

County: Study impact fee equity

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At a St. Johns County Commission workshop on impact fee questions, the commission decided to explore fair alternative ways to cover the cost of infrastructure yet still encourage business and industry to relocate here.

That seemed reasonable to the dozens of local builders, contractors and business owners who came to County Auditorium on Tuesday to ask the commission to waive or lower high commercial impact fees.

"There is no true economic incentive program in St. Johns County," said Ed Paucek, spokesman for the St. Johns Builder's Council. "Businesses go elsewhere. They don't come here."

He reminded the board that their campaigns all promised job creation and economic development.

Paucek suggested a few alternative ways of attracting industry: lowering or rebating new commercial utility connection fees, creating enterprise zones, putting money aside for job creation and taking a fresh look at commercial impact fee rates.

That last is what the commission decided to do.

Ben Williams of Fruit Cove said the fees are too high.

"We need to be business friendly," he said. "It's business that creates wealth and puts dollars into the pockets of our citizens. That makes it hard to understand why we should do something so foolish and counterproductive as overtax business."

The county uses business to subsidize residential development, creating an inequity, he said.

Businessman Michael Hirshberg of Jacksonville, whose company owns shopping centers in Florida and other states, said he would like to see any relief on impact fees.

"The last thing you want to do is choke out the motor you want to start," he said.

Construction company owner Michael Davis asked the commission to roll back the rates to 2004.

"What it's killing is local growth, the Mom and Pop stores that are the heart of this community," Davis said. "When people find out that impact fees are 15 to 20 percent of the cost of the building, they go to Clay County."

Commissioner Ken Bryan said impact fees don't seem to have raised the price of a home at all.

In 2007, he said, a 1,800-square-foot house cost \$130 per square foot and was worth \$234,000.

In 2009, that same type house costs \$80 per square foot to build and is worth \$144,000.

He thinks the builders should work with the county to determine a solution.

Commissioner Mark Miner said the county didn't need or want residential development.

"It doesn't pay for itself," he said.

Vice Chair Ron Sanchez said the county has \$222 million in development agreements that are being paid off by impact fees. In other words, developers have built roads, water lines and other infrastructure and the county pays them back for that with impact fees.

"I'm willing to look at any (idea about impact fees). Impact fees will never fund what they are supposed to fund. It's only a small amount," he said.

The commission's consensus was for a committee to examine the impact fee ordinance and see if, as Commission Chair Cyndi Stevenson said, there can't be "a more robust incentive program."

Other ideas include a deferred incentive program, job centers, lower fees and enterprise zones.

County Administrator Michael Wanchick said a review of the ordinance would cost \$20,000 to \$25,000 and take six to eight months.

"There are a lot of things we can do, but waiving impact fees isn't one of them," he said.

Where impact fees are used:

Road improvements -- 46 percent

Schools -- 25 percent

Other public facilities -- 29 percent

(This includes parks, fire and law enforcement)

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