

## Impact fees too often a fallback for local governments, economist says

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On Thursday yet another voice was added to the Collier County growth and impact fee discussion.

Elliot Eisenberg, senior economist for the National Association of Home Builders, presented his report on growth in Collier County to a group of more than 100 community and business leaders in Naples at a Thursday luncheon sponsored by the Collier Building Industry Association.

His take? Local Florida governments are strapped for choices when it comes to tax revenue and relying on impact fees placed on builders to fill coffers.

Local government can't raise taxes and has limits imposed on property taxes. Therefore, it's "dressing up the pig and saying, no, let's just tack it onto building," Eisenberg said.

According to Eisenberg's report, a single-family home built in 2008 in Collier should cost local government about \$10,000 in amenities such as school improvements, road work and sewer systems.

Instead, Collier County currently assesses far more than that.

County Commissioner Fred Coyle, who attended the luncheon, said impact fees in Collier County are higher because of area-specific standards such as panther mitigation costs, wetland mitigation, stormwater retention and hurricane standards that are factored in when building infrastructure.

The board, which has implemented a time-payment plan for impact fees and revised how they are calculated, is considering further action to lower impact fees and encourage building, Coyle said.

"The bottom line to me is the government is not the enemy of our building industry," he said. "We understand the need to make sure impact fees are fair."

Also according to Eisenberg's report, the 848 single and multi-family homes built in Collier County in 2008:

- Generated an initial \$36 million in taxes and other local government revenue and 4,000 jobs during the construction phase.
- Brought in \$5 million in tax and other local government revenue and support 500 jobs each year of the home's duration.
- Cost an annual \$4,000 for single-family units and \$2,800 for multi-family units in local government funding used to pay for education, police and fire protection and water, among other services.

The money and jobs generated by building "ripples" through the economy and can pay for growth within a year, Eisenberg said. But new building relies on bringing in newer and more diverse jobs as well as affordable housing, something that's not happening right now.

"The formulas themselves are all based on people coming here" but that's not happening, said Greater Naples Chamber of Commerce President Michael Reagen, who attended Thursday's talk.

Reagen said he considers lowering impact fees a good option for the county. "Anything that could be done to spark construction is good," he said.

"He's preaching to the choir," said Rick Baranski, director of the Naples Area Board of Realtors, of Eisenberg's presentation.

Baranski said he thought much of the news was something the home and building industry has known for years but has yet to get through to government. He said he thinks focusing on a bringing jobs to the area should be more of a focus than lowering impact fees.

"We need to do whatever it takes to get homegrown jobs," he said.

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