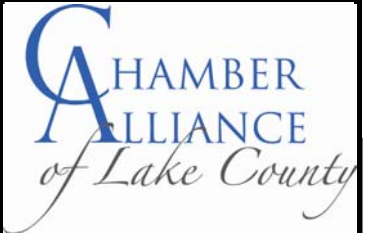


# Impact Fee Update



August 16, 2007

## Public Hearing Scheduled for Proposed Impact Fee Increase

On August 21st at 5:00 p.m. the County Commission will hold a public meeting to discuss increasing the Transportation Impact Fee that is charged on all new construction. It is critical that the business community be present at the meeting and your opinions are heard on this important issue. The meeting will be held at 315 West Main Street, (Round Building, Second Floor) Tavares. Please support the business community by attending and voicing your opinion on the proposed increases.

**Contact your  
County  
Commissioners:  
(352) 343-9850**

Jennifer Hill -  
[jhill@lakecountyfl.gov](mailto:jhill@lakecountyfl.gov)

Elaine Renick -  
[erenick@lakecountyfl.gov](mailto:erenick@lakecountyfl.gov)

Debbie Stivender -  
[dstivender@lakecountyfl.gov](mailto:dstivender@lakecountyfl.gov)

Linda Stewart -  
[lstewart@lakecountyfl.gov](mailto:lstewart@lakecountyfl.gov)

Welton Cadwell -  
[wcadwell@lakecountyfl.gov](mailto:wcadwell@lakecountyfl.gov)

## Proposed Impact Fees Increase 500%

The County is proposing that Transportation Impact Fees increase in some cases over 500%. According to the County's consultant these fees are necessary due to the cost of current road construction and length of travel that occurs per vehicle trip in Lake County. While the Chamber Alliance agrees that roadway construction cost has increased since the last impact fee study was conducted, there is concern with some of assumptions that were made by the consultant to justify the proposed increase.

Land Use	Lake Current	Lake County Proposed	% Increase
Bank	\$12,207	\$65,620	538%
Medical Office	\$6,717	\$36,282	540%
Restaurant	\$11,422	\$58,516	512%
Supermarket	\$4,952	\$24,486	494%
Retail	\$2,816	\$19,133	679%
Fast Food Restaurant	\$17,706	\$147,231	832%
Office	\$4,452	\$15,431	347%
Day Care	\$4,507	\$22,090	490%
Hospital	\$2,444	\$12,641	517%
Church	\$1,322	\$6,561	496%
Industrial Park- Light	\$2,157	\$11,137	516%
Manufacturing	\$1,182	\$6,107	517%
Warehousing	\$1,535	\$7,931	517%
Single Family	\$2,189	\$11,396	521%
Apartment	\$1,408	\$5,229	371%
<b>Average Increase</b>			<b>526%</b>

The County's proposed impact fee is based on roadway construction cost of \$4.2 million per lane mile, which is the average cost to construct both County and State roads throughout the State of Florida. This average rate is based on State-wide construction statistics which are skewed by the number of roads that are constructed by larger urban counties versus rural or urbanizing counties. To further this concern, information provided by the County's consultant shows that counties surround Lake County are constructing roads much cheaper than what is being proposed by the County. Why? This is just one of the concerns that are being raised by the Chamber Alliance about the accuracy of the study that is being used to justify the proposed fees.

### Area County Average Roadway Cost

County	Average Cost per Lane Mile
<b>Lake Proposed Cost</b>	<b>\$4,157,477</b>
Polk	\$2,311,654
Pasco	\$3,079,051
Osceola	\$3,231,866
Volusia	\$2,564,932
Hernando	\$2,263,912

Source: Tindale-Oliver & Associates (County's Impact Fee Consultant).

The Chamber Alliance of Lake County is a non-profit organization advocating on behalf of the Chambers of Lake County and their 3,500 Chamber members.

The Chamber Alliance is comprised of the East Lake, Leesburg Area, Tavares, Lake Eustis, Mount Dora, Lady Lake, South Lake and Umatilla Chambers.

