



Is Impact Fee Committee Killing Construction Industry?

By [Jim Konkoly](#) of Highlands Today

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SEBRING — Some business people claim Highlands County's impact fees, added on top of a poor local economy, have created a vicious one-two punch combination that has knocked the local building industry against the ropes.

If that is the case, though, others say the creation of the Highlands County Citizens Advisory Committee On Impact Fees was the knock-out punch that has crushed the building industry completely.

At the end of its first meeting Wednesday, the 11-member committee, appointed by the county commissioners, elected Jack Richie as its chairman and learned that the committee itself is killing what little was left of the reeling building business.

None of the 11 committee members disputed the statement of Brian Rose, a builder, who said new building projects have been stopped in their tracks since the county commissioners appointed the committee two weeks ago.

"This committee is having an adverse impact on building because it puts everything on hold," Rose told the crowd of 40 people who attended the meeting. People "won't build now, knowing that the impact fees could be waived" in the near future, he said.

Rose said he was going to launch a building project but has put it on hold because the advisory committee might recommend that county commissioners suspend the controversial impact fees.

Why go ahead and build now when impact fees might be suspended in a few months? Rose asked. If the controversial fees are suspended, he said, he might "save \$5,000" on his own home building project.

"But," county Commissioner Don Bates responded, waiting until there is action on the county's impact fees "might cost you \$20,000, too."

Bates was referring to the fact that the advisory committee can recommend raising the impact fees as well as suspending or eliminating them, or keeping them the same.

Nobody knows what the committee will recommend, but one thing is certain: the recommendation won't come soon.

Members said they will have to review complex documents, state laws and policies and consultant studies, in addition to taking testimony from the public and government officials.

The bottom line: the committee isn't likely to make any recommendation to the county commission for at least several months and probably not until August.

Richie, president of the Highlands County Homeowners Association, scheduled the committee's next meeting for 3 p.m. April 9 at the county Agri-Civic Center. Greg Arnone, a Lake Placid developer, was elected vice chairman of the committee.

"We're counting on you," Bates told the 11 committee members, "to give us well thought out recommendations."

Bates said the county commission will pay for any consultants the committee needs. He said the committee could use Tindale-Oliver, which did the studies leading to the county's impact fee schedule, or any other firm with experience in impact fee studies.

Bates chaired the two-hour meeting until Richie was elected chairman. He said he served as chairman of the first meeting just to help the committee get organized. From this point on, Bates said, he will attend every meeting and relay the committee's requests to the county commissioners.

The citizens committee must be independent, Bates said. He emphasized that the committee "can recommend anything it wants to recommend."

Besides cutting, raising or suspending the impact fees, he said, the committee could also recommend increasing or decreasing the current eight areas for which impact fees are charged, ranging from transportation and schools to law enforcement and parks.

The committee heard repeated complaints from three citizens who said impact fees are killing the local building industry and thus killing the heart of the county's economy.

Bates said impact fees "are not a penalty" and were not imposed to discourage home building. Just the opposite is true, he said.

County Administrator Carl Cool said impact fees are the way the county complies with the state's "concurrency law," which states that for every new home and new commercial or business building, the county must secure funds for the extra infrastructure, which will be needed due to the growth.

If the county can't raise those funds – through impact fees or some other revenue raising method – the state will not allow building permits to be issued in this county, and that will completely kill all construction, Cool said.

Current property taxes cannot pay for the new infrastructure caused by growth, Cool said. Impact fees are "the last resort" to pay for that necessary infrastructure, he said.

Business interests on the committee asked the county to provide up-to-date data on where Highlands County's impact fees rank, as far as expense, compared to impact fees in the state's other counties. Committee member Ray Royce asked the county commission for up-to-date research on another critical issue.

Homeowners, Royce said, must have the answer to this question: How much will their property taxes have to go up if impact fees are eliminated and the entire cost of infrastructure for growth is placed on them?

"Concurrency is the issue," Cool said.

The question is not whether concurrency costs have to be paid, Cool said. The only question, he said, is: Who pays for it? The county's current homeowners? Or the people who want to build and move here?

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