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[POLK IMPACT-FEE FAIRNESS]

Polk Impact-Fee Fairness: In Deepest Sympathy

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It would be nice if Polk County commissioners could lower impact fees - but make their decision based on rational discussion and pertinent data. Based on recent comments, that is unlikely.

Impact fees are placed on both new residential and commercial construction to offset the costs of providing road improvements, additional public safety-personnel, schools and other infrastructure. They were a long time coming to Polk County, and were set well under what a consultant's report recommended when they were first implemented.

About a year ago, commissioners rebuffed an effort by the Polk County Builders Association to slash them by half. That motion didn't even draw a second. A motion to reduce them by 25 percent failed on a 3-2 vote.

A year later and new home building is stagnant. Meanwhile, the market is flooded with existing homes. A cut in the transportation impact fee - recommended by a consultant - is warranted. But Commissioner Ed Smith thinks that all impact fees should be cut arbitrarily by half. He said he hoped it would "provide some relief" for the county's unemployment problem.

Not likely. It didn't happen last summer in Marion County when commissioners knocked \$4,000 off a transportation impact fee - a reduction of more than half. "During the experiment period, the number of permits fluctuated from 89 [in May] to 129 and back down to 84 [in June]," reported the Ocala Star-Banner. "That's a sharp contrast to the average of 500 a month the Building Department was issuing in 2004 and '05."

Commissioner Jim Payton, a prime advocate of the cut, said he didn't think it helped anything. "If it did, we were really in bad shape."

It's not surprising. A few months after the Marion County experiment ended, Duncan Associates, a Texas-based impact-fee consulting firm, released a national impact-fee study. Among the conclusions: "Despite the obvious fact that the problem is one of oversupply, some governing bodies reasoned that they were not getting much impact-fee revenue anyway and that reducing fees would signal their sympathy with the plight of the home builders, even if it would have no real effect on reviving the construction industry."

Moreover, Polk's reduction would come at a time when the economic-stimulus package hasn't even begun to help home buyers. And based on February sales figures, the real-estate market may have started a recovery, although it's too early to determine if it is a trend.

Home builders are deserving of sympathy. But they are not the only group. Should the county show sympathy for those going into foreclosure by cutting court-filing fees? Should commissioners be sympathetic to existing property owners by cutting the millage rate by 50 percent or 25 percent? Should they lower annual business-tax receipts to help existing companies?

It's not just home builders who need sympathy. Commissioners shouldn't single them out - particularly with a break that does little to help the economy - but the consultant-recommended cut, based on appropriate study, makes sense and would serve the virtue of fairness.

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