

WEDNESDAY'S CUP: Developer opposes impact fee cut?

By Gulf Coast Business Review - Wednesday, February 02, 2011

Sarasota County government's proposal to cut road impact fees 50% may face a challenge from an unexpected direction: A major developer in Palmer Ranch landowner Hugh Culverhouse.

That's because a lower fee will stretch out the reimbursements for road construction projects Culverhouse agreed to undertake in exchange for impact fee credits.

That deal is outlined in a June 2009 road impact fee credit agreement between Palmer Ranch entities, McCann Holdings and the county.

The Jan. 21 letter claims Palmer Ranch has spent roughly \$6 million in designing and building Honore Ave., and expects to complete the project well ahead of a June 2011 deadline.

And like any good businessman, they want their money sooner rather than later.

In the five-page letter from the law firm representing Palmer Ranch Holdings Limited to the county, the landowner writes, "In Palmer Ranch's view, reduction of such impact fee reimbursements would violate Palmer Ranch's contractual and constitutional rights."

Signed by attorney Lawrence Kellogg, of Miami law firm Levine Kellogg Lehman Schneider and Grossman, LLP, the letter also notes that this year AutoNation and Lowe's are expected to build projects on Palmer Ranch "that should collectively generate \$1.6 to \$2 million in road impact fees, at the current road impact fee rates. Changing those rates now would therefore cause severe damage to Palmer Ranch."

Sarasota County Commissioner Joe Barbetta and Deputy County Administrator David Bullock acknowledge that lowering the fee will stretch out the reimbursements absent a way to supplement the payments with other funds. They don't necessarily agree, however, that a lower fee violates the agreement.

Culverhouse is not known to shy away from a legal fight he thinks he can win — especially against Sarasota County. Nevertheless, Kellogg writes, "Palmer Ranch has no desire to again litigate with Sarasota County It will do so, however, if its rights are impaired."

Sarasota County raised its road impact fees in 2007, but didn't fully phase-in additional planned increases after the economy tanked.

In December, the county agreed with a Sarasota County School Board request to not collect the school impact fee for two years, and began discussions to lower the road fee. At the time, Commissioner Jon Thaxton raised the issue of how lower road fees might affect development agreements such as the one with Palmer Ranch.