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## Builders want to pay to lure companies to Port St. Lucie

Builders willing to pay to lure jobs Group wants Port St. Lucie to create an economic development fee as incentive for companies to move here

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PORT ST. LUCIE — People building new homes could eventually be subsidizing big business in the city.

The Treasure Coast Builders Association wants the city to impose an economic development impact fee on new construction, residential as well as commercial and industrial.

Intrigued — and in negotiations with a California-based biomedical corporation — City Council has ordered City Manager Don Cooper to investigate the legality and practicality of the idea.

In theory, the economic development impact fee means cash for incentives to clinch The Burnham Institute's deal to bring a research facility to Port St. Lucie. The city is in negotiations with Burnham.

"It's the nature of the beast, particularly when you're dealing with biotech, which is very competitive, that you're going to have to deal with incentives," Cooper said.

But questions remain about for what, precisely, does an economic development fee pay? And is it legal?

"You have to use the monies for a definable, reasonable purpose," Cooper said. "What is economic development? ... I'm sure there is more than one way to skin the cat, but we haven't gotten that far yet."

Cooper said he plans to present possibilities at City Council's two-day workshop, Feb. 9 and 10.

Port St. Lucie might be the first municipality in Florida to impose an economic development impact fee.

Cooper said the city has not found any examples of a similar fee in the state. Don Root, executive director of the St. Lucie County Economic Development Council, also could not recall any area using an economic development impact fee.

Impact fees, which are paid by people building new homes or businesses, fund very specific improvements. Road impact fees pay for road construction. School impact fees pay for school construction.

Economic development impact fees would have to pay for a similarly specific project.

The Treasure Coast Builders Association suggested the city use the money to fund construction of a building to be leased to a business. City Council members suggested using the potential impact fee cash to purchase land for research facilities.

"It should be as flexible as we can make it," Councilman Jack Kelly said.

Kelly, local builders and other proponents of the impact fee say Port St. Lucie will be improved by attracting businesses like Burnham, which employs 750 people — many of them scientists — in its La Jolla, Calif., facility. They anticipate home values rising and wages increasing.

Root, guiding the Economic Development Council, sees the need for high-tech jobs and agrees that those companies require incentives. The only incentive the city offers now is waiving property taxes or permitting fees.

Still, Root added, a new impact fee might not be the answer.

"To be honest, I'm surprised the builders would suggest it," Root said. "It seems to me we've got to find another way to generate funding besides putting it on the back of homeowners."

City impact fees on a single-family house cost about \$3,000. St. Lucie County and the St. Lucie County public schools also charge impact fees.

Some council members, although eager to find a way to fund the costs of attracting new business, are wary and waiting for more details before they offer full support for an economic development impact fee.

"We definitely would have to use caution," Councilwoman Michelle Berger said. "Any time you're the first, you're a light to the world. People will look at you and say, 'Great job,' and other people will look at you and want to hit you with a bat." • Would be imposed on all new construction. Amounts have not been determined.

## Impact fee proposal

The Treasure Coast Builders Association has asked Port St. Lucie to consider imposing an economic development impact fee. The fee:

- Could help lure businesses to the city by paying for buildings or land.
- May be used in negotiations to persuade The Burnham Institute, a California-based biomedical research facility, to build in the city.
- Will be discussed during a City Council meeting on Feb. 9 and 10.

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