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Manatee County Impact Fees to Change Dramatically With a New Method of Charging Them

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by [Joe Shea](#)

BRADENTON -- Those who bought new homes in [Manatee County](#), whether they knew it or not, were paying for impact fees passed on to them by developers. They were sharply different -- and sometimes unjustifiably -- from those charged to commercial projects.

What both have paid for their impacts on law enforcement, parks, public safety and roads was formerly determined by a method that is now being replaced, the Manatee County Planning Commission learned Thursday morning.

[A comparison of the proposed and current impact fees](#) and other documents obtained by The Bradenton Times show impact fee revenues for Public Safety will rise by 108.3 percent and park fee revenues will rise 31 percent, while road fee revenues and law enforcement impact fee revenues will drop 7.34 and 11.6 percent respectively. The overall impact on county revenues will likely be unchanged, deputy county administrator Dan Schlandt said.

"This is going to be kicked upstairs," Planning Commission chairman Richard Bedford said as the commission voted unanimously to do just that. The full county commission may see the new impact fees as soon as Tuesday, June 14, at its work session in the county building.

The amounts involved are anything but trivial, since fees charged to builders of office buildings and shopping centers, for instance, radically underestimated the cost of law enforcement services to those projects, while homeowners paid far more than their share of those costs. In other instances, such as for parks, what the home buyer costs to the county was greatly understated, and now will substantially increase.

The discrepancies came to light when the Planning Commission, usually a pro forma stop for site plans that can only be authorized by the Manatee County Board of Commissioners, heard from Randy Young, a nationally-known expert on impact fees who heads Henderson, Young & Co., a county consultant.

Young, a slender, balding man in a blue blazer with neatly trimmed white hair, looked nothing like a radical. He stood before an a chamber occupied by just a few county planning and administrative executives and told the board that a new methodology that is far more accurate in allocating the cost of services has now been applied to the county's impact fee schedule, subject to the county commission's approval.

"More accurate" turned out to be an immense understatement.

The fees for roads, long unpopular with home builders, have already been cut 50 percent in Manatee County since July 2009. In response to their complaint, fees for schools were also suspended. The state required counties to revisit their demographic and other statistical data more often under the Florida Impact Fee Act. The county's last full study was in 2009.

Critics, like the influential Federation of Manatee County Community Assns., urged the county to keep the old, higher fees to pay its bills without charging residents higher property taxes. But in January, the board took a different course, directing County Administrator Ed Hunzeker to extend the road fee reduction and formalize a two-year suspension of public school impact fees (private schools pay the full



rate).

County commissioners have taken a fairly conservative view of the fees that has seemed to favor developers, their largest contributors. They have said the fees hurt new businesses and new construction, since they usually paid before any sales begin. That can discourage marginal builders who have faltered in the recession, for instance.

But even the most conservative minds probably never imagined how much truth there was to the home builders' lament, at least when it came to law enforcement services, and how much of a change a new methodology would mean. While fees have risen sharply for home buyers in the category of parks, they are eliminated for commercial interests -- but how does a shopping center use a park, anyway?

Opponents have sought to assess impact fees merely as the repayment of costs taxpayers would otherwise have to bear, although some unions saw the potential for work for their members to go away if the fees became prohibitively high for builders. It's hard, though, to say the fees discouraged builders over the past few years more than an utter lack of home buyers did, or that the 50 percent reduction in road fees made any difference when homes became too costly to build at the prices buyers would pay.

The problem with the idea of [impact fees](#), of course, is that today, few taxpayers are buying new homes, so it's not the best source of revenue to rely upon; and while all taxpayers may benefit from a new road, not all will benefit from a new park, fire station, sheriff's office or other capital improvement.

No ambulances come to El Conquistador in northwest Bradenton, for instance, from a fire station 20 miles away in Parrish. No deputies are dispatched from Myakka City to curb an unruly drunk outside a bar in downtown Bradenton. Different places need different kinds of services, and so the actual impacts of any project have always been hard to measure on a countywide basis.

The fees nonetheless have to be calculated on that basis - on what's fair for everyone, or "fair share."

What's happened with Young's new methodology is nothing short of transformative, however. Computer databases have allowed planners to pinpoint with much greater accuracy the actual usage of police, EMS, park and road uses and provide pinpoint accuracy -- even down to the number of ambulance, fire or patrol responses to a given address. Young assembled a large sample of such calls, tied those to assessor's office records of uses and addresses, linked it all to a GPS system and recalculated.

So while the county, based on far less accurate data, has presumed all along that office buildings don't generate many calls for police service, and new homes full of families with kids in school and parents fighting over bills would use a far greater share. That assumption, Young's methodology shows, is not only dead wrong, but has cost a generation of home buyers in Manatee County a huge amount of money.

