

## **Editorial: Port St. Lucie gambles with taxpayers' future by reducing impact fee on developments**

By Editorial Board

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Port St. Lucie hopes to lure businesses and jobs to the city by offering rebates on city road impact fees charged to developers.

While the goal may be admirable, the reduction in impact fees could put an increased burden on other taxpayers to pay for road construction projects needed to deal with the growth resulting from the new developments.

Impact fees in Port St. Lucie, St. Lucie County and elsewhere throughout Florida have a purpose. While those fees for such public projects as roads, fire stations and schools rarely cover the full costs of those projects, they go a long way in protecting taxpayers from substantial increased financial burdens caused by new developments.

But under a program approved by the city, businesses applying for building permits from Dec. 1 through the end of this year will be eligible for a 50 percent rebate in road impact fees if the developments receive a certificate of occupancy within 30 months of a permit's issuance.

During the temporary rebate program, city officials plan to review all impact fees charged by the city to determine if they are in line with fees charged by other local governments and with the actual costs associated with the need for public infrastructure projects.

According to City Manager Jerry Bentrutt, the city has not updated its impact fee schedule in six years. Considering the substantial changes in construction costs, market conditions and population shifts during several years of economic downturn, such a study is long overdue. It would have made more sense for that study to have been done before the 50 percent cut in road impact fees.

Few would disagree with the notion that Port St. Lucie should encourage investment that might create new jobs, but potentially putting an additional burden on other taxpayers doesn't seem the most equitable way to proceed.

And, according to a 2010 study conducted by Florida State University, which analyzed reduced or eliminated impact fees throughout jurisdictions in Florida, no evidence was found that lowered fees increased development in those jurisdictions.

In part, the study said, "The results indicate there is no significant relationship between the two variables. This finding will certainly not end the debate about the effects of impact fees on development activity, but hopefully will inject some rationality into a discourse that up to now has been largely dominated by wishful thinking."

Port St. Lucie is embarking on such wishful thinking without evidence that lowering fees actually will lead to the creation of jobs. But it also is unclear whether other taxpayers actually will have to pick up more of the tab for public construction projects required to pay for commercial growth. That is, however, the risk the city is taking. How much more risk can taxpayers accept?



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