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## Impact fee changes explored

By [PETER GUINTA](#)

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Nicholas: County must increase residential, decrease its commercial and industrial fees

### Summary:

St. Johns County's residential impact fees should be higher, and commercial and industrial fees set lower, according to a study released Tuesday by James C. Nicholas Ph.D., a University of Florida emeritus professor of law, economics and urban planning.

[peter.guinta@staugustine.com](mailto:peter.guinta@staugustine.com)

St. Johns County's residential impact fees should be higher, and commercial and industrial fees set lower, according to a study released Tuesday by James C. Nicholas Ph.D., a University of Florida emeritus professor of law, economics and urban planning.

Nicholas calculated the proposed fees by updating the estimated costs for new roads, parks, fire protection, law enforcement, public buildings and schools, as required every five years by Florida law.

"The cost for building a road has risen 19 percent over the past five years. The population using St. Johns County parks is up 22.8 percent," he told the County Commission and School Board at their joint workshop. "You can set the fees at wherever level you want with one proviso: You've got to treat everyone alike."

Nicholas, who resides in Gainesville, proposed two options: A and B.

Option A is based on his research and excludes public education impact fees. Option B is exactly the same, only 25 percent lower than Option A.

Under Option B, for example, there'd be no rise in residential impact fees. They would stay level.

County Administrator Michael Wanchick said the county collects \$4.5 million a year in impact fees, but he didn't know if that would go up or down when new rates are adopted.

"It depends on growth," he said. "Option B is a fair middle ground. But whatever we change has to be based on current costs."

Nicholas wrote the county's original impact fee schedule in 1987, updated it in 2005 and was hired to recalibrate fees using the most recent numbers.

### Study findings

In part, his study said:

\* A new home of less than 1,800 square feet should pay \$6,434 in impact fees rather than the \$4,863 it would pay now. That is a 32.3 percent rise, the largest of the suggested increases.

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\* A new industrial structure would pay \$2,287 per 1,000 square feet rather than the \$3,017 it would be charged now, a 24.2 percent decrease.

\* A commercial building of less than 100,000 square feet would pay \$3,544 per 1,000 square feet rather than \$5,711 it is charged. That is a 37.9 percent decrease.

The above costs do not include impact fees for schools.

The greatest reduction is 87.7 percent for colleges in the institutional category.

School pockets empty

School enrollment is declining throughout Florida, but not in St. Johns County.

Tim Forson, assistant superintendent for school operations, said the St. Johns County School District sees about 800 new students a year.

"They are spread out all over, but that's equivalent to one new school a year," Forson said. "Debt service and maintenance costs make up a higher percentage of the School Board's budget. The impact fees are one of our primary ways to pay off debt."

Over the past five years, the district has collected \$5.5 million in impact fees.

But dropping property values and unfunded mandates by the Legislature meant the district had to borrow to keep building.

Six new schools will be required by 2015, nine more by 2020 and eight more by 2030.

School Board member Bill Mignon said local voters had defeated a school millage increase and statewide voters defeated an amendment that would have relaxed the class-size mandate.

"Both would have helped us tremendously," he said.

The updated school impact fees represent the actual cost to the district of absorbing new students. Less impact money coming in, school officials said Tuesday, will mean more and more portable classrooms.

Superintendent of Schools Joe Joyner said funds for building new schools are down 40 percent.

"I don't think we can overemphasize the dire situation that the school system is in with capital funds," he said. "A choice has to be made in where we are headed with our schools."

Roads, parks, fire

Nicholas projected that road impact fees for residential should be 40 percent higher and for nonresidential up to 29.3 percent lower.

For a house smaller than 1,800 square feet, fees should be \$4,591 rather than today's \$3,262.

"What are roads made of? Oil, rock and land," he said.

Nicholas said St. Johns County park acreage increased 76 percent over the past five years from 1,542 to 2,781 while the county's population grew.

"As a result, the cost per capita decreased, and therefore park impact fees decreased," he said.

For both smaller and larger single-family homes, park impact fees should be \$480, not the \$663 they are now, a 27.6 percent decrease.

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But for hotels and motels, park fees should rise from \$72 to \$85 per room.

For the fire-rescue service, Nicholas said costs went up across the board.

And they went up a lot.

\* Vehicle costs increased 126.1 percent.

\* The cost for fire stations increased 148.9 percent.

\* The cost per call increased 131.1 percent.

The numbers showed that fire-Rescue calls at residential housing are up 22 percent, while calls at retail and commercial structures are up 132 percent.

"As a result of updated data, increased fire and rescue impact fees could be supported," he said.

"Fire-rescue has probably changed more than any other part of government over the past years."

Look forward

Assistant County Administrator Darrell Locklear said the county would love to lower impact fees across the board to attract industry.

"Impact fees have become an element to support the debt obligations the county is currently facing. Uncertainty can cripple the development industry," he said.

School Board member Tommy Allen suggested that both boards sue the Legislature for taking school construction money from the counties and using it for other purposes.

"Let's get them to do what they are required to do under the constitution," he said.

Colleen Wood of 50th No More, an organization dedicated to improving Florida schools, supports higher impact fees.

"New residents bring new impacts and it's fair that they pay some of that cost," she said.

Ed Paucek, a builder representing the St. Johns Builder's Council, told the boards that he'd asked for a temporary suspension of impact fees two years ago, but didn't get it.

"Even with the 25 percent reduction, I'm afraid that the result of what you propose will be anemic," he said.

What's Next

Feb. 1: St. Johns County Commission will discuss county impact fee categories and Board direction.

Feb, 11: School Board's recommendation received by County Commission.

March 1: County Commission public hearing and adoption of updated impact fee ordinance.

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