



Lee road, park projects may suffer as housing fees decline

By JULIO OCHOA

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A drop in Lee County revenues because of a lack of new housing permits could force officials to cut some road and park projects planned for the year, county leaders said Wednesday.

Though the fiscal year is 25 percent complete, Lee County has only collected about 3.5 percent of the year's projected impact fee total. Impact fees are collected on new development to pay for new roads and parks.

"Things have certainly changed over the past 12 months," said Dinah Lewis, administrative services director for Lee County. "What it means is we'll take a look at our projections scheduled for this year to see if we need to reorder some of that."

The revenue slide could delay some road and park projects scheduled for this year. The rest of the county's budget is not subject to such extreme fluctuations because it is based on property and sales taxes.

The significant decline in new single-family housing permits reached a 27-year low in December when county planners issued 35 permits. It was the lowest one-month permit total within the county's easily accessible records, which date back to 1980, said Joan LaGuardia, spokeswoman for the county's department of community development. The previous low was 45 permits issued in November 1981. The most single-family permits issued was 1,274 in August 2005.

Since that high, permits have been gradually dropping off.

For 2007, Lee County issued a total of 2,393 single-family home permits, compared to 7,392 in 2006. Multi-family permits, including apartments and duplexes, also slid from 3,998 in 2006 to 1,674 in 2007.

It's not uncommon for November and December to be the slowest months of the year, LaGuardia said.

"What we saw is the quiet holiday month in a very quiet year," she said.

Since the number of permits started dropping in 2006, the county stopped filling vacant positions in the community development department, LaGuardia said. So far, the department is down 35 positions, she said.

It's still too early to determine which projects the county will have to postpone, Lewis said. The county will revise its revenue projections in February.

Original budget projections forecasted revenues of \$71.5 million from road impact fees. Though county commissioners voted to triple impact fees in May, members of the budget office conservatively raised revenue projections by about \$30 million from \$41 million last year, Lewis said.

"At the time, the permits that were being process and the plans coming in were at a level to sustain that," she said. "This collection will get our attention to see what we should do in terms of revised projections."

Last year, road impact fees came in about \$9 million below early projections, said David Loveland, director of planning for the Lee County Department of Transportation.

"I doubt we'll get to \$71 million this year," Loveland said. "How short we'll be, I don't know."

The county's priority is to maintain the timing of projects that are already under way, Loveland said. In order to do that, some things may have to get bumped off the five-year plan, he said.

Revenue forecasts for impact fees are done by district. That means if growth in the south Lee district is down, money spent on new projects in that district could also evaporate, Loveland said.

On a positive note, the lack of home construction could be driving down material and construction prices.

The past two bids the county's transportation department received for road projects came in below what the county had budgeted, Loveland said.

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