

Luxury auto dealer balking at \$1 million in impact fees in Stuart

By George Andreassi

Thursday, May 24, 2012

STUART — Impact fees totaling as much as \$1 million for three luxury auto dealerships planned on U.S. 1 could kill the \$20 million-plus project, the developer's representative said.

However, Mario Murgado, the president and CEO of Brickell Motors of Miami, hopes to negotiate much lower fees, said Jose Martinez, the auto magnate's representative. The fees are generally used to pay for the traffic and other infrastructure changes created by new developments.

"Depending on the final square footage, it could absolutely push it over \$1 million," Martinez said about the impact fees. "That's a pretty insane number. It was a deal killer."

If the impact fee issue can be resolved, Murgado would like to open Audi and Infiniti auto dealerships in Stuart in early 2013, Martinez said. A third luxury dealership would follow.

But if the fees remain too high, another option is to develop the auto dealerships in Fort Pierce at a savings of as much as \$5 million, Martinez said.

Faced with the potential loss of 115 jobs and hundreds of thousands of dollars in tax revenue, Stuart and Martin County officials said they would look into the impact fee issue.

Stuart City Manager Paul Nicoletti, who has final say on the impact fees for the auto dealerships, said he hopes a deal can be worked out to keep the dealerships in the city. The City Commission approved the plans for the project on March 26.

"We don't want to chase them away. We don't want them to leave and go somewhere else," Nicoletti said. "It's a good employer, a good business — good for the city, good for the county."

Murgado's development team anticipates submitting a traffic study to Stuart city officials showing the luxury auto dealerships will have much less of an impact on roads and other public facilities than a variety of different businesses that have lower fees, Martinez said.

The total city and county impact fees for the three auto dealerships amount to \$11.74 per square foot, Martinez said.

"Is it fair for what we're doing for the community to have to pay what normally across the state would be about a third of this?" Martinez asked. "We believe the real impact fee prices should be probably between \$2 and \$4 per square feet."

At \$4 per square foot, the 93,000-square-foot project would incur a total of \$372,000 in city and county impact fees.

Martin County commissioners decided Tuesday to discuss impact fees and the auto dealership project at their June 5 meeting.

"Right now I would put the cost of increasing jobs and increasing the economy, getting people back to work in front of impact fees in a heart beat," County Commissioner Doug Smith said.

County Commission Chairman Ed Ciampi said he wants to know if the county's economic development funds could be used to reduce the impact fees for the auto dealership project.

But County Commissioner Sarah Heard questioned the wisdom of giving the auto dealership developer a break on impact fees because it would prompt others to ask for similar deals. The fee revenue is needed for government facilities to accommodate new development, Heard said.

"They need to pay their fair share," Heard said during a break in Tuesday's commission meeting. "They're creating over \$1 million in impacts."

Heard said she doubts the luxury auto dealers want to set up shop in Fort Pierce because Martin County has more affluent residents.

But Martinez said Murgado could save a total of \$5 million in land costs, construction expenses and impact fees by developing the dealerships in Fort Pierce.

"If you just take the impact fees, which we believe Fort Pierce would waive — \$1 million," Martinez said.

"As of right now all the consultants are on hold waiting to see what the outcome of these impact fee issues will be," Martinez said. "I've got my rose-colored glasses on. I'm hoping common sense will prevail. I think everybody wants to keep this business in Martin County."

Nicoletti said his decision on the impact fees for the auto dealerships would depend largely on the results of the traffic study.

"If his employer who is the car dealer is saying, 'Hey you know it's going to cost \$1 million to do this and I can go up the street,' I think we all need to pay some attention to that," Nicoletti said. "Hopefully, we keep them. That's my goal."

MAR-STUART COMMERCIAL PLANNED UNIT DEVELOPMENT

Location: West side of U.S. 1, north of Advantage Ford

Site size: 12.31 acres

New construction: Three buildings totaling 93,000 square feet

Occupants: Audi dealership, Infiniti dealership and a luxury auto dealership to be named later

Total impact fees at \$11.74 per square foot: \$1,091,820



© 2012 Scripps Newspaper Group — Online