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St. Lucie Commission debate the merits of increasing impact fees on new homes

By Staff Reports

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ST. LUCIE COUNTY — County commissioners on Tuesday questioned whether raising or lowering impact fees had any effect on the construction industry as they discussed following staff recommendations to raise the fees nearly \$3,000 for new homes.

Impact fees are taxes designed to pay for the demands on parks, public buildings, law enforcement, fire protection, libraries and schools that new developments create. The fees provide the county a way to pay for such growth without taxing every household in the county.

Martin and Indian River counties have temporarily frozen the collection of some impact fees, and representatives from the Treasure Coast Builders Association asked the county Tuesday to do the same.

If St. Lucie County goes with staff recommendations, its impact fees would increase from \$9,601 to \$12,582 for new single-family homes on the mainland. The increase would begin April 1, 2010.

The county also could phase in the impact fees, which Commissioner Paula Lewis recommended.

Commissioners did not vote on the measure. The county has to have two public hearings on the item and the second will be held Dec. 1.

Consultant James Nicholas, who analyzed the county's impact fees, told commissioners that he has not seen a correlation between impact fees and new construction.

"There have been no observable effect on the pace of construction," Nicholas said.

Commissioner Chris Dzadovksy agreed.

"I'm not prepared to put the cost of infrastructure and development on the backs of current citizens," Dzadovksy said.

Commissioner Doug Coward said the if people has information to suggest a link between impact fees and new construction, he would like to see it before making a decision.

Commissioners needled Kirk Sorenson, who does impact fee analysis for the Treasure Coast Builders Association, over his request to decrease or temporarily hold off the increase in impact fees. Sorenson argued that new impact fees could inhibit future growth and prevent small businesses from coming to the county.

Former Treasure Coast Builders Association President Don Santos also requested the commissioners hold off on imposing the fee increases.

"I'm not asking to discontinue impact fees," Santos said. "I'm not telling anyone that impact fees are wrong as a concept. What I'm saying is that we as a community need jobs."

Commissioner Chris Craft and Commissioner Charles Grande argued that smaller businesses typically would rent a previously constructed facility as opposed to building a new facility. Those renting do not pay impact fees directly.

The county updates data periodically to determine the cost of growth and assess impact fees. Coward said he would prefer to focus the discussion on whether the data collection method was accurate as opposed to whether the county should subsidize new housing.

"Let's not artificially subsidize an industry, let's retrain them," Coward said.



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