

Builders ask for help from the county

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In the extended down economy, area builders are pushing Alachua County commissioners for changes they say would assist local businesses.

In meetings with individual commissioners, representatives of the Builders Association of North Central Florida pressed for a moratorium on the impact fees charged on new development and for a local preference ordinance that gives firms with offices in Alachua County an advantage when bidding on county contracts.

The request for the impact fee moratorium comes during a long stretch of anemic construction in the county. In November, the county issued six permits for new single-family homes — the lowest number since January 1994, according to reports on the county's Growth Management Department website.

By comparison, the county sometimes issued 145 to 155 single-family home permits a month during the boom of 2004 and 2005.

Sutton Family Homes' Kara Sutton, the president-elect of the Builders Association, said the moratorium was not expected to spur development. But she said it could allow a few projects that are approved but not yet financed to move forward.

"Every line item in a project affects the bottom line," Sutton said.

Varying by the size and type of development, impact fees are one-time charges on new development intended to pay for the construction of infrastructure needed to accommodate that growth. Alachua County charges impact fees for roads, fire stations and parks. Of the three, the roads impact fee is the highest — \$2,073 per 1,000 square feet for a home in an urban area and \$2,686 per 1,000 square feet for a home in a rural area. For a 1,500-square-foot home, the three impact fees would combine to \$4,332 in a rural area and \$3,412 in an urban area.

Gainesville levies no impact fees. The County Commission in neighboring Marion County suspended its fees in early 2010, and the construction industry there continues to struggle.

A 2010 Florida State University study found no evidence that reducing impact fees increased building activity in Florida counties.

Sutton acknowledged there was no definitive data that a moratorium would boost the local construction industry. But, she said in this economy, any break could help builders.

The county had road impact fees in place for approximately three years in the 1990s before a repeal in 1995. The three fees now on the books were approved in 2004.

To date, the fees have generated close to \$6 million for roads, approximately \$580,000 for fire station construction and \$612,200 for parks.

Road impact fee money has gone toward projects such as the prior construction of Southwest 91st Street, construction of part of Southwest Eighth Avenue between Parker Road and Southwest 143rd Street and right of way purchases for road projects, according to the Growth Management Department.

The county also plans to use road impact fee revenues for two future Southwest Eighth Avenue projects.

Fire impact fees have gone toward the construction of the Jonesville station. Park impact fees went toward the development of Chestnut-Butler Park, Jonesville Park and the ongoing construction of the community center and installation of sports lights at Kanapaha Park.

Local preference

The Builders Association first pushed for a local preference ordinance in the fall of 2010 and the issue remains on the table.



"Essentially, it's trying to keep local tax dollars local," said Charles Perry Partners' Matthew Webster, the president of the organization.

He noted one specific road project as an example of how such an ordinance might benefit a local firm. In February, the \$1.495 million contract for the resurfacing of Northwest 91st Street went to Inglis-based D.A.B. Constructors when John C. Hipp Construction out of Alachua had submitted a bid that was about \$64,000 higher.

The Builders Association wants a policy that would grant firms with offices and employees in the county extra points in the ranking process when bidding for professional service contracts on tasks such as engineering and architectural design work. On construction projects, the firms would have a percentage knocked off their bid prices, with the county making up the difference.

County Purchasing Director Larry Sapp said county policy does grant an advantage to small businesses from Alachua County and surrounding counties — including some with local preference ordinances of their own that give no advantage to any out-of-town companies.

Sapp said local preference ordinances have become more common since the recession. One potential drawback, he said, is if another county adopts a policy that disfavors companies from a county with a local preference ordinance.

"It's not a real big deal right now but if the preference ordinances keep coming at the rate they are, I think we're going to see more reciprocity ordinances in place," Sapp said. " 'If you're not going to help my guy, I'm not going to help your guy.' "

County Commissioner Lee Pinkoson said the county would have to strike a balance between assisting local businesses and not driving up the costs of taxpayer-funded projects.

A discussion on options for the local preference request is expected at the Jan. 17 County Commission meeting. It's unclear when, or if, the impact fee issue will be discussed.

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