

Editorial: Impact fee moratorium in Fort Pierce unlikely to have much positive effect

Decision to stop collecting impact fees appears more political than good public policy

Staff Reports

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Local governments should do what they can to stimulate the economy and create jobs. But, that doesn't mean they should do so at the expense of taxpayers who have enough burdens of their own.

Earlier this month, the Fort Pierce City Commission imposed a one-year moratorium on impact fees, which developers normally are required to pay to help fund infrastructure projects necessary as a result of the growth the developers create.

The goal of impact fees is to reduce potential costs for existing taxpayers.

By the city deciding not to require impact fees for the time being, the burden for financing infrastructure needs shifts totally to the taxpayers.

And, because of the city's tight budget, city Planning Director Matt Margotta said the revenue lost from impact fees may have to be offset with increases in taxes, such as on gasoline, sales or tourism.

The St. Lucie County Chamber of Commerce, which supported the moratorium, noted that the step may not be as beneficial as it otherwise might be. President Linda Cox said, "While this is a great step, we strongly recommend that the city consider a comprehensive approach to stimulate development. Waiving impact fees while increasing other fees will not accomplish the overall goal to encourage business growth and development."

But, this is an election year and Mayor Bob Benton, who is running for a seat on the St. Lucie County Commission, pushed the moratorium, saying, "To me, it's something very simple. ... It's a mechanism we go to the table with to say we're business friendly. ... It's not going to cost us anything right now."

If the goal is to stimulate business development in the city, there may be far better ways to do so than stopping the collection of impact fees. Streamlining permitting, for example, and reducing utility costs could be more helpful.

Although he voted in favor of the moratorium, Commissioner Tom Perona said, "I'm not convinced that by abating impact fees that we're going to have people rushing to our planning and building department trying to build their stuff."

A 2010 study by a consulting firm and Florida State University found little relationship between impact fee reductions and increased building permits.

And, Ken Small, the financial technical assistance manager for the Florida League of Cities, said some 25 to 30 cities in the state have suspended impact fees and they "have gotten no positive effect from them."

Small said, "You're giving a savings for those few who would be constructing anyway and they're not providing dollars for future expansion that's attributed to their increase in growth so the taxpayers would have to pick up the difference."

By putting the moratorium on the collection of city impact fees, Fort Pierce may give the appearance of encouraging economic growth and jobs. But, the reality is usually different and the need to finance infrastructure growth is only shifted to others.

This may be good politics, but it's not good public policy.



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