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Some Miami-Dade commissioners fear negative result if impact fee moratorium proposal comes to fruition

By Risa Polansky and Yudislaidy Fernandez

Outlawing localities from collecting impact fees for the next three years could help keep Florida's economy moving during the recession, the state senator proposing the ban says.

But Miami-Dade commissioners fear the moratorium, if passed, would be a $60 million hit to the county's dwindling coffers.

Sen. Michael S. Bennett of Bradenton this month filed a bill proposing a three-year ban on local governments imposing or collecting impact fees, the charges builders pay to help governments absorb the impact of their projects by building infrastructure and providing services.

"Basically we're looking for economic stimulus — we're trying to find ways to get companies to relocate here to the state of Florida," Mr. Bennett said. "We know people have a lot of burdens. We know impact fees are one."

Local elected officials see it differently.

"I think it's of great concern," county Commissioner Katy Sorenson said of the proposed moratorium at a commission meeting last week.

Sally Heyman agreed, urging fellow commissioners to consider "the consequences of this piece of legislationÖ We need to take a strong position on it today."

Commissioners did not vote whether to formally oppose the proposed state ban — but they did agree to raise the county's road impact fees for the first time in nearly 15 years.

Miami-Dade collects impact fees for roads, fire and emergency services, police services, parks and educational facilities.Ý

"It's not necessarily a very wise position to take to put a moratorium forward," Jennifer Glazer-Moon, director of the county's Office of Strategic Business Management, told commissioners at the meeting.

"Our initial estimates are that a three-year moratorium on impact fees would result in a loss of $60 million to the county," she wrote in an e-mail, noting that the total does not include the fees collected for schools.

She called the estimate "a conservative figure, because we are assuming that development will be slow in the next few years."

Miami city officials are also keeping an eye on the bill.

Miami Chief Financial Officer Larry Spring said the city's lobbying team has provided the administration with information on the proposal. The team is reviewing its possible impact and analyzing a game plan, he said.

Last fiscal year the city collected $4.7 million in impact fees.

Mr. Spring said the city will monitor the bill when the Legislature reconvenes.

"I don't know if it will gain momentum as a bill," he said. "It's a waiting game, and we'll see what happens."

The city commission has not discussed the proposed Senate bill at recent meetings, but Mr. Spring said he plans to touch on it as part of an economic impact update he is to give the commission next month.

Both local governments are already considering next fiscal year's budget.

Diminishing property tax collections and state mandates have forced the county to slash its budget the past two years — to the tune of $200 million each time.

Ms. Glazer-Moon said "it will be at least that again" next fiscal year.

County Manager George Burgess warned in a memo to commissioners that, "while we have been able to avoid significant service cutbacks by focusing on reductions in administration and overheadÖ it will be very difficult to spare any department from the reductions that will be necessary to balance the upcoming budget."

The city is also concerned about a reduction in tax collections and state cuts for next year.

At a city commission meeting this month, City Manager Pete Hernandez said the city plans to start early in planning for next fiscal year and finding strategies to trim the budget.

County Commissioner Heyman worried that, without impact fees, "we're going to cut off the very legs of our ability to deliver service."

Sen. Bennett's answer to fretting local governments: "Ask them how many building permits they issued last month," he said, pointing out that construction has ground to a near halt.

Local governments aren't likely to collect much in impact fees now anyhow, he said, meaning a break from the fees could be an "incentive" to keep the economy moving.

The county considered the construction slowdown in estimating the losses it could face should the moratorium pass, Ms. Glazer-Moon said.

Some commissioners acknowledged the building slowdown when deliberating whether to raise road impact fees — but none came out in support of a moratorium.

A ban on impact fees could affect existing county deals, Commissioner José "Pepe" Diaz feared.

He asked for confirmation whether "these impact fees are already used for projects ongoing" and whether the proposed ban would affect them.

"It willÖ we have commitments on projects that we won't be able to cover if we don't collect impact fees," Public Works Director Esther Calas confirmed.

The proposed ban must still make its way through legislative committees, Sen. Bennett said.

If passed, the moratorium would begin Oct. 1 and last through Sept. 30, 2012.

More development without added county infrastructure and services would be a disservice to residents, Commissioner Sorenson said.

"If we're going to have a moratorium on impact fees, we should have a moratorium on building."