

Weekly Update, February 29, 2008 from Director Public Affairs

Lee County Commissioners to revisit Impact Fees on March 11, 2008

The Lee County Board of County Commissioners have decided to wait two more weeks for their next regularly scheduled meeting (next week's meeting is cancelled) before deciding whether to roll back, waive or do nothing to Road impact fees. These are the only fees they have been discussing thus far. Fire, Park, EMS and School fees have not been further discussed. If they do take action, it would apply to all aspects of development; they cannot change only hotel or offices, for example, but it must be across the board on all types of uses.

Current Lee BIA members have strongly urged the Commission to take the rollback or temporary waiver action, as has REIS and several members of the real estate consulting industry.

Commissioners analyzed lowering at least the \$9,000 road impact fee, which had tripled last year and created a mad rush to pull permits prior to its affect, but waited to hear a projection from Community Development Director Mary Gibbs on what the new lower amount should be. She will be obtaining an estimate from their consultant Duncan and Associates by the March 11th meeting. She indicated her belief that a new analysis would lower fees by 10 to 20% due to the lower price of land, which is a major factor in the impact fee assessment formula. This may also create a lowering of school impact fees, which are presently undergoing a review at this time.

Commissioners agreed to begin work towards an estimated \$169 million worth of county public works projects, most of which are expected to be bid in the next couple months as their way to stimulate the economy. Last week's update provided a list of some of the projects being expedited, including the Plantation Road Extension, the new Northeast County public library, and several EMS facilities, among many others.

Dept. of Community Affairs Secretary Tom Pelham introducing new Planning Proposal

Florida Department of Community Affairs Secretary Tom Pelham says that the public is disillusioned by how the laws intended to manage growth have gone off-track.

Pelham believes local governments have been changing comprehensive plans too frequently. So Pelham has proposed changing the law again - but this time, to toughen its approach to growth and deal with the complaints of Florida Hometown Democracy's supporters. The centerpiece of his proposal: **a "Citizen's Planning Bill of Rights."**

Pelham's proposal would eliminate all but a few of the exceptions that now allow changing growth plans when local governments so desire. Instead governments would only be permitted plan amendments no more than twice a year. And if the regional planning council has recommended against the changes, then local government can only pass them with a supermajority vote - four votes out of five, for instance. This would be a significant change in the way these plan amendments are currently handled.

Before any land-use plan changes could be considered, the "Bill of Rights" would require holding a neighborhood or community meeting to talk about them. And developers

negotiating with neighbors and government officials would not be allowed last-minute changes to their amendment request immediately before a local government votes on it. Instead, no changes could be made less than five days before the vote.

Audubon of Florida say they support this new proposal, however, the Florida Home Builders Association opposes it as does State Senator Victor Crist, R-Tampa, who sits on the Senate Community Affairs Committee, indicating that his top priority is not tightening growth regulations, as he instead favors stimulating the economy, creating jobs and minimizing spending practices.

Pelham's view is that this is an alternative to Hometown Democracy, and that the Legislature needs to act now as Sarasota, Sanibel, Yankeetown and St. Pete Beach, to name a few - have passed their own localized versions of it.

Taxation and Budget Reform Commission Update

The Taxation and Budget Reform Commission members approved a plan that would eliminate the 25 percent portion of property taxes that pay for schools and restoring that \$8 billion for schools by raising the sales tax by a penny and eliminating some of the state's 246 sales tax exemptions, cutting the state budget, substituting new revenue expected to be generated by the economic stimulus these cuts would bring, or some combination of those. However, a tax on services did not make the initial cut by the Panel, although some members vow to revisit this issue again soon. FAR opposes any sales tax on services.

The same panel also approved a proposal to give all residential and commercial property owners a 25 percent tax exemption. In exchange, the state would boost the sales tax by a half penny for three years.

That plan heads to another committee, while the proposal to eliminate school taxes goes before the full Taxation and Budget Reform Commission. Commission proposals must clear a high bar to reach the ballot: 17 affirmative votes from the 25 members.

The proposal would also lower the cap on annual rises in property taxes for non-homestead properties from 10 percent to 5 percent, an element that also was in another proposal the committee approved last Monday.

That plan would exempt 25 percent of all property value above \$50,000 from taxation. To make back some of the lost revenue, the state would increase the sales tax by a half penny for three years, at which point the Legislature would decide whether to continue at that rate. The new exemption would replace the \$25,000 exemption that voters adopted on Jan. 29.

Under this plan, homesteaded property owners would decide each year whether to take the new exemption or to keep the 3 percent tax cap they receive from the Save Our Homes program. By offering a 25 percent exemption to all homeowners, this could potentially protect Save Our Homes from legal challenges on grounds that it penalizes second homeowners from out-of-state.

Rep. Nick Thompson co-sponsoring bill to eliminate Recapture Rate

Nick Thompson, R-Fort Myers, is co-sponsoring a bill to eliminate the recapture

provision of Save our Homes with Mike Haridopolos. The recapture rule essentially allows taxes to go up even if property values decline. The recapture rule was meant to allow taxing authorities to catch up and favors local governments.

The recapture rule calls for taxable values to rise by 3 percent or the consumer price index if the property values drop and that never happened until 2006 when approximately 50,000 homeowners in Lee County were affected according to the Lee County Property Appraiser's office. In some of these cases, market values went down but their taxable values went up 2½ percent as a result of the recapture rule put into affect in 1994. This was put into place as the state feared the impact of Save Our Homes.

According to the Naples Daily news, Thompson said he hopes that never happens again. Thompson has said that the recapture rule is unfair, as values are down but taxes still go up and it should absolutely be eliminated as it was a tax the public was not permitted to vote on.

Upcoming Events of Interest

An encore presentation of Market Watch 2008 will be presented on Wednesday, March 12th at the Education Center from Noon – 1:30PM. Denny Grimes will provide an inclusive overview of Lee County's residential real estate market and our local economy. Cost is \$10 for Passport/Members and \$20 for Non-Members. 50% of all monies collected from the Lunch and Learn will be donated to RPAC. This event is sponsored by the News-Press. Call 239/936-3537, ext 225/Gloria Creighton or ext. 224/Jennifer Azevedo to register for this event.

The Bonita Springs Area Chamber of Commerce and the Bonita Springs-Estero Association of Realtors Inc. (BEAR) will host Market Pulse 2008 on April 8. The event, to be moderated by NBC2 Anchor Kellie Burns, will provide community leaders with the latest outlook on the economy, real estate and current market trends. This year's speakers are Brad Hunter of Metrostudy, Gary L. Jackson of Florida Gulf Coast University and Charlene Greenblatt of Colliers Arnold. Market Pulse begins at 7:30 a.m. at the Three Oaks Banquet & Conference Center. Admission is \$45 per person. For more information and reservations, visit www.bonitaspringschamber.com, call 992-2943 or e-mail gabbi@bonitaspringschamber.com.

Great American REALTOR® Days ---The annual GARD is right round around the corner and this years event is scheduled for Tuesday, March 25th and Wednesday, March 26th and promises to be bigger and better than ever before! Hope to see a lot of our Association members there. For the first time, our Association is helping to sponsor a booth at the Downtown block party on Adams Street from 5:30 to 8:00 pm on the 25th, so we will be quite visible at this exciting statewide event. Save the Date!! Save the Date!! Save the Date!! RPAC Appreciation Party and Fundraiser April 17, 2008 from 5:30pm to 7:30 pm will be the 2008 RPAC Appreciation Party. Location and other information to be announced shortly. Sponsors are needed; please contact the Association or Marge Mathers, RPAC subcommittee chair for more details. A fun time will be had by all!