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City impact fees get initial go ahead Gables could reap almost \$20m in five years

By Sebastian del Marmol, sdelmarmol@cggazette.com

If Coral Gables developers and builders felt a surge of electricity materialize in the late afternoon June 26 it likely wasn't from any lightning or thunderstorms but instead the shock emanating from City Hall as the City Commissioners gave their initial approval to a new law which would impose impact fees on all new development.

Developers in City of Coral Gables might have felt a sharp chill sweep across the City Beautiful in the afternoon on June 26 as the City Commission gave an initial approval to a new law which would impose impact fees on new all large scale projects.

Already popular in county government, impact fees are billed as one-time charges on developments designed to offset capital charges and expenses incurred by city which must increase police, fire, general government and parks to maintain current standards of living.

"Impact fees are an important source of revenues for local governments to use which are necessitated by growth," said Assistant City Manager Maria Alberro Jimenez.

If developers across the city collectively cringed as a result of the possible new fees, then cash strapped city officials likely drooled over the possibility of getting their hands on millions of dollars per year.

In fact, according to calculations by experts hired by the city to study impact fees, the Gables could reap just under \$20 million from the fees over the next 5 years.

If approved, the monies would be paid to cover increased expenses in police (projected at \$1.7 million over five years), fire (\$4 million), general government (\$4.8 million) and parks (\$8.8 million) with additional impact fees including sanitary sewer and other optional fees also possibilities.

At the meeting, commissioners heard from two consultants hired to study the possibility of imposing impact fees in the Gables and who explained the methodology behind calculating them.

Yvonne Dawson and Susan Schoettle-Gumm led the audience through a lengthy power point presentation designed to explain how they came to the conclusion that impact fees were applicable and appropriate in the Gables.

The consultants said they had analyzed demographic trends in the city, determined capital costs, determined the best method for fee calculation, evaluated the need for credits, prepared fee reports, received input from the public and were at the stage in the process where elected officials needed to make a determination.

Most commissioners expressed optimism regarding the possible new revenue stream but did have some questions for the experts.

Commissioner Wayne "Chip" Withers asked why the burden for paying park impact fees fell squarely on residential projects when commercial projects also would benefit while Commissioner Ralph Cabrera had serious concerns about the city's ability to effectively manage the funds and make sure the proceeds went to their intended purposes.

Cabrera also asked why provisions weren't made to include traffic impact fees since traffic congestion is one of the most detrimental aspect new projects bring to the city

City Manager David Brown responded that the county already collected impact fees for traffic and that the city could not "double dip" on developers for such expenses.

"The county has a road impact fee and it is already being collected," Brown said. Cabrera acknowledged the fee but also said the city had a hard time getting any of those revenues from county government.

"The reality is we don't see any of that money," he said.

As expected, the proposed impact fees raised the ire of developers and builders with Truly Burton, a representative of the South Florida Builders Association,



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showing up at the meeting to express her displeasure.

Burton cautioned the city saying the developers already were struggling to pay county and school board impact fees and that any additional burdens might severely curtail development in an already challenged read estate market.

She also urged the city to phase-in the impact fees, as numerous other cities have done, to lessen the initial impact on developers.

"If any future fees are adopted there should be a phase-in – typically done over two or three years," she said.

The only member of the public to speak about the impact fees was City Hall gadfly Jackson "Rip" Holmes who questioned the timing of the proposal.

"(Even though) this doesn't affect little people like me, the timing seems a little more than coincidental," Holmes said. "The legislature just imposed a cap on government spending...why are we rushing into collecting more money?"

City officials clarified the fact that the proposed ordinance has been in the works for 9 months and that it was in no way a reaction to the state legislature's decision to curtail government spending.

The impact fee ordinance will be up for second reading at the August commission, along with art in public places law which also will put a burden on developers building in the city.



Article Date: Wednesday, June 27, 2007 Published by: Gazettepub Publisher Email: aprisendorf@cggazette.com

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