An article the size of the encyclopedia would be needed to demonstrate what happened, but a summary of those numbers was revealed today by county financial manager Sharla Fouquet, a pleasant, helpful woman with an important job. She is the impact fee coordinator for the county's financial management office, and actually calculates the impact fees the county can soon begin to charge under the new methodology.

Well, enough suspense already. What's the bad news?

The county has been charging the developer of a 50,000-sq. ft. office building a flat \$289 fee for law enforcement impacts and \$985.94 for EMS services. By contrast, they have been charging the owner of a 3-bedroom, single-family house (or its builder, actually, who passes it on), \$839 for law enforcement and \$182 for EMS, or public safety.

When Young's methodology is applied, that changes. A 50,000 sq. ft. office building would now pay \$606.31 - three times as much - and a homeowner would pay \$572.05 -- a reduction of \$266.95 for the Sheriff and \$304.29 for EMS/Public Safety.

That's not the end of the story, though: the home buyer's charge for the parks has been raised from the current \$971 to \$1,426.82, a whopping 46 percent increase, while the builder of the office building pays exactly \$0, as he has been for years. But what about Young's "double charging" prohibition? In Manatee County, users of the parks pay substantial fees to join teams and play tennis, to use a gym for basketball and a court for handball, and those fees have been raised several times in recent years to help the facilities pay for themselves. Why do home buyers have to pay for them, too?

One reason these vast changes in the charges have to occur is because conservatives who are opposed to the fees in principle have used their political clout to get them closely tied to real costs, rather than what have been at best flawed data and hopeful guesses.

And state laws say that the money impact fees bring in must be used for capital improvements only -- i.e., police cars, but not deputies; ballfields, but not coaches; ambulances, but not drivers.

Those standards impose a heavy burden on counties that have often tried to seek impact fees simply because there was little that developers could do to resist if they wanted a permit to build their homes, shopping centers and office buildings, and some compared the fees to extortion. But the county did have real costs, and uncontrolled growth ultimately has to be paid for. Now, if they have a case, the database Young and Fouquet have shared will prove or disprove all claims. They pay for the steak, not the sizzle.

The projects that pay the fees have to be closely tied by documentary evidence to the actual costs, as is only fair. And if the county can get money from another source for the impacted park or road, for instance, it must do so before asking an impact fee from developers -- no "double charging," as Young put it Thursday. The county also cannot charge for what it already needs, either, which is called a deficiency; it has to charge for the impact of growth -- more people, more cars, more costs. Finally, the data on which the fees are based must be kept up to date and "relevant to the local market."

But back to our 3-bedroom home buyer. Once the savings on law enforcement is realized, the home buyer begins to take on a higher proportion of the fees. For roads, the home buyer will pay almost \$440 more, going from \$3,506.50 under the old method to \$3,946.03 under the new one. But the 50,000 sq. ft. office building that was paying \$3,866.50 for road fees now sees the builder's charge cut nearly in half, to \$1,822.88.

It's important to remember that while dramatically impacting the numbers in what at first glance seems to be a bow to developers, in many cases the new fees merely shifts the weight one allocation -- the Sheriff's office, for instance to parks; where shops, offices, hospitals, warehouses, manufacturers, churches, nursing homes, private schools, hotels and motels pay nothing.

The developer of homes, however, will get an increase in park impact fees for that 3-bedroom home from \$971 to \$1,426.82. That erases the savings on law enforcement fees, while public safety and roads fees for home buyers go from \$3,506 to \$3,946.03.

In the end, impact fees for the 3-bedroom nuclear family -- again paid through the builder's home price -- goes from \$5,498.50 under the old methodology to \$6,249.19 -- nearly \$750 more. And what happens to that 50,000 sq.ft. office building that got smacked with the 250 percent increase for law enforcement? Its road impact fee has dropped from \$5,319 to \$1,822.88, and its total for all four elements -- law enforcement, parks, public safety and roads -- drops from \$4,208.44 to \$2,562.41.

Perhaps the ultimate question is, how much does the county have to work with, versus what it had to work with last year? After all the drops and increases, the answer is not a whole lot. Revenues for park impact fees will go up 20 percent, while law enforcement fees will be reduced. Revenue from road fees, due to the 50 percent cut two years ago and other factors, will be slightly decreased. Overall, county revenues will remain flat, says deputy county administrator Dan Schlandt.

That was an improbable but genuine statistical aberration. After hundreds of different revenue sources were assembled and added up, many of them dramatically changed, the amount of the revenues from impact fees was exactly the same as last year. "It was just weird," Schlandt said. "It just happened that way."



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