

February 27, 2008

## Commission postpones impact fee vote

BY RYAN LENGERICH rlengerich@news-press.com

As work bottoms out and layoffs mount, builders and developers all but begged Lee County Commission to use the defibrillator.

Unfazed, commissioners didn't see an impact fee reduction as a life-and-death matter.

Commissioners put off a much-anticipated decision on whether to eliminate or decrease impact fees as a way to stimulate the local economy, asking staff to report back in two weeks with more information. The board does not meet next week.

"Whatever you do, please act swiftly. Right now the Lee County market is frozen," said Walter Crawford, president of Heatherwood Construction in Bonita Springs. "I recommend something as strong as your stomach can handle."

More than 150 people, most from the building industry, attended the meeting's public comment portion.

Impact fees are onetime charges on new construction to pay the cost of providing and expanding services and facilities that benefit a development. The county collects road, park, emergency services and school impact fees. A builder is charged nearly \$15,000 in impact fees for a single-family home. Commercial space is charged by the square foot. It costs \$24,000 for each 1,000 square feet of medical office space, the most expensive category.

Road impact fees hit builders hardest. In February 2007, the county increased road fees from nearly \$3,000 to almost \$9,000 for a single-family home.

Commissioner Tammy Hall said the county should lower - not eliminate - transportation fees, but she wants more information on how far to cut. Other commissioners are less inclined to reduce impact fees.

Commissioners Frank Mann, Brian Bigelow and Bob Janes said they are not convinced a fee reduction will help.

Commission Chairman Ray Judah is lukewarm on slashing fees, unless a study or more information shows it has merit.

The Lee County Building Industry Association has supported eliminating impact fees or at least trimming them, in hopes it would boost new commercial construction, and to some extent, home building.

"(Impact fees) are a deterrent to economic growth in this county, pure and simple," said Richard Durling, president of Marvin Development Corp. in Fort Myers.

He said putting off the decision will stall business during the next two weeks because builders won't pull a permit with fee reductions possible in the near future.

Because of the building slump, the county collected 74 percent less - about \$39.6 million - in impact fees in the 2007 fiscal year than in 2006.

There were 2,248 single-family home permits issued in 2007 in unincorporated Lee County, compared with 6,994 in 2006.

Mary Gibbs, Community Development Department director, said she will likely return in two weeks with more details about the repercussions of cutting fees. She said she will recommend the county expedite a study to determine a new transportation impact fee. That study could be completed in five months.