

County approves higher impact fees

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St. Johns County dramatically hiked impact fees for new residential and commercial structures Wednesday night, and some in the construction industry hinted broadly that they might sue.

The new ordinance mandates new homes under 1,800 square feet to pay \$6,685. Homes larger than that pay \$9,299.

Previously, the average home paid about \$2,640.

Ed Paucek, speaking for St. Johns County Builders Council, which opposed the new ordinance, said after the vote that the increase will be "traumatic" for the building and construction industries here.

"It appears we got thrown under the bus," Paucek said.

Commercial fees were even higher. A 9,600-square-foot business paid \$12,200 under the previous ordinance but now will pay a whopping \$62,995.

"You won't see the effect right away," Paucek said. "But if interest rates go two points higher, we'll see people simply not being able to afford it."

After the decision, Vice Chairman Jim Bryant asked the board to revisit the county's Targeted Industries Incentive Program, to encourage needed business to come.

"We're going to have to do something to get these industries in here," Bryant said.

His motion passed 5-0.

The new impact fee ordinance goes into effect May 1.

Assistant County Administrator Scott Clem said permitting, wetland impact as well as right-of-way acquisition had driven up the cost of roads. The need for infrastructure was what drove the need for new, higher impact fees, he said.

"We fully expect to be inundated with new applications before the deadline," Clem said.

"That allows builders to at least attempt to get their applications into the county."

Supporters of higher impact fees -- including the St. Johns County Planning and Zoning Agency -- urged commissioners to accept the recommendations of a University of Florida consultant at 100 percent.

Don Beattie, a Northwest resident, said, "The county has a history of spending tax dollars for expert studies and then ignoring them. If it needs to be modified downstream, so be it. Get it on the books."

Commissioners said they didn't want to kill affordable housing. No one is exempt from paying impact fees, but adding even a few thousand dollars to the cost of an affordable home would price it too high for most working families.

Bill Lazar, director of St. Johns Housing Partnership, said most workforce housing is being built out of the county.

Lazar suggested there are other ways to raise money.

"It's time for everybody to pay their fair share," he said.

Commission Chairman Bruce Maguire said the county would raise the fees, "But the question is, 'How much?' We cannot focus on money. We have to look at the community as a whole. We have to think about the smaller builder who is already here."

Paucek said the builders could understand a two-fold increase, but he said the numbers approved were "untenable," and called the ordinance "a dramatic shock to the building industry." He said the builders had a "war chest," suggesting that they might sue for lower fees.

Robert Marshall, chairman of the Builders Council, said Nassau County built 680 homes last year.

"(St. Johns County) can lose its edge," he said. "Nassau County would love another 2,000 homes."

Kari Hall Keating, of the Chamber of Commerce, said tripling impact fees could put the county at a competitive disadvantage in attracting new business.

Fred Halback, chairman of the Chamber, said one example was a company seeking to put a 1 million-square-foot call center here that under the old ordinance would pay a \$2 million impact fee. Under the new one, however, that would rise to \$7 million.

"That is a deal-killer to big businesses in this county," Halback said.

He suggested raising gas or sales taxes or working with the Legislature to get a law allowing a transfer tax.

"We wish you would get a second opinion," he said. "Economic development is a quality-of-life issue and these increases will stifle it."

Clem defended the numbers offered by James Nicholas, who did the study.

"Most of the data came from county and School Board staff," he said. "It's based on valid data that is widely used and been found acceptable in court cases."

Commissioner Ben Rich, who preferred a six-tiered approach instead of the two-tiers adopted, said he supported the findings by Nicholas.

"I'm very reluctant to dismiss, change or alter the conclusions of an expert we hired," he said. "I'm comfortable the (ordinance) can be clearly defended in court. I have a feeling we may end up there."

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