

# St. Johns Raises Impact Fees on Residential Construction, Decreases Them on Commercial | FlaglerLive

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Impact in St. Johns. (© FlaglerLive)

The St. Johns County Commission last week raised impact fees on residential construction between 13.5 and 16.5 percent, depending on square footage. The county lowered impact fees on commercial and industrial construction.

For houses smaller than

1,800 square feet, the impact fee will rise from \$7,276 to \$8,259. For houses larger than 1,800 square feet, the fee rises from \$10,122 to \$11,796.

In Flagler County, in comparison, the *combined* impact fee on single-family homes (including education, park and transportation impact fees) is \$5,306. In Palm Coast, it's \$8,928.

Some local elected officials, echoing the desires of building and real estate interests, want to put a moratorium on impact fees to spur a return to development. St. John's action contrasts sharply with those discussions. Don Tobin reported in December that 19 Florida counties either lowered or suspended impact fees.

Impact fees are levied once on new construction. It's a form of taxation designed to defray the impact of new construction. For example, a new house is assumed to bring new residents who'll use roads, schools and parks. Property taxes alone cannot cover the cost of those services. Impact fees fill in some of those costs, but still don't cover the entire cost of development to local governments.

The St. Johns County Commission adopted the new fees unanimously on March 1. The revised impact fees there are the result of the legally required process to ensure impact fees are based on the most recent and localized data. James Nicholas, the University of Florida's former associate director of its environmental and land use law program, conducted the impact fee studies for St. Johns. The studies analyzed the actual cost of addressing the impact of new development on roads, public buildings, law enforcement, fire & rescue and parks and recreation and education.

The combined reductions of impact fees on on-residential construction averages to 49 percent, double the

reduction recommended by Nicholas.

Those reductions break down as follows:

- 42.7 percent reduction for general industrial from \$3,017 to \$1,729
- 60.4 percent reduction for offices less than 100,000 square feet from \$7,416 to \$2,937
- 40.9 percent reduction for commercial less than 100,000 square feet from \$7,142 to \$4,218
- 17.8 percent reduction for medical offices from \$7,517 to \$6,181
- 64.3 percent reduction for hospitals from \$8,300 to \$2,963
- 29.1 percent reduction for hotel/motel rooms from \$4,421 to \$3,133

Impact fees in St. Johns fund approximately 33 percent of the county's capital improvement program. Of the \$4.5 million per year in capital revenue currently generated from impact fees, \$3 million is used to finance county debt. Impact fee reductions are effective immediately. Impact fee increases become effective on June 1.

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