

Marco Council's 7-0 vote delays changes in controversial restaurant impact fees

By KELLY FARRELL

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Restaurant owners looking to expand may want to put such plans on the backburner for now. Marco Island City Council voted (7-0) to table the idea of approving a moratorium on restaurant impact fees.

Several restaurant owners on Marco Island were crying foul about utility impact fees costing them more than \$50,000 for recent business expansions.

The decision to table was based on a need to allow more time to study the ramifications of decreasing such fees both for boosting business growth and for the city utility.

Susan Ackerson, owner of Old Marco Pub and Restaurant, said she would like to expand from 102 seats to 150 seats to get a liquor license, but the expense doesn't make sense.

"People are going to use the same amount of water whether they are home or in our restaurant," Ackerson said.

Marco Island's water and waste water utility is already struggling economically and reducing impact fees would require increasing other customers' fees, city officials warned.

"Impact fees are based on the concept that the people creating the impact on that system pay for that impact," said Patricia Bliss, director of the city finance department.

The genesis for looking at the idea of reducing or temporarily eliminating impact fees came when the owners of Chefs' Express approached council in October with what they called a shocking \$64,000 estimated utility impact fee from the city-operated utility.

The fee estimate was sent via email early in the year after the Feinman's had already completed an expansion that included adding indoor seats.

Owners Rick and Anne Feinman said they can't afford it and will move before paying that much money. They also argued that they are a customer of the private North Marco Utility service.

They also are a city water customer, Bliss said. As such, they look to have about \$3,000 cut off that fee for sewer pipes that are maintained by North Marco Utility, she said.

In October, council decided to have the Marco Island Utility Advisory Board analyze whether there would be a benefit it lowering all restaurant impact fees.

The advisory committee, including Chairman Ken Honecker, Amadeo Petricca, Richard Bergmann, Mike Nocifora and Dave Rasmussen, recommended (5-0) that council not consider a moratorium.

Rather than look at utility impact fees for all customer classes, the board looked at impact fees for restaurants only and concluded that a moratorium was not recommended due to this unfairness.

The board cited three other reasons for their opposition to removing impact fees including that it could hurt the city's bond rating; it would elicit a need to increase water and waste water rates for other customers and it would offer an unfair advantage to new restaurants.

Instead, the utility board recommended developing more payment plans, which some restaurants are already using, and review alternative impact fee calculations.

Last year, the city collected \$50,000 in impact fees for the entire year, city officials said. This year, two restaurants alone are looking to pay more than double that amount. Other restaurant owners who moved their businesses could be subject to impact fees, as well, because they run with the property, not with the business.

Council did not consider whether to approve a staff recommendation to allow impact fee credits to be transferable, essentially making them a tradable commodity.

Business owners and council members weren't clear on how the impact fees were calculated and asked for more details from city staff.

"I don't want to deliver a half-baked potato," said City Planner Kris Van Lengen. Situations vary significantly based on location, business use and several other factors, he said.

The median amount of utility impact fees paid by restaurants is less than \$10,000, reported City Manager Jim Riviere.

Councilman Bill Trotter said that's not incredibly onerous and that the Feinman's could seek other remedies for their higher fee, including making payments.

"One man's ceiling is another man's floor," responded Chairman Frank Recker.

Councilman Joe Batte said he wanted to consider a waiver on fees, but agreed with Trotter that it should be done after gathering knowledge.

Councilman Chuck Kiester recommended tabling the issue until the conclusion of a full utility rate study.

"I don't think that someone should get an advantage over somebody else," said utility board member Amadeo Petricca.

In other business, council decided to take no action on disbanding the code board after a lengthy discussion.

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