

Deltona is right to keep fee moratorium in place

OUR VIEW

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With Deltona still healing from the bruises inflicted by the Great Recession, city leaders did the right thing in voting to keep a moratorium on impact fees in place.

Questions arose when at least one Deltona City Commission member advised the board to remember the purpose of the city's impact fee: to defray costs for additional police and fire services that are needed when growth happens.

But of late, growth has been hard to come by. The economic recovery since the end of the recession in mid-2009 has been weak.

Growth should be encouraged and incentives need to be dusted off and used. No one can afford to take commercial and residential growth for granted, not even in the Sunshine State, where growth seemed to happen in past decades without much encouragement.

Not everyone agrees the impact-fee reductions are still needed.

On Tuesday, Port Orange reinstated two building impact fees. The fees were cut to stimulate home construction, but city leaders said revenue was needed more. The city lost about \$43,400 to the cut.

The cut in Port Orange may have been helping. Port Orange had 89 building permits in 2011, rising to 140 in 2012. But city leaders did not credit the impact-fee cut; they cited natural economic growth. Port Orange does seem to have fared better in recent years than some other cities in the region.

Deltona officials had to make a decision based on the city's current economic condition. They decided to come down on the side of providing stimulus and incentives for growth.

Deltona City Commissioner Webster Barnaby spoke passionately when he bemoaned the state of the economy and spoke of attracting business to Deltona. And in truth, Deltona has a special problem with retailers.

Despite being Volusia County's largest city, Deltona has relatively few businesses and large employers within its city limits. The city only recently attracted a large cinema complex, and has been scrambling to attract retailers that Holly Hill, Daytona Beach and other Volusia cities have had for years.

Recently, developers saved \$32,000 when Deltona got a new McDonald's restaurant, a RaceTrac convenience store, two Dollar Generals and a Dunkin Donuts.

Attracting retail has been the goal of reducing the Deltona impact fees. Why stop now, as the national economy seems to be stalling? Incentives often work.

Impact fees have been used to pay for school expansions and roads. Usually, rapid growth is in the background of such fees, putting the need for civic improvements front and center.

As the economy improves, local impact fees may be phased back in their entirety. But local officials should first ask: Are we out of the woods yet?

Deltona commissioners were correct in concluding they were not out of the woods, and that growth incentives still have value.

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