

Fee relief for builders urged

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BROOKSVILLE — An economic development group is pushing relief from impact fees as a way to help the county's battered construction industry get back on its feet.

The Business and Economic Development Committee on Tuesday agreed to ask the County Commission, on behalf of builders, to temporarily suspend the fees to revive home building.

For businesses and industries, the recommendation was to consider offering a payment plan for up to five years, similar to one in place in Highlands County.

It will be up to county commissioners to decide what parts, if any, of those recommendations to follow.

The idea of suspending the fees, one-time costs paid by owners to offset the impact on government services that their construction will bring, was not on Tuesday's committee agenda. It was brought forward as a resolution by builder Jeff West.

The resolution acknowledged home building as a historically integral activity to Hernando County's economy and noted that "the lack of incentives for new residential building makes it impossible to compete

with existing residential sales." It asks for a public hearing for the temporary suspension.

After the meeting, West said he hopes for formal support soon from the Hernando County Association of Realtors, the Hernando County Chamber of Commerce and Hernando Progress, the remaining groups composing the Liaison Committee.

The Business and Economic Development Committee was unanimous in its support for bringing the idea forward to the commission.

County staff agreed to provide a list of other communities that have lowered or suspended impact fees during this economic downturn as well as details of how much money is available in each impact fee category and what projects are slated for those dollars.

Several months ago, the committee discussed ways for builders to get a delay in paying the impact fees, allowing them to be paid when the certificate of occupancy is issued instead of when the building permit is pulled.

County staff said Hernando used to do so, but it caused problems because some owners chose not to pay their impact fees once they had their certificate of occupancy. Hundreds of thousands of dollars in fees went uncollected as a result.

The committee also had asked county staff to look at Highlands County's method of arranging payments over time. The plan allows payments for as many as five years for commercial builders who owe \$100,000 or more in impact fees.

Figuring that such a break would work best for larger projects, the staff proposed a \$250,000 threshold, an impact fee that would reflect a building project about the size of the Publix and affiliated shops at County Line Road and Anderson Snow Road, according to senior county planner Paul Wieczorek.

For industrial projects, Highlands County uses the same threshold of \$100,000, but Hernando staff suggested \$20,000 might work better to provide more of an incentive for industries to move to the county.

Committee member Nick Nicholson objected to the thresholds.

"I don't agree with that at all. That's totally bogus," he said. "I think we should offer the prepayment plan to everybody and anybody."

Committee Chairman John Druzick said he would be interested in a \$100,000 threshold for commercial projects.

"Small businesses are not going to qualify unless we eliminate the threshold," Nicholson argued.

County staff still wants to explore the mechanism for how to collect impact fees over time and was discussing methods such as having the fee become a second mortgage or possibly requiring a bond.

Michael McHugh, business development director, said he would collect examples of local projects of various sizes so that when commissioners consider the proposal they will have real examples to examine.

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