused the housing slump, and it wasn’t part of the solution.

He also expressed unhappiness with the Collier Building Industry Association and the Chamber of Commerce. He believes the business community is lobbying state legislators to eliminate impact fees.

“Some of the people in this room are actively working to undermine us,” Coyle said.

Coyle has been a vocal critic of the Legislature in the past few years because he believes they are infringing on the home-rule power of local governments when they mandate property tax cuts and pass more stringent growth management regulations that local governments must follow.

“I’d ask the Chamber where is the money we were supposed to get when the state passed the growth management bill (in 2005),” Coyle said, pointing out that the county was supposed to get millions of dollars that never arrived. “Have you been in Tallahassee fighting for that money?”

The answer to that is no, Coyle said.

After the vote, Talbert expressed frustration with the commissioners, especially Coyle.

“Commissioner Coyle fighting the Legislature here in Collier County ...,” Talbert said. “If he wants to fight them, he needs to do it in Tallahassee.”

Due to the economic downturn, many businesses have had to lay off workers, while county government hasn’t laid anyone off, Talbert said.

“There are numerous fallacies that the commissioners are working under,” Talbert said. “The building industry supplies thousands of jobs within this community and the commissioners refused to offer relief that would help these people.”

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