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Developers tell St. Johns County lower fees would spark growth

BY PETER GUINTA | STORY UPDATED AT 3:54 PM ON FRIDAY, SEP. 18, 2009



A large contingent of St. Johns County builders, developers and material suppliers said they would support the county's impact fees if it would suspend or reduce its high impact fees to encourage business and development.

"If we sell nothing, nobody gets anything," said Ed Paucek of the St. Johns County Builders Association.

The commission's answer: Let's hold a workshop.

Local builders said they often talk to people who come to St. Johns County once they learn of the county's impact fees that add \$100,000 or more to utility hookup fees, the newcomers decide it's cheaper somewhere else.

Florida has the second-highest average impact fees in the U.S., second only to California.

By the numbers

Mike Davis of the A.D. Davis Construction Co. said these are the toughest

"If people see they must pay \$50,000 to \$100,000 in impact fees for a development, they'll go elsewhere," he said, saying impact fees have become 5 to 16 percent of the total cost of a project, up from 25 percent. Every time we lose a project to another county, our residents

However, Growth Management Director Suzanne Konchan said impact fees have been suspended or waived in eight of Florida's 35 counties.

"But no empirical data can be obtained indicating (that) waivers have resulted in significant additional development," she said.

Impact fees for 2009 amount to about \$10.8 million. In 2010, they'll be about \$11.1 million.

She also presented a list of road, park and public safety improvements that will be deferred if impact fees are suspended. In addition, she said, "It's a detriment to the development of developments who have previously paid impact fees."

County statistics show that in 2001, 1,968 building permits were issued. In 2009, there were 978.

'Soon' may be 'never'

Some employers said that half their employees are gone and that they pay far less in taxes than they have in previous years.

Ed Cooksey, 85, said he wants to expand his campground, but, "I'm not giving you \$120,000 so I can build on my own land."

Fred Ashdji, a St. Augustine Beach builder, said he wants to build a \$20 million hotel there but said impact fees and permits alone will

"'Soon' may be 'never,'" he said. "It would have hired 50 employees and gross \$7 million annually. It would also collect \$250,000 a year."

However, impact fees are also used to finance schools.

Tim Forson of the St. Johns County School District, said they are central to the district's building programs.

"In 1987 we had 10,000 students and 13 schools. Now we have 29,000 students and 32 schools," he said. "Fees paid for four schools

Konchan said the county is trying to create new concurrency rules to help small businesses and developments. It's also not raising impact fees. County staff is proposing a 5-year impact fee payment option on projects whose fees exceed \$100,000.

The commission said it wanted to hold a workshop within 60 days on impact fees.

Frank DiMare of DiMare Construction said, "People coming to St. Johns County to open a business get the impression that 'The county an environment that cultivates business, cultivates a thriving economy.'"

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