For additional information on the Chamber Alliance, contact your local participating Chamber of Commerce or Robert Johnson, at (352) 551-8166 or by email at [rdj@commerceparkinvestments.com](mailto:rdj@commerceparkinvestments.com).

## Proposed Fees Don't Compare to other Counties

Surrounding counties have much lower impact fees than the proposed fees, making it less attractive for businesses to locate in Lake County. According to Dr. Hank Fishkind, an economist, the proposed fees would have a negative impact on the amount of commercial and industrial development in the County. He estimated that commercial development would decline by 588,279 square feet in 2008 as a direct result of the proposed fees and that actual combined impact fee and ad valorem revenues would be reduced over 20 years by \$6.7 million. Additionally, his study determined that due to the reduction in local development, 960 jobs will be lost along with \$77 million annually in the local economy.

Land Use	Lake Current	Lake County Proposed	Sumter County	Marion County	Volusia County
Bank	\$12,207	<b>\$65,620</b>	\$35,250	\$23,168	\$10,960
Medical Office	\$6,717	<b>\$36,282</b>	\$8,770	\$17,847	\$5,560
Restaurant	\$11,422	<b>\$58,516</b>	\$19,550	\$27,807	\$10,590
Supermarket	\$4,952	<b>\$24,486</b>	\$17,650	\$11,795	\$6,800
Retail	\$2,816	<b>\$19,133</b>	\$7,650	\$8,596	\$5,350
Fast Food Restaurant	\$17,706	<b>\$147,231</b>	\$66,930	\$67,920	\$23,010
Office	\$4,452	<b>\$15,431</b>	\$2,670	\$8,883	\$4,320
Day Care	\$4,507	<b>\$22,090</b>	\$16,040	\$11,332	\$4,390
Hospital	\$2,444	<b>\$12,641</b>	\$3,790	\$8,758	\$2,490
Church	\$1,322	<b>\$6,561</b>	\$2,210	\$3,205	\$1,210
Industrial Park- Light	\$2,157	<b>\$11,137</b>	\$1,690	\$3,294	\$1,220
Manufacturing	\$1,182	<b>\$6,107</b>	\$930	\$1,804	\$680
Warehousing	\$1,535	<b>\$7,931</b>	\$1,200	\$2,349	\$860
Single Family	\$2,189	<b>\$11,396</b>	\$2,582	\$5,462	\$2,173
Apartment	\$1,408	<b>\$5,229</b>	\$1,813	\$3,047	\$1,506

## How will the Proposed Impact Fee Effect Local Businesses?

Every industry in Lake County has a different story to tell and the proposed impact fee effect each different. In their own words local citizens and business people have identified how they believe the fees will impact them and their industry:

### Medical Industry



“The proposed increase in transportation impact fees related to hospitals and medical office/clinic buildings would have a very negative effect upon access to healthcare services in Lake County. It is already difficult to recruit providers to Florida and to Lake County for a number of reasons. One of those reasons is that a large percentage of the residents are on Medicare and that equates to lower reimbursement for the healthcare providers. The proposed increases would make Lake County even more economically unattractive to healthcare providers. There is already a significant shortage of physicians and other healthcare providers in Lake County and the last thing we need to do is to give potential healthcare providers another reason not to come to here.”

*Louis H. Bremer, Jr., President & Chief Executive Officer, Leesburg Regional Medical Center & The Villages Regional Hospital*

### Retail and Service

“Transportation impact fees, at the level proposed by Lake County, will destroy future commercial development and cripple an already weak economy in Lake County. Senior citizens in Lake County require the products and services offered by commercial businesses....without having to drive many miles to obtain these products and services.”

*Dan Gorden, General Manager, Hawthorne*

### Workforce Housing

“ There is already a struggle in this arena. With the proposed increase it will be nearly impossible for our County’s work force. We realize that not everyone can afford new construction, however when construction costs go up it moves the entire market up, meaning families cannot afford pre existing homes either. This is more than a housing issue, this is also an economic issue. If families cannot afford to live in our county, they are going to find employment where they can afford to live.”

*Kelly Pisciotta, Development/Public Relations Director, Habitat for Humanity*