

## Builders seek zero impact fees

Move would encourage construction and promote new jobs, advocates say

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Some St. Johns County commercial developers plan to ask the County commissioners on Tuesday if they'd agree to suspend all impact fees for two years to encourage new business to locate here.

That's a major request in tough times because in 2009 the county collected \$7.3 million in impact fees.

However, Edward Paucek, spokesman for St. Johns County Builders Association, said impact fee relief would immediately attract outside business and industry to relocate or expand into St. Johns County.

"We've asked for this twice before. Staff is not supporting our request," Paucek said. "They don't want the loss of the revenue. But there is a substantial groundswell of support in the community."

He argues that with impact fees gone, the county would see more property and sales tax revenue, more high-paying jobs and higher property values, all of which could bring in more than is collected now.

"It takes political courage to try something that's not a tested situation," Paucek said.

But according to County Administrator Michael Wanchick, the impact fee issue isn't that simple.

Impact fees pay to offset the impact of new growth -- roads, parks, schools and emergency services.

"We recognize that the development community is experiencing very bad times," Wanchick said. "We're not unsympathetic. But by law we must have financial plan that accommodates new development. If we didn't have the impact fee revenue, we'd have to use tax dollars, which would be taxing our own residents to build facilities for newcomers."

Eliminating these fees would also be unfair to the developers, residents and businesses who already paid impact fees, he said.

"It would put them at a competitive disadvantage," Wanchick said.

Paucek said high impact fees are often "deal-breakers" and companies then choose areas that don't have them, such as Nassau, Clay or Putnam counties, which suspended or eliminated impact fees.

Duval County never had them but does impose a Fair Share system to pay for

transportation.

Businessman Randy Brunson of St. Augustine said that up to four years ago, real estate locators who select sites for business expansion or relocation would meet with Chamber of Commerce and local officials to tour undeveloped parcels here and view the economic landscape.

"Now they don't come to St. Johns County," Brunson said. "We're considered unfriendly to business. We need to be more focused on the economy and jobs."

Paucek said zero impact fees are supported by the St. Johns County-St. Augustine Board of Realtors, the North East Florida Builders Association, First Coast Manufacturing Association, North East Florida Real Estate Association and the Florida Materials Suppliers Association.

Nick Sacia, executive director of the Chamber's Economic Development Council, said the Chamber hasn't taken a position on impact fees.

"But if you make it cheaper to do business, we support that," he said. "It takes less capital. And (no impact fees) makes it possible to be competitive in the economic arena. But if you're not willing to lower impact fees, it's just another hurdle to overcome."

Wanchick said the County Commission can tie impact fees to the rate of inflation.

"But this year, the commissioners didn't do that," Wanchick said. "We're trying to work with the development community."

Paucek said impact fees were first imposed in 1990, then went up dramatically four years ago.

The fee on a 9,600-square-foot house before the 2005 increase was \$15,000. After, it was \$56,000, he said.

Nobody knows if there are mathematical models to show how the zero impact fee plan would work.

Paucek said, "At least they should give us the opportunity to prove it."

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