

## **Editorial: Fort Pierce city commissioners should back off from impact fee moratorium**

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By Editorial Board

Friday, March 15, 2013

Fort Pierce commissioners agreed this month to raise taxes on all city residents and property owners.

But, that's not what they'll admit in their decision to initiate a one-year moratorium on the collection of impact fees on new developments.

Rather, they're claiming that the moratorium will encourage builders and developers to undertake projects within the city to boost the city tax base and provide jobs.

That's contrary, however, to multiple studies that have shown no connection between lower impact fees and increased building permits.

City commissioners began considering a moratorium on impact fees last October and on March 4 gave tentative approval. A final decision is expected Monday.

Before they make that decision, they should reconsider the strong recommendation from city staff — the professionals — not to adopt the moratorium.

The commission adopted an impact fee ordinance in 2008 to provide funding for parks and recreation, government buildings, solid waste, stormwater and transportation needed to offset city costs associated with new developments.

But, the city set the fees at 60 percent of the actual costs, meaning that 40 percent of the costs would be borne by city taxpayers. And, the city agreed to charge no impact fees in its enterprise zone in an effort to spur building activity.

So, city residents already are subsidizing infrastructure needs brought on by development.

Under the proposed moratorium, residents would subsidize any improvements made during the next year at 100 percent of the cost.

St. Lucie County considered suspending its impact fees, which are considerably higher than those in Fort Pierce, several years ago but decided against doing so because of the lack of correlation between the fees and building activities. More recently, the county actually increased its impact fees to reduce the burden on county taxpayers for infrastructure improvements.

In a February memo to city commissioners, city Planning Manager David Carlin wrote in part, "No alternative funding source has been identified to complete capital projects needed to serve new development should the moratorium be approved."

Under "fiscal impact" of a moratorium, he wrote, "Significant impact placed on taxpayers or residents who will subsidize new development. Higher taxes, user fees or special assessments will be needed to serve new development."

As an alternative to a moratorium, Carlin recommended impact fees be increased from 60 percent of costs to 100 percent and be regularly adjusted upward based on inflation.

Commissioners who supported the moratorium in a vote earlier this month are proposing impact fees of 0 percent. But, that's only the revenue the city would receive. County impact fees would remain in place.

For the taxpayers of Fort Pierce, the proposed moratorium is a lose-lose proposition. City commissioners should be giving more attention to them rather than some "feel good," "business friendly" gesture with little evidence that gesture may be beneficial to their constituents.

#### FIRST READING

#### IMPACT FEE MORATORIUM

#### FORT PIERCE CITY COMMISSION

#### MARCH 4

Mayor Linda Hudson: Yes

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Commissioner Rufus Alexander: Yes

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Commissioner Eddie Becht: Yes

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Commissioner Tom Perona: No

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