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TREASURE COAST GOVERNMENT ACCOUNTABILITY

## INDIAN RIVER COUNTY LOOKING AT LOWERING BUSINESS IMPACT FEES

By Henry A. Stephens

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INDIAN RIVER COUNTY — When County Commissioner Tim Zorc considers the \$555,600 in impact fees paid by the 400,000-square-foot CVS distribution center, on State Road 60 west of Interstate 95, he says, something isn't right.

"It's a big building, but it doesn't generate a big (truck) trip rate," he said Friday. "For a building that size, you'd think they'd have hundreds of trucks coming in and out using our roads. But because of all the automation, there are just 26 trucks a day leaving for deliveries."

Zorc wants the county to allow for things like efficient delivery systems, instead of just square footage, when calculating impact fees for new businesses building in the county.

Impact fees are one-time charges the county levies on new homes and businesses, as well as expansions, to offset the increased costs in roads, parks, fire stations or other county services required by the new residents or customers.

Residents or businesses moving into an existing structure are spared these fees. But they are part of the costs when building a new structure — even when they're relocating within the same city.

The fees are paid by the builder, but passed on to the property owner or buyer. Indian River County levies impact fees to pay for new roads, fire-paramedic stations, sheriff's patrol cars or other law-enforcement capital, libraries, schools and parks and recreation facilities.

In the years since 2006, with a sluggish economy, county commissioners have been chiefly concerned with fees levied on commercial structures. They say those fees could discourage someone from building in the county and hiring workers to ease the unemployment rate.

After suspending the libraries, school and parks fees on new businesses in recent years, commissioners on Tuesday agreed to seek a consultant to study the county's needs and costs and recommend possibly lower fees.

County rules call for a new study every three years to update the impact fee calculations, Community Development Director Bob Keating said. In coming weeks, he said, the county would advertise a request for proposals.

The next study, he said, will incorporate a focus on decreasing fees levied on businesses without making new homebuyers pick up the slack.

Helene Caseltine, the economic development director for the county Chamber of Commerce, hailed the county's new impact-fee focus.

"There are many areas in Florida, even now, that don't charge impact fees, and that's what we're competing with," Caseltine said. "At the end of the day, a business owner is going to look at his bottom line."

Ninety percent of the county's impact fees go toward new roads. If businesses get a big decrease there, Caseltine said, that doesn't mean needed new roads won't get built.

In fact, Keating added, the costs of building a road have decreased in the last five years. The consultant will determine just how far they have dropped, he said, but it should mean the county can keep up with road needs with less money.

Maddie Williams, executive director of the Treasure Coast Builders' Association, said a decrease in commercial impact fees would do well for her members.

"More businesses would come, more people would be served, and then more houses would be needed," she said. "It's all good."

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