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Committee recommends suspending impact fees

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In early May, Highlands County commissioners will consider suspending impact fees.

During a meeting April 13, the Citizens Advisory Committee on Impact Fees called to suspend the fees, assessed on construction projects to finance infrastructure required by growth.

In a 5-3 vote, the committee recommended the fees be suspended "as soon as possible" for a 12-month trial period.

Jack Richie, committee chairman, said the five members supporting the moratorium think that action is needed to stimulate the local economy.

"I know a couple of people who would like to build a home but they're waiting to see what will happen (with impact fees)," Richie said. "And I'm told there are three or four or five commercial buildings that people want to put up, but they're holding up to see what will happen."

County Commissioner Don Bates said information is being compiled on what other counties, similar in demographics to Highlands, have done with impact fees.

"We expect to have information concerning the results in counties that have rescinded impact fees, looking at their building permits, to see if it increased construction activity," Bates said.

"We also want to look at counties that did not rescind impact fees," he added. "We'll want to compare the two groups, to give us some idea as to what difference it might make if we suspend the impact fees or if we don't."

Bates, the county commission's liaison to the advisory committee, said he hopes the impact fee issue will be on the May 5 county commission agenda. If not, he said, the issue will probably go before commissioners at their May 12 meeting.

Nearly one year ago, County Commissioner Guy Maxcy proposed suspending impact fees to stimulate the sluggish economy, and the advisory committee recommended not taking that action.

"It wasn't a good idea a year ago, based on the information we had at that time," Richie said. "However, now we have to do what is necessary to move this county ahead."

Richie said impact fees were not responsible for the near halt to construction in this county, but other

counties are being "proactive" by suspending these fees, and Highlands should do the same.

Ray Royce, representing agriculture on the advisory committee, was one of five in favor of suspending the fees, but he has since changed his position.

"I will tell the commissioners that I made a mistake, that I regret I voted 'yes' on the resolution," he said.

Royce said he is neither for nor against the suspension, and believes the committee's role is strictly to make sure the impact fees are "fair and equitable."

However, Royce said he has two major concerns about rescinding these fees.

"From an agricultural standpoint, this is my concern - that when you do away with impact fees, theoretically, the need for those improvements, due to growth, does not go away," he said.

"Understand this," he added. "When you eliminate one revenue stream, you often have to increase another revenue stream, whether it be ad valorem taxes or sale taxes or fees."

Richie said that if suspension of impact fees does generate more construction, the projects will help every segment of the county's economy. Not only will builders benefit, he said, but so will the local supply stores, and in turn spending will be raised in many segments of the economy.

Royce said the potential drawbacks to rescinding impact fees should be seriously discussed.

"If they suspend impact fees, that amounts to our own little stimulus package, and it's going to be just like the federal stimulus package," Royce said. "At some point, the people here are going to have to repay for that stimulus."

Royce called the impact fee issue "a political decision."

"Understand that if you do this as a stimulus, you are in fact borrowing against the future," he said. "And maybe that is a good idea. But that is a political decision we pay some people (county commissioners) about \$50,000 a year to make, not the people working on the committee for free."

The three committee members against the suspension were: Mike Averyt, representing the Highlands County Board of Education; Jean Warren, representing the environmental community; and George Hall, representing the county's three municipalities.

In addition to Richie and Royce, members voting in favor of suspending impact fees were: James Clinard, representing the banking and financial industry; Alan Wildstein, representing retail business; and Mike Secor, representing the building industry.