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### Lauren Ritchie: School Board should ask county to collect impact fees, raise property taxes for schools

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COMMENTARY

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*Second of two parts.*

School Board members are trying desperately to find \$387 million over the next five years, mostly for new schools and for renovations to make small schools accommodate more students.

Now they think they've found a new source to stick with the bill: you, the taxpayer.

All through the building boom, the School Board was collecting an impact fee on new construction that was more than \$7,000 per home. People building houses in droves theoretically were paying for the cost of the new schools being built at a breakneck pace to accommodate their children.

Despite such a high fee, growth still outstripped the district's ability both to build fast enough and to pay completely for construction.

Then came the bust, and county commissioners deemed the impact fee — which was increased to \$9,324 in late 2007 — a hardship. They decided to suspend collections last April, retroactive to Jan. 1, 2011.

The suspension is set to expire at the end of next month, and now School Board members have a new study showing that the real cost is \$10,292 per house. School Board members have passed the study along to the county with the "consensus" that it should be imposed, instead of taking a formal vote. Commissioners rightly took that as waffling on the part of the School Board.

"What's the reluctance to support the fee?" asked Commissioner Jimmy Conner, a former School Board member, while the deep chuckle of fellow Commissioner Welton Cadwell echoed in the background.

The politically savvy observer knows why School Board members don't want to vote. This is an election year, and they're trying to escape the displeasure of impact-fee-hating developers who supported their campaigns. Never mind the needs of students.

However, they may have miscalculated: People who live here today will be fighting mad if elected officials shift the cost from newcomers to residents.

"That's not going to fly with the general public," predicted Conner, who previously served on the School Board.

Yeah, no kidding. Few sane residents want to pay property tax through the nose so that developers can increase their profits.

It is School Board member Tod Howard who is suggesting that the commission instead raise property taxes by 50 cents for each \$1,000 of taxable property value and give the proceeds of \$9 million annually to the schools.

Never mind that residents already are shelling out cash — and will be for years to come — to pay for the last wild romp developers took over Lake.

Howard's justification: "It is unlikely that we will be building any new schools in the near future, so impact fees are inconsequential. We do need maintenance funds and maintenance of facilities is a cost to be shouldered by all. ... a previous board

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actually created the cost shift when they bonded money for new construction. That bonding was based on the 2 mills [\$2 for each \$1,000 of taxable property value] Lake County schools collected at the time. That ship sailed long ago, and we are left to clean up the mess."

### **Pare down maintenance list**

Howard is wrong in three big ways.

First, only \$35 million of the "needs" list of \$387 million is for maintenance that has been delayed. The rest is for new schools, remodeling intended to make a school suitable for far more children than it was designed to accommodate, computers and buses.

Second, impact fees are not "inconsequential." During the 15 months of the moratorium during the economic collapse, the School Board still would have gotten \$6 million if the fees had been collected. That is hardly "inconsequential."

That amount would have taken care of both remodeling at Umatilla Middle and renovation of the cafeteria at Cypress Ridge Elementary in Clermont, where children are eating lunch during hours usually reserved for breakfast.

County Commission Chairwoman Leslie Campione argued that some of the folks who built houses last year would not have done so if they had had to pay impact fees. That is always the lame argument of developers. *No one will build*, they whine. History has proved that a lie. Impact fees haven't been shown to make a whit of difference.

Third, even if commissioners were to adopt Howard's suggestion, there's still a huge gap between what would be collected and what is needed — a disparity of \$342 million, to be exact.

The level of the School Board's desperation for money was revealed by Chairwoman Rosanne Brandeburg. Asked how she could justify forcing current residents pay for growth, she hesitated, then said, "Well, um, because that is one of the options that is out there. I've got to figure out how to come up with dollars for our schools."

So there you have it: You should pay because you have the cash and we can take it from you without making our campaign contributors furious.

Here is the point where it might be good to take a deep breath and attempt a shot at restoring a rational nexus between taxes and the notion of who should pay them.

First, the school district doesn't "need" \$387 million in the next five years. School Board members must pare down the list.

First, eliminate all the classroom additions designed to get children out of portables. That's a worthy goal, but it's simply out of this district's reach right now.

Second, prioritize renovations needed to keep schools functioning smoothly, such as ensuring there are enough bathrooms and the cafeterias can accommodate the students. The list should include a reasonable number of new computers and replacement buses, and — if a new school truly is needed — it should be on the list. Growth isn't exactly spurting. How many of those could there really be?

The \$35 million in maintenance projects should be a separate list.

### **Protecting taxpayers' investment**

School Board members should come to the upcoming joint meeting with county commissioners with two lists in hand and two solutions.

First, they should open a can of courage and vote unequivocally to urge commissioners to increase the impact fee to cover the actual cost and immediately to begin collecting it.

You say fewer people will build? Phoo. They will lop off that extra bathroom or make the garage smaller or delay putting up a fence. And if they truly can't afford to pay their share, they should not be building.

Perhaps, instead, they will buy one of the 4,494 homes that were on the market in Lake County as of Monday. Would it really be so bad to get that inventory back to a reasonable level, thus beginning to raise the value of all homes in Lake?

Second, the School Board should, indeed, ask commissioners to raise property taxes by 50 cents on every \$1,000 of taxable property — about \$50 a year for owners of a house with a taxable value of \$100,000 after the homestead exemption.

In return, School Board members should promise through a written contract, with provisions for inspections and accountability, to use that money only for maintenance. Howard is right that every resident is responsible for maintenance. This would protect the billions of dollars of investment that taxpayers already have made in schools.

If commissioners say no, the fallback position of the School Board should be to ask them to put the proposed tax increase on November's ballot — along with a list of specific maintenance projects and the number of years the tax would be collected.

These specific proposals at least would give the two elected bodies a point to begin a real discussion aimed at fixing problems created over the last three decades. And it would rescue the rest of us from once again listening to them whimper and moan like children over whose fault the problems are and who should fix them.

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